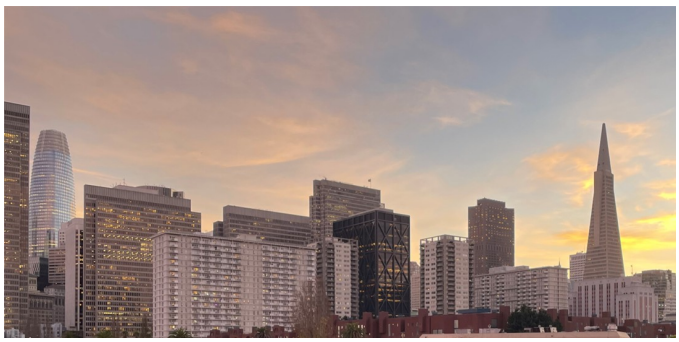
HM Venture Partners



HM VENTURE PARTNERS NEWSLETTER
MID-YEAR REVIEW 2025

A Resilient First Half in a Volatile Market

Despite a volatile global economic and market environment in the first half of 2025, HM Venture Partners (HMVP) is pleased to report meaningful progress in our most recent fund, HM Healthcare Fund I. This includes three new investments, multiple clinical updates, and several key strategic developments.

Venture investing in biotech and medtech demonstrated solid resilience. Global funding across both sectors reached approximately $26.4B in H1 2025, marking a 9% year-over-year (YOY) increase. In the U.S., investment climbed to $17.9B, up 12% YOY.

In biotech in the U.S, oncology led the way, attracting 40% of all venture dollars, followed by immunology, neuroscience, infectious diseases, and rare diseases. Investors prioritized later-stage assets with clinical data. Early-stage investment began to recover in Q2, though aggregate H1 activity remained below 2024 levels.

The U.S. medtech market remained relatively stable, with $6.3B invested, up from $5.4B in H1 2024. Investors favored larger rounds and showed growing interest for AI-driven companies. IPO and M&A activity began to rebound, though still lagged venture capital inflows due to ongoing regulatory and market headwinds.

A particularly notable trend was the surge in China-to-U.S. cross-border activity, especially in biotech. Chinese startups increasingly focused on building assets for global out-licensing, spurred in part by tightening domestic capital markets. Out-licensing deals from China to the U.S. rose from 2 in H1 2024 to approximately 14 in H1 2025, totaling $18.3B. This surge was driven by high-quality innovation, efficient clinical execution, strategic spinouts, and rising global demand for Chinese drug candidates.

Looking ahead, we anticipate continued momentum in H2, with a likely uptick in M&A activity and a more favorable macroeconomic backdrop. Investors remain focused on companies with compelling clinical data, proven leadership, regulatory clarity, and clear commercialization potential—all core pillars of HMVP's investment strategy.

New Portfolio Investments

Anthrosi: Optimal Therapy For Eliminating The Pain Of Gout

Arthrosi Therapeutics is a late-stage biotechnology company developing a potentially best-in-class, highly potent and selective next generation URAT1 inhibitor for gout and tophaceous gout. Based in San Diego, CA, the company is led by a world-class team of gout experts. Its proprietary drug candidate, AR882, has demonstrated unprecedent sustained urate lowering in gout patients and showed potential to treat a variety of renal impaired patients suffering from gout and tophaceous gout.

Despite approximately 12.8 million patients living with gout, many remain untreated with suboptimal therapies that do not provide a true solution for strong uric acid reduction and the resolution of joint damage caused by tophi. Arthrosi aims to address this gap by offering a durable, safe solution to prevent joint damage and reduce flares.

Within two years, AR882 has efficiently completed multiple robust phase 1 and 2 clinical studies, demonstrating encouraging efficacy and safety compared to current standard of care procedures. Arthrosi is currently advancing AR882 in a pivotal Phase 3 clinical trial. Enrollment has been completed. The primary endpoint data is expected to be obtained in November, with all data to be obtained by April 2026. Already 80% of patients in the high-dose group had their serum uric acid (sUA) reduced to less than 6, being in the normal range, after treatment. Another Phase III trial has completed the enrollment of more than 70% of subjects. To date progress is far ahead of expectations. All 750 people are expected to be enrolled in September, well ahead of schedule.

Restora: Groundbreaking Therapies For Obstructive Sleep Apnea

Restora Medical is a medical device company dedicated to developing neurostimulation therapies for obstructive sleep apnea (OSA). Its flagship product is an implantable neurostimulator that leverages ansa cervicalis stimulation (ACS), designed to address the airway collapse of the lateral walls in OSA patients. Located in Delaware, DE, the company's founder is a renowned expert and a founding member of Inspire Medical, a leader in OSA neurostimulation.

While Inspire uses hypoglossal nerve stimulation (HNS), Restora's ACS-based approach offers improved efficacy and simplified patient selection. With approximately 18 million moderate-to-severe OSA patients in the U.S. and a $4B annual neurostimulation market, Restora is poised for significant impact. Inspire Medical has made a strategic investment in the company.

Restora has completed an Acute Human Study validating ACS efficacy and will launch a Chronic Feasibility Study in 2025 to gather comprehensive data in support of its IDE application. Patient enrollment begins in August.

Verve:
A Novel Approach To Treating Uncontrolled/ Resistant Hypertention

Verve Medical, based in Minneapolis, MN, is a clinical stage medical device company developing novel renal pelvic denervation ("RPD") devices to significantly improve uncontrolled hypertension and associated diseases. Verve's patented RPD procedure utilizes radiofrequency (RF) energy to ablate both Afferent and Efferent nerves to reduce hypertension.

