CANCER FUND

MORE THAN HOPE.

CONFIDENTIAL INVESTMENT MEMORANDUM

PREPARED FOR: Cancer Fund I Investment Committee

PREPARED BY: Cancer Fund Evaluation Subcommittee

DATE
December 22, 2020

SUBJECT
Reglagene Seed Investment Recommendation

EXECUTIVE SUMMARY

We recommend the Cancer Fund's Investment Committee proceed with an investment in Reglagene's Seed round based on potential impact on cancer patients and possible return on investment. Our recommendation is based on the four key points below and details that follow in our evaluation report.

A Therapy Platform with Global Impact

Reglagene's epigenetic medicine platform has the potential to address many types of cancers and other diseases at price points that could be accessible to most of the world's populations.

An Outstanding Team

While technical and clinical risks exist with any preclinical therapy and early stage company, we have confidence that Reglagene's experienced advisors, board, executives, staff, and key vendors are capable of managing those risks.

A Clear Path to a Positive Return

In comparing Reglagene to other similar investments opportunities for preclinical therapies, we find the current valuation and terms of Reglagene's Seed offering to be attractive. We anticipate positive results from Reglagene's animal trials for either its prostate cancer or Glioblastoma Multiforme therapy, which could increase the value of the company by a factor of 3-5 times in the next 3-6 months based on current plans. Finally, we believe an exit within 3-5 years is possible given the high frequency of acquisitions and IPOs in the space. We believe that Reglagene has superior technology to a similar stage company, Foghorn, that was able to close a large deal with Merck and drive a market capitalization of $644 million, giving seed round investors a 16x return.

Acceptable Risks

As Reglagene's products in development are at the preclinical stage, significant risks remain in efficacy and toxicity. In addition, Reglagene's underlying Quadruplex Master Switch Technology (QMST) is a novel method to modulate protein production for therapeutic effects. We believe Reglagene will benefit from a first-generation effort to commercialize QMST that resulted in two previous medicines tested in human clinical trials. Both were well-tolerated and efficacy was observed in cancer patients for the one medicine that remains active in clinical development.

INTRODUCTION

Opportunity

Reglagene is an opportunity for Cancer Fund to invest in a preclinical oncology therapy platform strongly aligned with Cancer Fund's impact and investment objectives.

Problem

When confronted with an effective therapy, cancer itself enters into a fight for its life. To defeat the therapy, cancer will make genetic changes to its own DNA blueprint. Similar to evolution on the micro scale, cancer selects for genetic changes that negate the effect of the therapy while sparing the cancer cells themselves.

This problem is commonly known as "therapy resistance". A cancer treatment may work well at the outset but given enough time, cancer often finds a way to defeat it for its own survival advantage. Therapy resistance is one of the greatest problems cancer patients face today.

The genetic changes in cancer to fight effective therapies are frequently characterized by the practical effect of producing too much or too little of specific proteins to limit therapy effectiveness. The result is that a patient's cancer comes roaring back stronger than before, immune to a treatment that once was effective.

Taking back control of cancer genes is broadly recognized as a high-potential approach to defeating therapy resistance. Gene modification is a well-known approach to gene control and has applications in the cancer field. Gene editing, the most common type of gene modification, is invasive, expensive, and, owing to its permanence, has serious safety concerns. Those issues have become barriers for gene therapies, making it difficult for successful migration from the laboratory to application in a real world setting. The promises of gene editing and gene therapies remain unrealized.

An alternative approach to gene control is through epigenetic therapies. Epigenetic therapies entail the addition of external agents, such as orally administered medicines, to influence gene expression. Companies are currently developing epigenetic therapies targeting proteins that control the gene expression process. This process is not gene specific and has a higher likelihood of toxicity and unwanted side effects. Reglagene looks to fix this problem by developing epigenetic therapies that directly target specific genes.

