Dear Fellow Investors,

We are writing this note to explain why we personally find the upcoming PharmaJet round attractive. If you are unfamiliar with the deal, PharmaJet has pioneered a needless injection system that aims to make needle free the standard of care while establishing a new platform of delivery for the new generation of RNA/DNA vaccines. By reducing the fear of needle stick, improving the safety and cost associated with sharps disposal, demonstrating efficiency on limited vaccines with dose rationing, and improving the speed of treatment for conventional vaccines, they are gaining mass acceptance in developing economies while they are also gaining worldwide attention with the results increasing vaccine efficacy for intradermal and intradermal novel vaccines. They are currently raising $5 million dollars on a $75 million dollar pre-money valuation.

PharmaJet is demonstrating they can achieve both significant societal impact as well as healthy financial at large scale which their technology. They are partnering with the World Health Organization (WHO) and Bill and Melinda Gates Foundation in their coordination of Polio Eradication efforts. Several clinical trials and field assessments have demonstrated that the PharmaJet system has both dose sparing properties (60% less vaccine has a superior immune response) and dose stretching properties by getting 26% more doses out of the vaccine vials. Each of these precedent setting confirmations are magnified in importance, as there is a shortage of polio vaccine in the world, and the injectable version of the vaccine which is becoming the accepted global standard is at least 15x more expensive than the oral drops which have been used to date in the developing world. In addition, PharmaJet’s system has been shown to be an effective platform for novel vaccine delivery, especially with RNA/DNA vaccines such as Zika, where it allows for a greater immunogenic response than needle based delivery. The company’s portfolio of these novel developments spans infectious disease, cancer, allergies, and other vaccines and therapeutics, where the developers of these vaccines are increasingly focused on utilizing the PharmaJet method of administration as the only method of administration.

Our initial interest in PharmaJet was grounded on their experienced management team, as well as a precedent setting relationship with the FDA and CDC, along with a highly developed product. Their team brings deep expertise from key industries, including biomedical and private equity. They have developed increasingly effective relationships with the FDA demonstrated by a plaform now approved for all tissue depths. Furthermore, Heather (the co-founder) and the senior management team have consistently demonstrated a keen attention and openness with their investors’ interests.

This round of PharmaJet still presents possible angel venture returns, even at a later stage. As they have recently engaged an investment banker, they have begun their exploration of a potential foreign market IPO. As such, this will likely be the last round for high net worth individuals. After this they will be engaging larger institutional and large family office investors for their pre-IPO round. Based on peer benchmarking valuation analysis, Pharmajet is targeting revenue multiples of 6-8x, with exit timing ranging from 2019-2021. With the anticipated growth over this period, the ROI’s range from 3-10x. Pharmajet has related that its investment bank analysis has estimated similar results. In addition, this round sits at the top of the liquidation stack, and with PharmaJet’s large IP portfolio and fully scaled and manufactured device platforms, much of the downside has been mitigated.

For ourselves, we believe that is not only important to have diversification in our portfolio among multiple deals, but also have deals in different sectors and at different stages. As with any deal, there clearly are still risks; however, we feel that this Series F represents a reasonable possibility of a short timeline to exit, as well as a mitigated downside due to extensive IP, demonstrated product market fit regulatory achievements and precedents, and an experienced team.

If you have any questions or concerns, please feel free to contact either of us at charles@mcgregorassociates.com or Andrew@mcgregorassociates.com. We are also available by phone at 484-680-3703. As always, Heather Potters (720 878 8785 or heather.potters@pharmajet.com ) has also agreed to make herself available for any questions.

Best,

Charles McGregor