



## MID ATLANTIC BIO ANGELS SIDE CAR FUND II LLC

### OVERVIEW

**The MABA Sidecar (co-investment) Fund II (the Fund) provides non-MABA members with access to high quality, private, emerging life science companies that have been funded by MABA - as a passive means to invest in a specialized, curated healthcare asset class.**

The Mid Atlantic Bio Angels Sidecar Fund is an opportunity for investors and institutions to gain exposure to private Healthcare startup investments. Healthcare startups can be a significant source of investment returns, but the complexity associated with these investments requires both significant broad and specific industry expertise. Our investment group uses the collective knowledge of over 60 active members to jointly research every investment opportunity. Our collective research approach enables a differentiated process and construct than most traditional venture investing entities or angel groups with broad investment interests. The depth of understanding that those engaged daily in the health care industry bring to the investment decision provides a unique insight and advantage to investors.

MABA – Mid Atlantic Bio Angels ([bioangels.net](http://bioangels.net)) – is a NY-based life science angel investment group that was formed in 2012 to bridge the expertise gap required by investors to make informed investment decisions in scientific, regulatory and commercially-complex healthcare investment opportunities. MABA invests exclusively in early stage, private life science companies (primarily therapeutics, devices, diagnostics and some digital health), with no geographic restrictions.

Previously, participation in MABA investments was limited to MABA members who are actively involved in company screenings and diligence, requiring a time and financial commitment, as well as scientific, regulatory and commercial expertise in the life sciences.

## MABA SIDECAR FUND II

**The Sidecar Fund was created to allow accredited investors who are non-MABA members access to the same investment opportunities, and on the same terms as the MABA members.**

- The Fund co-invests with MABA in MABA's proprietary deal flow of private, life science companies.
- The Fund invests automatically based on pre-set ratios and rules, including confirmed investment from MABA members or Pools, on substantially the same terms as the MABA members.
- New - At the Fund Investors' individual discretion, the Fund can either be blind and passive, or allow additional, company-specific investments, on a case-by-case basis.

A few unique aspects of the Sidecar Fund:

- Addresses an inefficiency in the venture investing opportunity set. Pursues investment opportunities that are both within and beyond the traditional scope of angel funding, and below the threshold of most venture funds – taking advantage of a funding gap.
- Angel investment opportunities are traditionally earlier, and at lower valuations than those pursued by venture funds and have the potential to yield higher returns.
- The Fund is open-ended - it accepts contributions on a rolling basis (no closing, no end date).
- Utilizes Limited Liability Company (LLC) Special Purpose Vehicles (SPVs) for each investment, enabling pro-rata participation in follow on rounds, at investors' discretion.
- Diversification - versus traditional angel investing on a one by one basis - minimum of five investments in an investor's portfolio.
- Diversification in mix & timing – some of the portfolio companies in the Fund may be receiving an investment from MABA for the first time, while others may be existing MABA portfolio companies receiving a follow on round. The Fund's portfolio is therefore likely to include a mix of both early and later stage companies, representing a diversity of exit timelines.
- Allows additional, company-specific investments at Fund investors' option & discretion.

\*You must be an accredited investor (under SEC rules) to invest in the Fund.

## **ABOUT MABA**

MABA is an exclusive, invitation-only group of health care professionals or investors with a health care background which is open only to experienced accredited individuals and entities who are actively engaged in meetings, diligence and investments and also satisfy certain membership criteria set by MABA. These members perform due diligence and invest their own money either directly or through the group's managed pools of capital for its members ("Pools").

MABA's investment focus attracts a combination of members and experts with deep domain knowledge in the areas of its investment interests and makes the MABA membership pool one of the most experienced angel groups in the world. MABA's members consist of:

### **COMMERCIAL**

- Close to two-thirds are either current or past pharma, biotech or device company executives, including:
  - Several former CEOs of public, multi-billion-dollar pharmaceutical companies
  - Several current and former CEOs of drug discovery companies
  - Several current and former C-level executives of device companies
- About a third of the members are MDs, most of whom are practicing physicians
- One third of our members hold Ph.Ds. Several are consultants (pharma, regulatory, attorneys and others), including:
  - Current and former directors of regulatory affairs and toxicology at leading, multi-billion-dollar pharmaceutical companies
  - A CEO coach and psychologist
  - Multiple members with startup, management consulting, licensing, M&A, business operations, sales and marketing expertise
- About a quarter founded, hold, or have held founding or senior investment positions in:
  - Private equity
  - Venture capital
  - Hedge funds
  - Investment banking
- Multiple members have finance and valuation expertise
  - Analysts
  - Current and former CFOs
- Corporate Members: The group also includes several pharmaceutical and device companies, as well as family offices who are Corporate Members

### **SCIENTIFIC EXPERTISE**

- Several of the scientific and medical specialties in which our members have expertise: oncology, ophthalmology, medical devices, hematology, infectious disease, opioids, urology, women's health, psychiatry, cardiology, and others.
- Sever scientific topics in which our members have expertise: molecular pharmacology, biochemistry, physico-chemical mechanisms, neuropathology, radiology, diagnostic imaging, genetics, bioinformatics, biomedical engineering, monoclonal antibodies, photomedicine, in

vitro diagnostics, drug discovery and development, regulatory affairs, toxicology, manufacturing, clinical development.

- Other: Healthcare software, enterprise software, internet of things, artificial intelligence, digital medicine

The Fund capitalizes and draws upon the active participation and the significant knowledge and expertise of the MABA members.

## **INVESTMENT PRINCIPLES**

MABA seeks, and the Fund will co-invest in opportunities where:

- Strong, commercially-minded management is in place to guide the commercial, scientific and regulatory activities of the company to a successful exit.
- The company's core technologies/products are substantially differentiated and innovative, have, or are expected to have meaningful and defensible intellectual property protection, and, if successful, will be broadly adopted and ultimately change the standard of care.
- The markets addressed by the company's technologies/products are substantial enough to support a meaningful exit and return on investment (ROI) for the investors.
- The company's dilutive-funding requirements, to reach an exit, are expected to be within angel funding reach. The group seeks to avoid investing in companies that will require large VC follow on rounds.
- Time to exit, and beginning return of capital to investors, is expected to be within five to seven years.

## INVESTMENT PROCESS/FUNDING RATES

MABA screens its applications heavily. Of every 100 applications received:

- Approximately 25% are invited to present to the group (75% are rejected in pre-screening)
- 16% of applicants proceed to due diligence
- 2-3% of applicants receive an investment

On an annual basis, MABA funds:

- 1-3 new companies
- 1-3 subsequent rounds for existing portfolio companies

The Sidecar Fund is likely to include a combination of both.

## INVESTMENT HISTORY

Since its formation, MABA has invested in 16 companies (see below for a complete list of MABA portfolio companies):

- 9 Therapeutics
- 5 Devices
- 1 Diagnostics
- 1 Platform technology

## INVESTMENT HORIZON AND RETURNS

MABA invests in companies that we expect will provide a return within five to seven years following our investment.

- One of MABA's three earliest investments (Immunomic Therapeutics) exited, seven years after MABA invested, providing investors with a 9X return
- Eleven of MABA's 16 investments occurred within the last five years. The pandemic has affected both their progress and expected exits
- Another one of MABA's three earlier investments is expecting an exit in the next 12 months
- **All but one of the companies in which MABA invested are still in business.**

**PORTFOLIO COMPANIES** (in alphabetical order – funding rounds that would have qualified for Fund co-investment are noted)