Solution

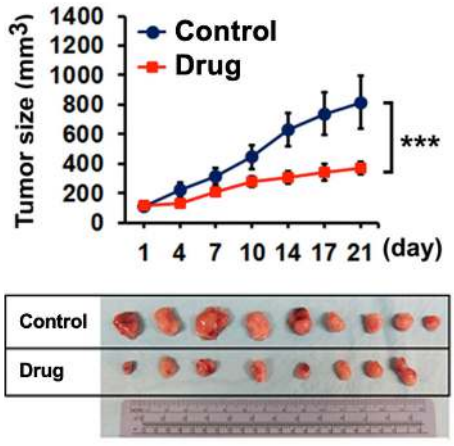
Reglagene's oral epigenetic medicines are designed to take back control of the genes that cancer has changed to render therapies ineffective. "Epigenetics" literally means "on top of genetics". In other words, epigenetics is an external stimulus to take control of a genetic process without modification to the genes themselves - a "code on top of the code".

Reglagene's technology is based on 20 years' of research by Dr. Laurence Hurley, Reglagene's Chief Science Officer. He discovered natural features in genes known as "quadruplexes" that control the rate of gene expression, the process by which the information encoded in a gene results in protein production. Further, Dr. Hurley discovered methods that enable the creation of medicines to selectively interact with gene quadruplexes to either enhance or inhibit their rate control function (Quadruplex Master Switch Technology, or QMST). The practical effect of these medicines is to restore the production of the protein to a level that is lethal for the cancer cell while sparing normal tissues. By controlling the rate of gene expression, these medicines promise to take back control of the genes that cancer exploits to enable its own survival.

In contrast to the invasive gene editing approach, Reglagene's Epigenetic Medicines are orally administered in tablet form as the therapeutic modality. The effect of these medicines persist only while the medicine is the patient's system (safer), can be delivered systemically to any tissue in the body (targeted), and are the lowest cost therapeutic class (global impact). These are medicines for a global market.

Initial animal studies of Reglagene's solution have shown promising results including significant reductions in tumor growth rates, as summarized below.

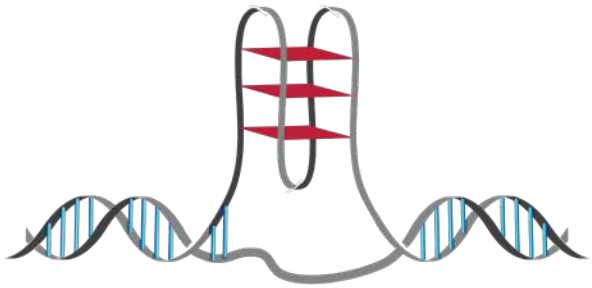
Academic Experiment from the University of Arizona



- **In vivo proof of concept - prostate cancer**
  - **Xenograft mouse model**
  - **Non-toxic**
  - **Biomarker analysis supported mechanism of action**
  - **Significant reduction in tumor growth rate was observed**
- **Results published by the University in peer-reviewed journal**
- **Exclusive patent license (WO2017095969)**

Reglagene is pre-market and preparing to move from animal studies to human testing and clinical trials. Clinical trials are the last stage of trials before being submitted to FDA approval for commercialization.

Dr. Hurley has been developing the foundation for Reglagene's epigenetic medicines for over 20 years. In an earlier commercialization attempt, Dr. Hurley founded Cyternex in 1997. Later known as Cylene, this company brought the first quadruplex-targeting drugs into human clinical trials, CX-3543 (Quarfloxin) and CX-5461. Quarfloxin was well-tolerated by patients but failed to show efficacy in a Phase II human clinical trial because Cylene did not identify the correct molecular target for the drug. This error led to an incorrect patient population selection for the Phase II trial.



Cylene's follow-on quadruplex drug was CX-5461. It was licensed to Senhwa Biosciences in 2013 and recently completed a Phase I human clinical trial. The drug was well tolerated by patients and, unlike Quarfloxin, there was more certainty around the molecular target for CX-5461 enabling the selection of an appropriate patient population. Robust responses were observed in ovarian and breast cancer patients presenting with the well-known BRCA1 and BRCA2 DNA repair mutations. Senhwa is planning a larger Phase II clinical trial. Senhwa is a pre-revenue company with a product portfolio consisting of two drugs, CX-5461 and CX-4945, both licensed from Cylene. Senhwa Biosciences is publicly traded on the Taipei Stock Exchange and has a market capitalization equivalent to $720,000,000.

