

March 30, 2021

Dear Limited Partner:

This update provides a review of SOSV IV's performance for the fourth quarter of 2020. A full portfolio report can be found in the investor portal, containing details on new investments made during the quarter, a summary of allocations and performance by sector, and a list of all SOSV IV investments and their performance. The 2020 audited financial statements for SOSV IV can also be found in the investor portal.

SOSV Performance as of December 31, 2020

Two SOSV IV portfolio companies, both COVID-related, were acquired in the fourth quarter.

- [CASPR Biotech](#), which went through the IndieBio program in 2018, uses CRISPR-based technology for rapid COVID-19 testing. The identity of the large publicly listed corporation that acquired CASPR cannot be disclosed. The sale resulted in a \$4.7 million return to SOSV IV (8x multiple on invested capital). \$3.7 million of the proceeds have already been received, with an additional \$1 million currently held in escrow to be released in 24 months.
- [ANA Therapeutics](#), an ecosystem investment, was acquired by NeuroBo Pharmaceuticals (NASDAQ:NRBO) in December. The sale resulted in a return of capital to SOSV IV and potential for further returns if the company achieves key performance milestones. ANA has developed an anti-viral therapeutic for COVID-19 that is in Phase 2 clinical trials.

As we noted in the December capital call notice, the General Partner chose to recycle these monies rather than distribute them to LPs, thus reducing the capital called in Q4 2020 from 6% to 4.5%.

During the fourth quarter, SOSV IV deployed \$13.3 million into 73 companies. This was comprised of 22 accelerator investments along with 51 follow-on investments into existing SOSV portfolio companies.

From January 2019 through December 2020, SOSV IV has invested \$113.9 million into 398 companies, which have a current fair market value of \$132.3 million.¹ In the fourth quarter, the Fund posted net valuation gains of \$11.52 million, which included \$12.56 million in gains, offset by write-offs and write-downs totaling \$1.04 million.

The largest contributors to the gains include COVID-related diagnostics company, [CASPR Biotech](#), two fintech companies (crypto prime brokerage firm [Covario](#) and digital asset management platform [VegaX](#)), a computational biology company, [Ten63 Therapeutics](#), and a computer vision startup, [viAct.ai](#), which automates monitoring of construction and manufacturing sites.

¹ In addition to 398 portfolio companies, SOSV Sanya Ltd. (100% owned by SOSV IV) is a Chinese holding company for investment positions in 17 additional HAX China portfolio companies. This brings the total number of underlying portfolio companies and investment entities to 414.

Summary of Financial Performance (SOSV IV Q4 2020)

Fund	SOSV III	SOSV IV	
Investment period	2015-2018	2019-2022	
Reporting period	Q4 2020	Q4 2020	Q3 2020
Total committed by limited partners	\$150M	\$277M	\$277M
Capital drawn down	\$136.5M	\$131.6M	\$119.1M
Total value (including distributions)	\$327.3M	\$143.8M	\$120.9M
DPI	0.34x	0.0x	0.0x
MOIC ²	2.40x	1.09x	1.01x
Gross IRR	26.6%	22.6%	16.0%
Net TVPI ³	2.05x	1.09x	1.01x
Net IRR	21.1%	10.2%	2.0%

Company Spotlight



[Phable](#) is a digital healthcare platform for India. The AI-driven telemedicine startup, which graduated from MOX in late 2019, provides a software solution for patients with chronic cardiovascular and endocrinology-related diseases and their doctors to manage appointments, monitor medications and track test results through an IoT integration with at-home medical devices. Phable is currently used by 5,000 doctors and 220,000 patients across India. The company closed a \$12 million Series A round in Q4 led by Manipal Hospitals, one of the largest healthcare providers in India. Phable plans to use the capital to scale its reach to 35,000 doctors and 5 million patients by the end of 2021 and expand its offering to allow patients to purchase insurance through the platform. [Read more here](#)

New Cohorts & Highlighted Financings in Q4 2020

SOSV held its virtual demo day for [Chinaccelerator batch 18](#) in December. As we mentioned in our last update, the IndieBio demo days for the latest cohorts from [San Francisco](#) and [New York](#) were also held in the fourth quarter.