<p><b>Astrocyte Pharmaceuticals</b> Received funding: 2020</p>	<p>A small drug development company dedicated to clinically proving the neuroprotective benefits of selective astrocyte activation, and advancing breakthrough therapeutic agents for treating brain injury patients.</p>
<p><b>Cerus Endovascular</b> Received funding: 2014, 2019</p>	<p>Cerus Endovascular is engaged in the design and development of highly differentiated and proprietary interventional neuroradiology (INR) devices and delivery systems, which it believes will represent the next generation in the minimally invasive treatment of neurovascular diseases, particularly intracranial aneurysms.</p>
<p><b>DeepLife</b> Received funding: 2022</p>	<p>DeepLife is developing digital twins of cells to simulate in silico cell behaviors to optimize early-stage drug development through target identification, virtual screening for mechanisms of action, in silico animal modeling, and toxicity and off-target predictions.</p>
<p><b>Elysium</b> Received funding: 2017</p>	<p>Elysium’s O2P (oral overdose protection) technology addresses multiple epidemics – prescription drug abuse, overdose, and undertreated pain.</p>
<p><b>Evrys Bio</b> Received funding: 2016, 2017</p>	<p>Next Gen Antivirals that engage the patient’s own immunity to naturally defend against viral infection without the emergence of drug resistance</p>
<p><b>FemSelect</b> Received funding: 2018, 2019, 2020</p>	<p>FemSelect has developed a meshless and dissectionless solution, NeuGuide, for the repair of uterine prolapse which is safer, offers superior clinical outcomes and significantly reduces the cost and complications over the standard of care.</p>
<p><b>GenPro</b> Received funding: 2016 Closed down operations: 2022</p>	<p>GenPro is a precision health solutions company to the biopharma/biotech industry and to clinical research institutions, ultimately to clinicians and patients. As a leader in the discovery and commercialization of a powerful new class of clinically actionable biomarkers, epigenetic biomarkers, or EpiMarkers, GenPro is “opening-the-door” to a large underserved market need for sensitive, discriminating and personalized phenotypic-driven EpiMarkers and derivative assays for patient-disease characterization. GenPro’s EpiMarker discovery process also illuminates informative new molecular insights into disease causation and potential druggable targets that genomic analysis or genomic biomarkers do not provide. In 2022, GenPro closed down operations due to market conditions, some of which were pandemic-related.</p>
<p><b>Healionics</b> Received funding: 2019, 2020</p>	<p>Synthetic vascular graft (artificial blood vessel) which remains open to blood flow much longer than conventional vascular grafts</p>

<p><b>Immunomic Therapeutics</b> Received funding: 2013 <b>EXITED 2019</b></p>	<p>Immunomic Therapeutics, Inc. (ITI) is a privately-held clinical stage biotechnology company pioneering the study of nucleic acid immunotherapy platforms. These investigational technologies have the potential to alter how we use immunotherapy for cancer, allergies and animal health. On the heels of two landmark deals in 2015, including an exclusive worldwide license with Astellas Pharma Inc. to explore the use of LAMP-Vax™ for use in the prevention and treatment of allergic diseases which resulted in over \$315M in licensing revenue that year, the company has now focused on the application of its UNITE™ platform in oncology.</p>
<p><b>New View Surgical</b> Received funding: 2017, 2021</p>	<p>High-def visualization technology that combines 4 devices (scope, camera, light source, trocar) into one easy-to-use and cost-effective device.</p>
<p><b>Opsidio</b> Received funding: 2018</p>	<p>Monoclonal antibodies that block the cascade of events that lead to fibrosis, and return the organ function back towards normal. Because these antibodies are directed against targets that are only produced during a disease state, they have been very safe and effective in animal testing.</p>
<p><b>PainQx</b> Received funding: 2017</p>	<p>PainQx (POX) is a diagnostic/software company that has developed a next generation, first in class, neural analytics approach to objectively measure pain in humans. The PainQx platform achieves this by assessing neural activity from a patient's brain and processing and decoding the data through proprietary algorithms.</p>
<p><b>Sana Health</b> Received funding below fund co-investment threshold</p>	<p>Sana has developed the least invasive therapeutic device for severe chronic pain management, and enhanced sleep and recovery device that works in as little as 10 minutes.</p>
<p><b>Seneca Therapeutics</b> Received funding: 2020</p>	<p>Developing a pipeline of best-in-class oncolytic immunotherapeutics that are highly effective in treating cancer patients with solid cancers</p>
<p><b>Thermalin</b> Received funding below fund co-investment threshold</p>	<p>We improve the insulin molecule to enable lower-burden insulin delivery (through new devices or easier injection)</p>
<p><b>Virion</b> Received funding: 2018</p>	<p>Virion is developing novel immune-based vaccine therapies for treatment of chronic viral infections and virally-induced cancers that employ our proprietary, first in class checkpoint inhibitor (glycoprotein D; gD).</p>