Dr. Hurley resigned from Cylene in 2006 and has the ability to function independently from Senhwa without liability or obligation to Senhwa. Dr. Hurley resigned from Cylene in 2006. Equipped with clinical knowledge of the safety and efficacy of quadruplex-interactive drugs, Dr. Hurley focused his academic research on building a better version of the technology. The result of his labor is the ability to target DNA quadruplexes with greater precision. His breakthroughs led to the founding of Reglagene in 2016 and are the source of our confidence that the drugs under development at Reglagene will achieve clinical success and will be superior to those discovered at Cylene.

The earlier trials and subsequent development to address early efficacy issues give us confidence in both the safety of Reglagene's approach and in its long term success in human applications.

Dr. Laurence Hurley
Reglagene's Chief Science Officer

MARKET

Reglagene's approach is expected to be applicable to a variety of different cancer types and medical conditions based on targeted treatment of specific genes relative to each disorder, including:

Sample of Disease-causing Genes Addressable by Reglagene

Gene Name	Diseases
MYC	*Ovarian, breast, colorectal, pancreatic, gastric, uterine cancers*
BCL2	*Small cell lung cancer, chronic lymphocytic leukemia, lymphoma, autoimmune disease*
KIT	*Gastrointestinal stromal tumors, testicular seminoma, mast cell disease, melanoma, acute myeloid leukemai, piebaldism*
KRAS	*Lung adenocarcinoma, mucinous adenoma, ductal caracinoma of the pancreas, colorectal cancer, leukemia, pancreatic cancer, lung cancer*
TERT	*Bladder, breast, ovarian, and prostate cancers, glioblastoma, osteosarcoma*
MAPT	*Tau, Alzheimer's disease*
SNCA	*alpha-synuclein, Parkinson's disease*

Beachhead Market

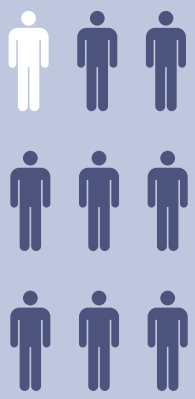
Reglagene's planned beachhead market is the prostate cancer therapeutic market. According to the CDC, aside from non-melanoma skin cancer, prostate cancer is the most common cancer among men in the United States with about 200,000 new cases annually. 1 in 9 men will be diagnosed with prostate cancer during his lifetime and it is the leading cause of cancer death among men of all races, with over 30,000 deaths annually.

Reglagene's therapy would initially be an add-on to help existing therapies work better and longer, a typical path to market for new cancer medicines. As a new therapy, it is difficult to precisely predict market size but other cancer medicines using a similar market approach have garnered revenues in excess of $1B annually. Celgene's Revlimid, the leading cancer medicine, had 2018 revenues of $9.685B alone.

200K

new cases annually

1 in 9 men



Competition

From a technology perspective, Reglagene's nearest competition comes from other companies in the epigenetic therapy space. Less direct is competition from gene modification approaches including gene therapy and gene editing. Both technology classes are presented below.

COMPETING EPIGENETIC THERAPIES

Epigenetic therapies entail the addition of external agents (i.e. drugs) to influence gene expression. Biology centers on gene expression, the process by which information found in a gene is used in the synthesis of a gene product, most typically a protein. Gene expression happens with exquisite fidelity in living systems, with proteins produced in the right amount, place, and time in an organism to sustain life. When this fidelity is lost, disease results, especially cancer.

"Epigenetic" literally means "on top of genetics" and refers to changes in gene expression without relying on direct changes in the genetic code (e.g. gene mutation). The natural regulatory factors that govern the fidelity of gene expression include chemical modification of DNA (e.g. gene methylation) or variations in the three dimensional shapes of genes.

Epigenetic medicines comprise an exciting field of drug development. It's the concept that an external therapy may be administered to alter epigenetic factors (again, gene methylation or the three-dimensional gene shapes) to restore regulation of gene expression to an optimum level for a therapeutic benefit.

Reglagene is developing orally administered epigenetic medicines that directly interact with gene structures to enhance or inhibit their natural gene expression control function.

The epigenetic space breaks into groups who have direct gene targeting, and those who target gene regulatory proteins as shown below.

