

## Healionics Q3 2019 Update

In Q3 of 2019, Healionics made continued progress in evaluating our *STARgraft* vascular graft in the first human study of the device. We received two new SBIR research grant awards and one new issued patent, and we closed our convertible note financing round. Also, our spinout company iSTAR closed its own major round of financing.

### Financial Snapshot

9/30/2019 Cash Balance: \$1,576k

Income and Financing

Financing received in Q3 (Convertible Note): \$590k

Operating Expenses in Q3: \$592k

*Grant Funding Pool: \$1.2M new over the coming year, plus \$1.3M on hold pending human study milestones*

### Clinical Trial Update

#### First-in-human study

The first human study of *STARgraft* is now almost fully enrolled and we are performing periodic follow-up assessments on all patients to track trends in graft performance.

### Business Update

#### New grant awards

We have received formal notice of two new grant awards from National Institutes of Health: a Phase IIB SBIR of \$3M (\$1M for each of the next 3 years) for further development and preclinical testing of our *STARport* needle-free dialysis port, and a \$225k phase I SBIR for further development and preclinical testing of *STARgraft's* ability to resist infection.

#### Intellectual property

In our last update, we mentioned a new allowed patent which covers a corrugated form of *STAR* biomaterial. This issued last month as [US10,420,659](#). Our patent portfolio now includes 6 issued US, 9 issued international, and 10 pending worldwide.

### Healionics featured at CDI symposium

In August, CEO Mike Connolly was a featured speaker at this year's [Innovations in Dialysis Symposium](#), sponsored by University of Washington's Center for Dialysis Innovation. He

spoke on "Improved Devices for Dialysis Access" and also facilitated a break-out session on Vascular Access.

### **iSTAR update**

Healionics' spinout company iSTAR Medical closed a €40M [Series C financing](#), which will support the completion of clinical testing and commercialization of their MINIject glaucoma treatment device in Europe and the United States.

### **Financing update**

Our convertible note financing round closed in July, with a total of \$4.5M raised since the round opened in June 2018. A number of well-known angel and venture investors participated, including Keiretsu Forum, Tech Coast Angels, iSelect Fund, Alliance of Angels, Mid-Atlantic Bio Angels, VisionTech Angels, Bellingham Angels, Arizona Tech Investors, Frontier Angels, Rockies Venture Club, TIE, Central Texas Angel Network, Chemical Angel Network, and WINGS. We would also like to thank our existing investors for their continued support. This financing supports the current human study as we work toward our goal of regulatory approval and commercial launch of *STARgraft*.

Best regards,  
Mike

Mike Connolly  
*CEO*

[Healionics Corporation](#)