Medtronic reported that their newly FDA-approved renal denervation device for treating uncontrolled hypertension is projected to generate $1 billion in sales by 2030. Whereas Medtronic's & ReCor Medical's approach uses percutaneous transcatheter arterial renal denervation (RDN), Verve's approach targets the renal pelvis and ureter, which are more densely innervated. The transureteral procedure is minimally invasive, outpatient, incision-free, and takes less than 20 minutes—compared to over an hour for RDN.

Hypertension affects over 60 million Americans over age 55. Of these, 11.9% are classified as having resistant hypertension, characterized by continued uncontrolled blood pressure despite the use of three or more antihypertensive medications.

The company received FDA IDE approval in July 2023 for its pivotal trial. An 18 patients-based safety and efficacy study has been conducted. The follow-up examinations at 2 months and 12 months demonstrated significant and consistent improvements in blood pressure reduction.

More Portfolio Updates

Airiver Medical

Airiver Medical is developing Drug Coated Balloons (DCB) for recurring airway stenosis. This is a condition that causes narrowing of the airway that can affect the larynx, trachea and surrounding structures, disrupting breathing and speech. Currently, Endoscopic surgery is widely used to treat airway stenosis. However, the restenosis rate of the surgery reported is between 40% and 70% with most patients suffering from repeated surgeries. Airiver is currently the first and only company in the world to apply PCB to the respiratory tract. Founder Lixiao Wang is a pioneer in DCB applications across multiple therapeutic areas.

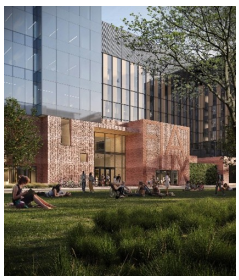
The U.S. market opportunity for PCB exceeds $3.2B. Pulmonary and Sinus PCB trials have completed enrollment with excellent interim data. IDE submission is planned for H2 2025. A severe asthma PCB is also showing strong early results. A new PCB for severe asthma has been developed. The FIM trial has enrolled 13 patients with excellent 6-month follow-up data thus far.

OncoC4 is a late-stage biopharmaceutical company developing novel biologic therapies designed to target cancer cells and enhance immune responses. Recognizing the demand for diverse therapeutic strategies in oncology, OncoC4 is advancing a broad pipeline across multiple modalities. Among its leading candidates is AI-081, a fully owned, potentially best-in-class bispecific antibody for the treatment of advanced solid tumors.

The company's first-in-class mechanisms of action (MOA) and strong intellectual property protections position its pipeline for significant value creation. Given the broad immune-mediated anti-tumor activity across multiple cancer types, OncoC4's assets are considered potential blockbuster therapies, pending positive clinical data.

Following FDA clearance of its Investigational New Drug (IND) application in December 2024, OncoC4 initiated the BIPAVE-001 Phase 1/2 trial for AI-081 in H1 2025. AI-081 targets PD-1 and VEGF, two critical pathways in cancer biology and immunotherapy. The trial has enrolled 15 patients, and the first patient has been dosed. Encouragingly, notable anti-tumor activity was observed at the lowest dose tested, which is lower than that used in other VEGF and PD-1/PD-L1 bispecific therapies currently in development. The trial is being conducted across 11 clinical sites in the U.S., with additional data expected in H2 2025.

OncoC4 is also engaged in a strategic collaboration with BioNTech to co-develop gotistobart, a next-generation anti-CTLA-4 antibody. This program is being evaluated across multiple solid tumor indications, including an ongoing pivotal clinical trial in squamous non-small cell lung cancer. More than 100 people have been enrolled in this clinical Phase 3 trial with 160 clinical trial institutions participating.



HMVP - New Venture Partner to UC Davis

UC Davis has named HM Venture Partners as a Venture Partner with a dual role: to advance the Investing in the Future of Medicine Fund, a new initiative by UC Davis Health's Venture Office, and to attract international biotech startups and expedite the commercialization of breakthrough human health advancements at Aggie Square, the new innovation district on UC Davis' Sacramento campus. This relationship also provides access to Principal Investigators (PIs), potential clinical trial sites, lab space, etc. for IP/assets out licensed from China. Chancellor Gary May announced the collaboration between HMVP and UC Davis at the Aggie Square ribbon cutting. This partnership opens the doors to many complementary relationships and opportunities throughout the University of California system. https://www.ucdavis.edu/news/uc-davis-partners-global-accelerator-and-venture-capital-firm-drive-life-sciences-innovation

Yangzhou Wang joins HMVP Team

HMVP is thrilled to welcome Dr. Yangzhou Wang to our team as a Venture Partner. He joins HMVP after serving as the CEO of two Biotech companies and a leading CDMO company, as well as executive leader for major publicly traded CROs. Dr. Wang has overseen double-digit global growth, managed nine-figure P&Ls, and led more than $120 million for equity financings. With 25 years of global management experience, he has worked with hundreds of global companies with different modalities and MOAs tackling diseases. Dr. Wang has a Ph.D. in Cell & Molecular Biology from University of Buffalo and a M.S. in Computer Sciences from University of Colorado.

Looking Ahead

H1 2025 demonstrated the strength of disciplined investment and data-driven innovation in a complex macro landscape. We remain confident that strategic M&A, maturing pipelines, strong CRO results, and regulatory progress will sustain biotech and medtech momentum into H2.

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