Molecular Target		Non-Oral	Oral
	Direct Gene Targeting	OMEGA THERAPEUTICS — A FLAGSHIP PIONEERING COMPANY	regla gene
	Gene Regulatory Proteins		Constellation PHARMACEUTICALS; RESVERLOGIX; Prelude THERAPEUTICS; OnKure THERAPEUTICS; FOGHORN THERAPEUTICS; SYROS
	Route of Administration		

To understand Reglagene's competitive environment, below is a brief overview of each of the two alternative epigenetic approaches.

Gene Regulatory Protein Targeting Epigenetics

The majority of companies in the epigenetic therapy landscape including those in the lower right quadrant of the above chart target gene regulatory proteins. The therapies under development by these companies do not directly target genes (like Reglagene's technology) but instead target proteins that control the gene expression process. The protein targets are chromatin regulators which focus on how DNA is packaged and accessed for gene expression.

If stretched end to end, human DNA would measure about two meters in length. The nucleus of a human cell measures no more than twenty micrometers. To fit in this space, DNA is tightly compacted. Chromatin is a term that refers to this tightly packed DNA. The packing state influences gene expression by controlling physical availability of a gene. Chromatin regulators are proteins that govern the packing state of DNA.

Therapeutic agents that target chromatin regulators inhibit their chromatin regulation function. Like Reglagene, the therapeutic modality of these agents tends to be oral and low cost. However, a disadvantage to targeting gene regulatory proteins is the action of these proteins is often non-specific. In other words, there may be unwanted effects on gene expression that lead to toxicity. No therapeutic agent targeting a chromatin regulator has been approved by the FDA for commercial use.

Even with these limitations, companies in this space are growing rapidly and generating a return on investment for investors.

Direct Gene Targeting Epigenetics

Direct gene targeting is a novel method to regulate genes. Companies that have previously attempted to target DNA directly have run across the problem of selectivity. One section of DNA looks nearly identical to another section of DNA. Companies pursuing direct gene targeting need a method for selective gene targeting, which can be done by targeting unique portions or structures that are present on genes.

Direct gene targeting differentiates Reglagene from most of the companies in the epigenetic space who focus on gene regulatory proteins. The primary direct competitor to Reglagene is Omega Therapeutics which is discussed below.

Omega Therapeutics

Omega Therapeutics is an epigenetic therapy company engaged in direct gene targeting. To our knowledge, only Reglagene and Omega Therapeutics have the ability to target genes directly, yet both companies target a different portion of the gene. Omega Therapeutics targets Insulated Genomic Domains (IGDs) while Reglagene targets quadruplexes.

Since Omega Therapeutics targets the IGD portion of a gene, they will require a multidomain macromolecule as a therapeutic agent. That disqualifies the company from developing oral medicines and their products will require a special delivery mechanism. This factor introduces an added element of product development risk relative to Reglagene as the technology to deliver the product to a tumor site has not been developed.

In contrast to Omega, Reglagene targets unique structures known as quadruplexes that occur on genes that are fully distinct from the DNA double helixes. Quadruplex structures vary from gene to gene, allowing Reglagene to selectively target one particular quadruplex. Out of the roughly 20,000 genes in the human body, it estimated that 40% contain quadruplex structures. This gives Reglagene a broad array of targets and the ability to use their platform technology in a wide array of disease states.

The focus on quadruplex structures allows Reglagene to develop orally administered medicines. This is advantageous compared to Omega Therapeutics because oral medicines are cheaper to produce, have well developed regulatory pathways, and give patients the convenience of taking their medicine in the comfort of their own home.

Indirectly Competing Gene Modification Therapies

Gene modification therapies receive much attention and Reglagene's technology is often confused with gene modification. This section clarifies the difference. Gene modification therapies are disease treatments that entail a physical change to the cellular genome. The prevailing technologies in this area are gene therapy and gene editing.

	Gene Modification	Epigenentic Medicines
Modality	*Invasive*	*Oral administration*
Duration	*Permanent*	*Transient*
Response to an Adverse Event	*Palliative only*	*Stop the treatment*
Anticipated Cost	*$400,000 to $2,200,000*	*$10,000 to $100,000s*
Regulatory/Development	*Nascent*	*Dominant modality*

Gene therapy is the physical insertion of an entire gene into a genome. The intention of this treatment paradigm is to fully replace a malfunctioning gene. The first gene therapy was approved by the FDA in 2017. In the cancer arena, gene therapies are represented by the CAR-T therapies. These are genetically engineered immune cells (T-cells) modified to seek out and destroy a patient's cancer. Products in this area include Kymriah, Yescarta, and Tecartus. The application of these therapies is today limited to blood malignancies

(e.g. lymphomas and leukemias) and does not include solid tumors. These products have safety concerns that include over-stimulation of the immune system leading to a "cytokine storm". Costs are high with product and associated costs (e.g. inpatient and outpatient hospital visits) totalling about $1.5M per patient.

