LOUISIANA Fund II

Early Stage Venture Capital

Municipal Employees Retirement System
July 18, 2018

Agenda

- Overview
- Deal Flow
- Portfolio summary
- Portfolio details
- Financial Statements Administrative

Overview

- Final closing March 31, 2015
- $13,000,000 total commitments
- 16 Limited partners
- 8 Portfolio Companies

Deal Flow:

- From all sources continues to be strong
  - NOBIC, Tech transfer offices LSU, Tulane, New Orleans Angel Network, Regional Angel Networks, Personal networks
- Current Deals in Due Diligence
  - Evaluating needs of current portfolio may make one more invesment

Portfolio summary:

	Balance at March 31, 2018				
	Cost	FMV		Potential Return	
BioStable	$ 1,781,535	$ 4,589,553	34%	$ 9,000,000	32%
Sinopsys	$ 1,400,000	$ 4,580,243	34%	$ 6,000,000	21%
Esperance	$ 250,000	$ 747,588	5%	$ 2,500,000	9%
Top 80% of value	$ 3,431,835	$ 9,917,384	73%	$ 17,500,000	61%
Servato	$ 550,000	$ 550,000	4%	$ 1,000,000	4%
Bioceptive	$ 907,125	$ 1,691,226	13%	$ 2,500,000	9%
eRisk	$ 350,000	$ 350,000	3%	$ 2,500,000	9%
Qure4U	$ 1,000,000	$ 1,000,000	7%	$ 5,000,000	18%
Total Unrealized	**$ 6,238,660**	**$ 13,508,610**	100%	**$ 28,500,000**	100%
Total Realized return			0%		0%
Portfolio Total	**$ 6,238,660**	**$ 13,508,610**	100%	**$ 28,500,000**	100%

BioCeptive

Total Cost	Fair Value per Financial Statements	LF II Ownership	Company Value per Financial Statements	Potential Company Value to LFII at Exit	Potential Multiple to LFII at Exit
$907,125	$1,691,226	9%	$6,250,000	$2,500,000	3.0X

- Company reorganized to focus on reusable instrument (with disposable tip)
- LF II led round of $350K to fund clinical trials and hire an investment banker to sell the company, GCA Savian has been engaged
- Replaced the CEO with Ben Cappiello the BioCeptive founder, moved former CEO to a board observer and a BD advisory role
- $250K follow on grant money from the Gates foundation for clinical trial in Bangladesh should start end of 2018
- Design change to inserter identified in first human clinical trial

BioStable Science and Engineering Inc

Total Cost	Fair Value per Financial Statements	LF II Ownership	Company Value per Financial Statements	Potential Company Value to LF II at Exit	Potential Multiple to LF II at Exit
$1,781,538	$4,589,553	5%	$80,000,000	$6,000,000	3.5X

- Clinical studies on 80 patients complete with follow up data beyond 4 years
- Excellent clinical results on Aortic valve insufficiency
- Gravitas Healthcare a small investment bank specializing in cardiovascular devices has been retained and has interested M&A partners
- CE Mark received for HART 300 in 2016 and commercial sales started in Europe
- FDA approval of both HART 200 and HART 300received in 2017
- Commercial sales are growing have cash to reach breakeven
- Interest from large partners for a potential acquisition
- Company formed in February 2009, LF II invested September 2014

Sinopsys Surgical, Inc.

Total Cost	Fair Value per Financial Statements	LF II Ownership	Company Value per Financial Statements	Potential Company Value to LF II at Exit	Potential Multiple to LF II at Exit
$1,400,000	$4,580,243	5%	$80,000,000	$6,000,000	3.0X

- Device for therapy of chronic sinusitis
- Company formed in March 2011, LF II invested in October 2014 after successful human trials
- Smith and Nephew a $2MM strategic investor with a board seat, potential exit
- CE Mark obtained, reimbursement approvals received in key countries and commercial sales started
- US pivotal trial of 200 patients ongoing for completion in August 2019, and submission of 510K

Servato Corp

Total Cost	Fair Value per Financial Statements	LF II Ownership	Company Value per Financial Statements	Potential Company Value to LF II at Exit	Potential Multiple to LF II at Exit
$550,000	$550,000	5%	$6,000,000	$1,000,000	2.0X

- Technology for active remote management of lead acid back up batteries in cell towers, will extend battery life and automate maintenance
- Experienced telecom management team
- Actual sales of $700k in 2015, projected $5.5MM in 2016 actual $1MM, projected $5MM in 2017 actual will be approx. $1MM
- Channel partners and customers are potential acquirers (Ericson, Alcatel, Lucent, CenturyLink)
- Company has $1MM in cash
- LF II recommendation is to pursue a sale of the company while the company has cash

Esperance Pharmaceuticals

Total Cost	Fair Value per Financial Statements	LF II Ownership	Company Value per Financial Statements	Potential Company Value to LF II at Exit	Potential Multiple to LF II at Exit
$250,000	$747,588	.5%	$250,000,000	$2,500,000	10.0X

- Major strategic alliance with MD Anderson (MDA)
- MDA laboratory work has resulted in improved assays, biomarkers and identified synergy with immunotherapy drugs
- MDA will contribute patient costs to Phase IIB/III clinical trials
- Term sheet for $10MM of funding signed, need matching $5MM to close
- Potential merger with public entity being pursued and IPO in Hong Kong
- Expecting term sheet from pharma company to use EP 100 in clinical trial with PARP inhibitor

Erisk / Omnideck

Total Cost	Fair Value per Financial Statements	LF II Ownership	Company Value per Financial Statements	Potential Company Value to LF II at Exit	Potential Multiple to LF II at Exit
$350,000	$350,000	10%	$4,000,000	$2,500,000	10.0X

- Will be cash flow breakeven by year end
- Development of updated product on track for 2018 release
- Core Associates largest customer has invested alongside

Qure4U

Total Cost	Fair Value per Financial Statements	LF II Ownership	Company Value per Financial Statements	Potential Company Value to LF II at Exit	Potential Multiple to LF II at Exit
$1,000,000	$1,000,000	12%	$6,000,000	$5,000,000	8.0X

- EMR platform for patients to empower physicians to drive better outcomes
- Successful launch in Denmark, Germany and two other countries (2 million users)
- Founders moved to US, (Tampa) to launch in US
- Corporate partnership deals with Athena Health and Dr. Chrono
- COO, Curtis Stanley located in Louisiana 20 years with Cerner
- EVP Sales, Jim Mullen located in Texas
- Closed on additional $750,000 funding round with NWA from Florida

Mirata Pharmaceutical

Total Cost	Fair Value per Financial Statements	LF II Ownership	Company Value per Financial Statements	Potential Company Value to LF II at Exit	Potential Multiple to LF II at Exit
$900,000	$10,000,000	8%	$10,000,000	$9,000,000	10X

- Licensed technology from Tulane
- Opioid analgesic without the side effects of morphine
- 20 years of research at Tulane and the NO VA Hospital
- Experienced team with a deep track record in pain and drug development
- Significant potential for FDA Fast-Track, Breakthrough Designation and non-dilutive funding
- Deal closed in June 2018

Financial Statements

- **2017 audited statements**
- **March 31, 2018 financial statements**

Highlights at 3/31/18

Committed Capital	$13,130,000
Capital called	$ 9,867,000
Invested Capital	$ 6,239,000
Cash	$ 1,716,000
Fund Expenses	$ 1,685,000

Louisiana Fund II

Southern Early Stage Capital Fund III

- Initial discussions on going with two new partners for a regional fund focused on the “Series A Gap” for angel backed companies.

Louisiana Fund II

Questions?