SOSV IV committed follow-on capital to 51 companies in Q4. Here are some highlights:



[NotCo](#), the biotech company using AI to make plant-based dairy and meat alternatives, launched its Not Milk product in the US in Q4 and is already getting strong reviews. The Chilean-founded company has established an office in New York City to help facilitate its expansion to the US market, following its recent Series C round. NotMilk is now available in Whole Foods stores across the US. Its plant-based Rebel Whopper is available in Burger King across South America and the United Kingdom. [Read more here](#)



[New Wave Foods](#), a future food company focused on plant-based, sustainable seafood alternatives, closed its \$18 million Series A financing led by New Enterprise Associates and Evolution VC Partners. The new capital will enable New Wave Foods to scale up production of its shrimp product, expand its sales and marketing efforts, and accelerate future produce development. The company expects to expand its plant-based shellfish offering to include lobster, scallops, and crab following their shrimp product roll-out. The company graduated from IndieBio in 2015 and SOSV IV participated in this Series A funding round. [Read more here](#)

² MOIC (Multiple on Invested Capital) = Total Value (Including Distributions) / Capital Called

³ TVPI (Net) = (Total Value (Including Distributions) – Carried Interest) / Capital Called

Summary of Financial Performance (SOSV IV Q4 2020)



[Looking Glass Factory](#) launched a very successful Kickstarter campaign in the fourth quarter. It raised over \$2.5 million from more than 8,000 backers for its personal holographic display product [Looking Glass Portrait](#). The company subsequently [launched HoloPlay Studio](#) in early January, software that will enable users of the display to convert 2D images to 3D.



[Cradlewise](#) launched their smart cradle with responsive rocking and integrated contactless baby monitoring. The company was named one of the best inventions of 2020 by Time magazine, and Editor's choice at the 2021 Consumer Electronics Show (CES). The Indian babytech hardware company graduated from HAX in 2019. [Read more here.](#)



[True Made Foods](#), a healthful CPG company that makes all-natural ketchup, mustard and BBQ sauces, signed a three-year deal with the Boston Red Sox to supply condiments for Fenway Park. The company will provide their healthier condiment alternative for Red Sox's fans. True Made Foods graduated from Food-X in 2015, and SOSV IV participated in its 2019 Series A round. [Read more here](#)



[API3](#) (fka Honeycomb) builds decentralized APIs that connect blockchain users to data providers, enabling them to execute smart contracts securely on networks such as Ethereum, Bitcoin, and Hyperledger. The company, which graduated from dlab in 2019, raised a \$3 million Seed round in the fourth quarter, led by Placeholder VC, with participation from Pantera Capital, Accomplice, CoinFund, Digital Currency Group and Hashed. API3 subsequently raised \$23 million as part of its Initial Coin Offering (ICO) in December. [Read more here](#)

Recent & Upcoming Demo Day Dates & Recent Press

Due to COVID-19, most of the events below are held online. Please let us know if you are interested in attending upcoming events or in receiving recordings of past events and we will provide additional information. For more events, please visit the [SOSV Events Page](#) on our website.

- January 21st HAX Tokyo Cohort 3 kick-off
- February 1st IndieBio New York Cohort 2 kick-off ([startups here](#))
- February 16th IndieBio San Francisco Cohort 11 kick-off ([startups here](#))
- March 3rd MOX Batch 10 Demo Day ([startups here](#))
- March 4th IndieBio Panel: Biotech x Data ([view here](#))
- Mid-March Chinaccelerator Cohort 19 kick-off
- June 9th & 10th SOSV Annual General Meeting ([register here](#))
- June (date TBC) IndieBio Demo Day
- June (date TBC) Chinaccelerator Batch 19 Demo Day
- August 25th MOX Batch 11 Demo Day (virtual)

Summary of Financial Performance (SOSV IV Q4 2020)

Recent articles:

- Sean reflects on the IndieBio Demo Days and investing in science in [Science: An Unstoppable Force, an Unforgettable Friend](#).
- Chinaccelerator, SOSV's longest running accelerator, celebrates its 10th anniversary this year. Watch [this short video](#) (or the longer [20-minute documentary](#)) on how the program has evolved over the last decade, and its plans for the future. For more on Chinaccelerator and its sister program MOX, read about them in our [SOSV 1,000 Startups Series](#) or in [Asia Pioneers'](#) interview with GP William Bao Bean.
- Laboratory automation robotics company OpenTrons and 3D printing company Formlabs were included on [Inc Magazine's Best in Business list for 2020](#).
- [Seven HAX founders were named to Forbes' 30 under 30 list for 2020](#). These included founders from [Lura Health](#), developing in-mouth sensors for saliva-driven diagnostics, [Amber Agriculture](#), building sensors for grain asset management, [Unspun](#), making custom jeans using a robotics and AI, and [RockMass](#), using sensors to enable safer and more efficient geological data collection in mines.
- IndieBio ran a series of webinars on critical biotech topics including [Designing the Lifecycle of Biomaterials](#), [Building Global Biotech startups](#) in the US and Europe, and [Climate Tech Solutions](#) with SOSV, Mayfield and the UN SDG Fund.

To make sure that you get the most up-to-date news from each of our accelerator programs, including Demo Days invitations, events updates and articles, we encourage you to subscribe to the specific SOSV accelerator program newsletters that interest you. You can sign up here: <https://sosv.com/subscribe/>

COVID-19 Portfolio Updates

SOSV portfolio companies continue to provide disinfection and treatment solutions in the fight against COVID-19. Over a dozen of these SOSV startups are having significant impact and commercial success. A few highlights from the fourth quarter:

- Ana Therapeutics is advancing ANA-001, a clinical-stage proprietary capsule formulation of niclosamide as an anti-viral for the treatment of coronavirus. As previously referenced, the company was [acquired by NeuroBo Pharmaceuticals \(NASDAQ:NRBO\) in December](#). The results of ANA's Phase 2 drug trials are expected in Q3 2021. If trials are successful, the acquisition by NeuroBo will enable an accelerated timeline to develop and roll-out this treatment for individuals with moderate to severe cases of COVID-19.
- UV-C disinfection robotics company [R-Zero](#) continues to grow commercial traction as businesses globally implement safety measures to prevent infection, reduce spread, and restore the trust of employees and customers. Founders Eli Harris and Grant Morgan discuss how R-Zero is establishing a new standard for biosafety with [Forbes](#).
- [Strados Lab's](#) RESP, a small skin-worn sensor system that enables clinicians to measure, record, and analyze pulmonary abnormalities, was recently [granted FDA Class II 501\(k\) clearance](#). This clearance will enable RESP to help more researchers and clinicians assess the impacts of treatments and therapies on patient outcomes.

Even as the vaccine rollout begins around the world, we see continued commercial traction, investment, and acquisitions in the SOSV-backed diagnostics, therapeutics, and medical device companies that have been crucial during this pandemic, and will help shape a healthier, safer world in the future.

2021 Annual General Meeting

SOSV will be hosting its 2021 Annual General Meeting virtually on **Wednesday, June 9th** and **Thursday, June 10th 2021**. While we had hoped to meet in person this year, given the challenges and continued safety concerns around travel and large meetings, we thought it prudent to gather remotely in 2021. We sincerely

Summary of Financial Performance (SOSV IV Q4 2020)

look forward to seeing everyone in person in 2022. In order to accommodate our Limited Partners all over the globe, we will be offering two AGM broadcasts this year:

- US/Europe (June 9th): 7am or 5pm PST / 10am or 8pm EST / 3pm GMT / 4pm CET
- Asia/Australia: (June 10th) 8am HKT / 9am JST /10am AEDT

You should have received a registration email from the Investor Relations team, you can register [here](#). Please email ir@sosv.com if you have any questions.

2021: A Bright Year Ahead

2020 was a challenging year. The pandemic tested all of us, and in many ways, it challenged the status quo of how the world will operate going forward. At SOSV we confronted challenges of running virtual and hybrid accelerators. More broadly, we accomplished by phone or computer much of what was previously mostly done in person with VCs, corporations, angels, mentors, our startups and limited partners.

The remainder of 2021 will bring us new hopes of a vaccinated global population, and a not-too-distant future when we can travel, celebrate, and gather again.

Amongst the major things we have planned for 2021 is new talent that will help us support our expanding portfolio, streamline our accelerator program offerings, and plan for an expanded presence for HAX in the North American market.