Gene editing is the chemical mutation of a single DNA unit (i.e. nucleotide). The underlying technology for gene editing is known as CRISPR. The inventors of CRISPR won the 2020 Nobel Prize for chemistry. Drug development involving CRISPR is in its infancy. The first experimental therapy employing CRISPR completed Phase I in August 2020. This experimental treatment is in the CAR-T family (like gene therapy for cancer described above). But instead of generating a new functional protein, this treatment blocks the production of a protein that hinders T-cell efficacy in seeking out cancer. The jury is still out on the application of CRISPR but it is anticipated that similar safety and cost issues relative to gene therapy will be in play.

As the gene modification field continues to grow, alternative therapies continue to emerge including epigenetic therapies like Reglagene.

Other Therapies

Beyond gene editing and epigenetic medicines, a number of emerging technologies are in development that, like Reglagene, focus on addressing core cancer drivers rather than specific tumor cell issues. For example, OncoSynergy is a California-based company pioneering work to regulate a specific contributor to the tumor microenvironment as a means to prevent cancer growth. Reglagene is one of a number of promising emerging technologies offering new treatment methods for cancer and other diseases.

There are also other companies pursuing epigenetic treatments that are transient in nature (like Reglagene's). Reglagene is the only one using a low cost, orally administered therapeutic modality. All others we are aware of rely on complex molecular agents with unknown ability to access genes in tumor cells and face less-traveled development and regulatory pathways.

Competitive Advantage

Reglagene is the only company we are aware of using oral epigenetic medicines that leverage small molecule approaches to target specific cancer genes. It is also the only company exploiting quadruplexes as the "lever" to exercise control of gene expression.

Reglagene's technology offers the promise of a less invasive, more targeted and lower cost means to regain gene control. In addition, since Relegene is a pharmaceutical approach the impact on gene regulation ceases when treatment stops in contrast to the permanence of gene editing. While still in the early stages of development, we believe that Reglagene has an advantageous approach to regulating protein production at proper levels to reduce tumor growth and metastasis.

FINANCIAL PROJECTIONS

As a pharmaceutical development company, Reglagene's revenues are derived from licensing or selling its core therapeutic assets, typically to large enterprise pharmaceutical companies that are dependent on external innovation to drive future revenue and earnings. As a platform technology, Reglagene has the potential to license or sell assets for therapies across an array of diseases in which protein production plays a critical role. Accordingly, Reglagene's current financial projections are based primarily on this licensing or selling assets for their current programs for glioblastoma and prostate cancer.

For pharmaceutical development companies, licensing or selling assets can happen at different stages of development. While Reglagene is currently aiming for a preclinical transaction that could generate a meaningful return for early investors, they are simultaneously preparing to take both programs through the clinical trials which could result in a later stage and much higher value transaction. This "fork in the road" strategy is modeled in Reglagene's financial projections and reflects current trends for transactions in this space.

Licensing deals in the oncology therapeutics sector occur frequently, with about 300 per year over the last several years. The deal structures typically entail an up-front payment and milestone payments contingent on product development de-risking steps such as completion of each phase of human clinical trials. Total deal values average between $500MM and $1,000MM.

We recognize that Reglagene is pre-revenue and early stage and believe that a liquidity event is likely to occur prior to revenue recognition. Projecting financials for companies at this early stage is challenging but we believe that the rewards merit the risk given the company's potential.

IMPACT

Reglagene offers the possibility of making gene therapy more affordable and accessible for more cancer patients to drive improved outcomes. While the beachhead market is prostate cancer therapy, Reglagene's approach is extendible to both other cancers and other medical disorders by targeting different select genes.

