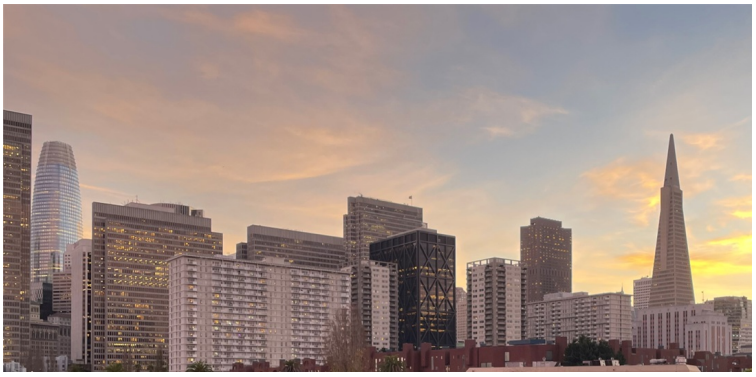
HM Venture Partners



HM VENTURE PARTNERS NEWSLETTER
MID-YEAR REVIEW 2024

As we reach the halfway point of the year, we are thrilled to share with you our Mid-Year Review for 2024. At HM Venture Partners, we remain committed to identifying and investing in the most promising medtech and biotech startups and entrepreneurs. In this review, we will discuss how we position ourselves to navigate this rapidly evolving healthcare ecosystem. Importantly, we also present an overview of several of our companies in our HM Healthcare Fund I (USD) that have achieved significant milestones and secured additional funding. We are proud to report that our portfolio has continued to grow and thrive.

This year, the remarkable transformation occurring in the global healthcare landscape results from unprecedented drivers shaping the future of healthcare. The key drivers that have most impacted our position include:

- Big Pharma Investment: With $1 trillion to spend on innovations, big pharmaceutical companies are increasingly sourcing companies with high potential and that can also enhance their R&D capabilities.
- Technological Advancements: Improved diagnosis and treatment are being enhanced by the adoption of generative artificial intelligence that can streamline processes as well as collect, manage, and analyze big data.
- Demographic Shifts: The growing aging population is driving evolving patient needs. According to the National Council on Aging, 90% of the population over age 60 suffers from at least one chronic disease, while 80% suffer from two or more, including hypertension, arthritis, coronary heart disease, diabetes, and chronic kidney disease.
- Environmental Concerns: Climate change and environmental issues are leading to a higher incidence of respiratory diseases, heart disease, and certain types of cancer.
- Drug Repurposing: Identifying existing drugs and applications with potential for repurposing can reduce time and costs compared to initiating new R&D programs.
- Clinical Trial Optimization: Enhancing efficiency in clinical trials, including improved patient recruitment, real-time data monitoring, and faster regulatory approval.

Having concluded the first half of 2024, HM Venture Partners (HMVP) remains responsive to these drivers in helping select breakthroughs with the highest potential to fill the greatest needs and to streamline processes for accelerated progress. Our ultimate objective is to transform promising medtech and biotech innovations into successful therapies that will deliver the most value to our investors and improve the quality of lives.

Osteal Closes $50 Million Series D to Support Commercial Launch for Orthopedic Infections

HMVP's portfolio company, Osteal Therapeutics, Inc. ("Osteal") is a clinical-stage biopharmaceutical company that is developing a new category of combination drug/device therapies for orthopedic infections. Based in Dallas, TX, Osteal recently closed an oversubscribed $50 million Series D round, led by Zimmer Biomet with returning investors Johnson & Johnson Innovation – JJDC, Inc., HMVP, and Gideon Strategic Partners. The proceeds will advance the development of Osteal's portfolio of therapies, including the submission of a New Drug Application (NDA) for, and accelerated commercial launch of, VT-X7 for a 7-day treatment of periprosthetic joint infection (PJI) of the hip and knee.

PJI is a potentially very serious complication of joint replacement surgery, affecting over 40,000 people annually just in the U.S. Pathogenic bacteria settle in the joint prosthesis, forming biofilms that are difficult to remove and resolve. The invasive, lengthy, and expensive treatments are often unsuccessful. The result is a high percentage of permanent disability and early death. The 2-stage arthroplasty procedure primarily used today takes an average of 16 weeks with a success rate of under 50% after 12 months. The need for faster and more innovative treatment is critical.