New team member: Ned Desmond, SOSV Senior Operating Partner

Ned joined SOSV in January from TechCrunch, a division of Verizon Media, where he had been COO and responsible for the development of the TechCrunch, Engadget and Crunchbase brands since 2012. In that role, he launched and scaled the TechCrunch Disrupt events business globally, oversaw Crunchbase's 2015 spin-out, and established TechCrunch's membership business Extra Crunch. Ned is responsible for driving SOSV's rapidly expanding operations, including SOSV-wide marketing and communications, cross-accelerator services and alumni programs.

Ned is a highly respected thought leader in Silicon Valley and globally. We have known Ned for many years and are delighted to welcome him to the SOSV leadership team. Read more in our [Medium post](#).

Food-X accelerator is now retired

In the last six years, SOSV invested in 100 startups through our Food-X accelerator brand. These include many promising companies such as [Halla](#), [Abbot's Butcher](#), and [Simply Good Jars](#).

In 2021, SOSV is likely to invest more capital than ever in food companies, and yet SOSV has decided to retire Food-X accelerator program. Why?

SOSV has seen a clear pattern for food-oriented startups over the last several years. Those promising the most radical innovation landed at our "deep tech" oriented accelerators IndieBio and HAX, where they benefited from those program's extensive technical resources. For example, IndieBio helped startups like [Perfect Day](#), [Memphis Meats](#), and [NotCo](#) achieve fantastic feats in the technically-demanding categories of cellular agriculture and plant-based meat and dairy. At HAX, startups like [Amber Agriculture](#) and [Nordetect](#) have created sensor-based IoT systems to transform agriculture supply chains and precision crop management.

Today, it seems clearer than ever that the food industry must embrace radical transformation for the sake of human and planetary health. IndieBio and HAX are at the forefront of that effort, supporting emerging areas

Summary of Financial Performance (SOSV IV Q4 2020)

such as cellular agriculture, protein farming, plant-based protein foods, pesticide-free farming, improvements in pollination, fish farming technologies and bioreactors, to name a few.

SOSV's returns from the food sector have been very strong, and yet the Food-X accelerator had significantly lagged the performance of the "future of food" companies in IndieBio and HAX. While Food-X accelerator program operations have ceased, SOSV will continue to support the remaining Food-X portfolio companies who continue to thrive with our time, guidance, and follow-on funding.

HAX accelerator expansion

SOSV continues to see many strategic advantages to its presence in Asia. As you know, we launched our first two accelerators in China and it remains the hub of our Asian operations. However, with the changing dynamics of global supply chains, we see an important opportunity to play an active role in the impending expansion of the US manufacturing sector.

Historically, many of our successful HAX companies have been US-based but participated in our program in Shenzhen to capitalize on advanced manufacturing capabilities. However, the environment has been changing. There is now a perceived fragility of the supply chain, due to tariffs and trade conflicts. It seems prudent for us to explore initiatives that make our startups less dependent on China for advanced manufacturing.

We will be working this year and next to expand our US-based HAX operations. We expect this will enrich our deal flow from the US, which historically has been a strong source for HAX performance. Meanwhile, our China-based HAX operations should continue to benefit from the strong deal flow we already see from Asia.

Startup fundraising overview going forward

SOSV startups raised over \$1 billion in external financing in 2020, up from just under \$600 million in 2019. This is due in part to the success of 41 companies raising large rounds at the Series A, B and C+ levels in the year, while an additional 127 SOSV startups closed Pre-Seed or Series Seed rounds in 2020.

As we have discussed in previous quarterly letters, in response to the pandemic, SOSV extended the duration of our accelerators in 2020 and ran fewer cohorts, which resulted in fewer accelerator graduates. In 2020, we invested in 103 new startups through our accelerator programs, compared to 133 in 2019. This enabled us to devote more resources to companies launched during the pandemic and better assist their fundraising success.

It appears that this strategy is paying off, as graduates are achieving early fundraising success. We anticipate continued growth in the fundraising success of our portfolio companies as more of our accelerator graduates achieve Series A+ financing rounds.

I hope that you will join us at our virtual AGM in June, and in the meantime please stay safe. Thank you as always for your trust in and commitment to SOSV.

Best wishes,



Sean O'Sullivan
Managing General Partner
sean.osullivan@sosv.com