Gene Name	Diseases
Undisclosed Gene (Proprietary)	*Prostate Cancer*
MYC	*Ovarian, breast, colorectal, pancreatic, gastric, uterine cancers*
BCL2	*Small cell lung cancer, chronic lymphocytic leukemia, lymphoma, autoimmune disease*
KIT	*Gastrointestinal stromal tumors, testicular seminoma, mast cell disease, melanoma, acute myeloid leukemai, piebaldism*
KRAS	*Lung adenocarcinoma, mucinous adenoma, ductal caracinoma of the pancreas, colorectal cancer, leukemia, pancreatic cancer, lung cancer*
TERT	*Bladder, breast, ovarian, and prostate cancers, glioblastoma, osteosarcoma*
MAPT	*Tau, Alzheimer's disease*
APOE	*Alzheimer's disease, altherosclerosid, malaria*
SNCA	*alpha-synuclein, Parkinson's disease*

"Too often, cancer survivors hear the terrible words, "Your cancer is back". Cancer changes itself to make even the most effective treatments fail. Reglagene is developing medicines to overcome difficult-to-treat and therapy resistant cancers. We plan on expanding our platform technology to a wide range of indications and dream of the day cancer patients do not fear visiting their oncologist."

Richard Austin
Reglagene CEO

DEAL

Reglagene is raising $2M based on a $4.75M pre-money valuation. Key structure points of the raise are:

- Preferred stock
- 1x liquidation preference
- Conversion to Common Stock in the event of a change of control and payout of liquidation preference
- Optional pro-rata participation in future rounds
- Optional redemption right after 10 years

The funds will be used to complete three major objects: Complete Animal Trials, Deliver Version 2 Medicines, and preclinical development. These funds are projected to support Reglagene to accelerate preclinical development of two cancer medicines as a stepping stone to human clinical trials.

KEY RISKS

Reglagene is an early stage, pre-revenue company and investment involves significant risks. While our due diligence efforts focused on identifying unreasonable risk, the following represent risks still apparent after our evaluation:

Efficacy Data

The only available data from Reglagene's efforts is from animal testing. While the results were positive, animal testing results may not be transferable to human treatment. Human trials are the focus of Reglagene's Series A round and there is a non-negligible level of risk that human test results may not be material.

Market

While Reglagene's epigenetic approach may be extendable to multiple market segments beyond the company's prostate cancer beachhead market, full marketing analysis has not been completed and neither the full opportunity or risks in penetrating other segments have been fully assessed. That said, prostate cancer is a crowded field, with many other companies attempting to create the next blockbuster drug. Given the extremely

of prostate cancer and large patient base, Reglagene should be able to have peak sales over $1 billion even if a relatively small fraction of the market is penetrated. For glioblastoma, the likely follow-on market, the segment is higher risk and higher reward. Brain cancer treatments require the drug to pass through the blood-brain-barrier, which is a difficult task to achieve. Reglagene has CNS MPO scores > 4, which indicate the drug should be able to cross the blood brain barrier and MDR1-MDCK II scores > 15 and efflux rations < 2 which is the second test that confirms these drug molecules should cross into the brain. Until this is validated in an animal model, there is no way to confirm that this is possible, posing a risk to this program. If it is possible, given the extremely high unmet need that occurs with glioblastoma, the company should be able to have an accelerated pathway through clinical trials.

Team

The Reglagene management team is deep on technical, clinical and regulatory disciplines but there are gaps in skills and experience on both business and finance skill sets that the company is currently addressing. Recent hires have included a Director of Business Development with relevant experience, and the company is actively seeking a CFO with fundraising experience. Until filled, gaps in those areas pose manageable risk exposure.

In addition, it should be noted that Reglagene CEO Richard Austin is a first-time CEO and lacks hands-on experience building a company at this stage of development. In general, the due diligence team has found Richard having good business acumen, particularly given his technical background and strength, but there remains some risk exposure due to his relative inexperience in this role.