VT-X7 was granted Breakthrough Therapy, Orphan Drug, Fast Track, and Qualified Infectious Disease Product designation by the FDA in December 2023. This was the result of meeting its safety and efficacy study from the clinical study, APEX. VT-X7 now has every special designation the FDA can award to an anti-fungal drug. Currently in its second multicenter, randomized, controlled trial, APEX-2, the study has already met its primary endpoint and is on schedule to be completed in late 2024. The FDA has determined that the APEX and APEX-2 clinical studies are likely sufficient to support a New Drug Application (NDA) which would eliminate the need for Phase 3 clinical trials. The company expects to seek FDA approval upon completion of APEX-2. HMVP's Managing Partner, Robert Luo, serves on the board of Osteal.

OncoC4 Receives FDA Clearance for IND Application to Treat Solid Tumors

Founded in late 2020 in Rockville, Maryland, HMVP's portfolio company, OncoC4, Inc. ("OncoC4"), is a late clinical-stage biopharmaceutical company that is actively engaged in the discovery and development of novel biologics for the potential treatment of cancer and autoimmune disease. Earlier this year, OncoC4 announced its Phase 1/2 trial to assess the efficacy and safety with radioligand therapy in patients with advanced prostate cancer. This is the result of a strategic collaboration between BioNTech and OncoC4.

Recently the FDA cleared the investigational new drug (IND) application for ONC-841, a potential first-in-class

SIGLEC 10 blocking antibody for the treatment of solid tumors. "SIGLEC 10 is an immune checkpoint that inhibits the activation of both innate and adaptive immune cells. In cancer, this can lead to reduced anti-tumor immunity within the tumor microenvironment ("TME"), creating a protected setting for cancer cells to thrive," said Yang Liu, PhD, Co-Founder, CEO and CSO of OncoC4. "ONC-841 is designed to block this immune checkpoint to rejuvenate immune cell activity for tumor destruction within the TME. We are excited to begin clinical development of ONC-841 in advanced solid tumors."

Anti-tumor T cells, NK cells and macrophages can be rejuvenated within the tumor microenvironment following ONC-841 treatment. Preliminary Phase 1 data on safety, pharmacokinetics, and clinical activity of ONC-841 monotherapy are expected in the second half of 2025. To OncoC4's knowledge, this is the first SIGLEC 10 antagonist to enter clinical development.

HMVP Invests in Melodi Health to Transform Reconstructive Surgery for Women

HMVP is proud to announce its most recent investment in Melodi Health, a clinically proven technology, advancing breast reconstruction after mastectomies. Melodi Health's innovative technologies significantly improve patient outcomes and reduce healthcare costs for the many women undergoing breast surgery.

This Minnesota-based medical device manufacturer develops a mesh implant designed to support soft tissues and prevent infections. Surgical complications occur in 25% of patients undergoing breast reconstruction, leading to hospital readmission, repeat surgery, and reconstructive failure. Melodi's product, known as Melodi Matrix, is the first on the market to combine an antibiotic coating that absorbs into the body quickly, addressing a critical need in post-operative care.

The Melodi Matrix product has received Investigational Device Exception (IDE) from the FDA. A clinical trial is currently being conducted at Mayo Clinic to study the Melodi Matrix in women undergoing breast reconstruction after their mastectomy. HMVP's Managing Partner, Robert Luo, joined the board of Melodi Health.

HMVP Welcomes Two New Venture Partners

HMVP is excited to announce that Harry Hoffman and David Herbert, former executives at Mayo Clinic, have joined as Venture Partners. In their roles, Harry and David will enrich team structure, broaden proprietary deal sourcing capability, and enhance growth opportunities for portfolio companies.

Harry Hoffman previously served as Chief Investment Officer at Mayo Clinic, where he designed and implemented a global multi-asset investment strategy and helped Mayo achieve top tier long term performance. Harry also served as Treasurer for Mayo where he oversaw issuance of debt, banking, insurance, and risk management relationships.

David Herbert previously served as Chief Administrative Officer of Mayo Clinic Laboratories, one of the largest specialty medical reference laboratories in the world, serving clients in over 100 countries. In addition, he led the New Ventures and Technology Commercialization divisions at Mayo Clinic Ventures and later served as Chair of Mayo Clinic Global Business Solutions, which is charged with extending Mayo products and services globally.

In 2021, Harry and David formed Southeast Minnesota Capital Partners (SMCP), a seed and early-stage venture capital firm that manages Southeast Minnesota Capital Funds I and II, which back high potential Minnesota med tech and life sciences startups, including many with Mayo Clinic roots. The Funds' investors include many Mayo Clinic physicians and business leaders as well as high net worth individuals and investment professionals from across the U.S.

HM Venture Partners is a healthcare venture capital firm that works with high growth biotech and medtech companies at all stages to address unmet needs in huge markets. Visit our Website

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