EXIT PATHWAYS AND PROJECTED RETURNS

Liquidity for Reglene investors is not solely dependent on Reglagene generating revenue by licensing or selling assets. Initial public offerings (IPO) occur frequently in this space and at the same early stages of development as licencing or asset sales. Two recent examples illustrate investor liquidity at different early stages of development:

Preclinical Stage IPO

Foghorn Therapeutics, a company in the epigenetic therapy landscape, was founded in 2015 and raised its first investment round in 2017. In July 2020, they closed a major product deal with Merck that netted a $15M up front payment. In October 2020, Foghorn raised $120M at $16/share with a market capitalization of $644 million. Investors in Foghorn's three investment rounds (A-1, A-2, and B) made returns of 16x, 10x, and 2x on their investments, respectively. Investors in the A-1 round had the longest hold time at 3 years. While there are similarities between Foghorn and Reglange - both companies are still preclinical - we believe Reglagene's technology is superior to Foghorn's because it can directly target a specific gene. This leads us to believe a similar path to liquidity and market capitalization could be achieved by Reglagene.

Clinical Stage IPO

Prelude Therapeutics went public in September 2020 with a share price of $19.00. On December 1st, 2020, shares opened at $53.29, near their high of $57.67, representing a market capitalization of $2.35B. At the time of their IPO, Prelude had two compounds in Phase I clinical trials (3 total trials).

According to CB Insights' database of private company financing and exit data, oncology therapeutics companies have exited at the rate of one per week over the last three years, with IPOs comprising about half of these transactions. Consistent with this trend, twenty-one (21) oncology therapeutics companies have exited by IPO in 2020 through October. These IPO companies rapidly built shareholder value with the median company age at IPO at 5 years. Half of these companies have market capitalizations greater than $1 billion. Most of these companies had collected clinical data at the time of the IPO, but none had progressed beyond Phase II human clinical trials.

Several factors contribute to IPO success in the oncology therapeutics sector. These factors have different importance depending on the company. These factors include:

- Market conditions and recent history that favor oncology therapeutic company IPO success. Those conditions have been present for the last several years.
- Recent clinical trial success or the promise of future clinical trial success based on outstanding preclinical data or an outstanding result in an earlier phase clinical trial.
- A recent major financing round led by a highly reputable venture capital firm.
- A major product development deal with a highly regarded pharmaceutical company
- The assembly of leadership and product development teams with a track record of product development success and shareholder value creation in the oncology therapeutics sector.

Assessing Reglagene to these factors, these are likely elements that will enable its IPO:

- Phase I clinical trial success focusing on safety and dose-finding but also including an efficacy readout.
- Completion of a major funding round led by a highly regarded venture capital firm.
- High profile additions to its talent pool with executives, managers, and scientists with track records of drug development success and value creation.

An exit by M&A must be considered as well. Reglagene's strategy is to build the company in anticipation of an IPO. It is often the threat of an IPO that creates the environment for an offer from an acquirer. Likely acquirers for Reglagene include: Roche, Celgene, Novartis, Bristol-Myers Squibb, J&J, Gilead, Sanofi, Amgen. These acquirers know that a delay to acquire following a successful IPO will be at a premium over the resulting market capitalization.

Below are two examples of an IPO threat prompting attractive acquisition offers.

- Reglagene board director Dr. David Bearss sold Tolero Pharmaceuticals to Sumitomo Dainippon in 2017. Sumitomo made an attractive offer to purchase Tolero after becoming aware that Tolero was preparing its S-1 document in anticipation of an IPO.
- Peloton Therapeutics was one day away from completing its IPO when it was purchased by Merck for $1B up front with over $2B in total deal value.

Our analysis suggests, based on the current $4.5M valuation, a deal value similar to comparables of $650M could be possible in 3-4 years, though more likely in 5-7 years. Based on these assumptions, projected return could be in the range of 5x to 15x.

DISCLOSURES

Evaluator Attestation

By issuing this evaluation report, each Cancer Fund evaluator whose name appears in this report hereby certifies that (i) all of the views expressed in this report reflect the evaluator's personal views about any and all of the subject companies, securities or issuers discussed herein and (ii) this evaluation has been prepared exclusively for Cancer Fund and conclusions, or recommendations contained herein are made solely for Cancer Fund.

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Cancer Fund or its affiliates may have already received, expect(s) to receive or intend(s) to seek compensation for advisory and consulting services from Reglagene or other companies mentioned herein in the prior 3 months or in the next 3 months.

Reglagene is or was, during the 12-month period preceding the date of the distribution of this report, a client of CXO Advisors & Management, an affiliate of Cancer Fund, and received compensation from Reglagene in the past 12 months for advisory services.

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