SCIENTIFIC HEALTH DEVELOPMENT

FUND II

2023
SECOND QUARTER

8144 Walnut Hill Lane, Suite 905, Dallas, Texas, 75231
Office: 214.303.1540 | www.shdpartners.com

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June 30, 2023

Dear Scientific Health Development II, Ltd. Limited Partners,

Thank you for your continued support of Scientific Health Development II, Ltd. ("SHD II"). We are excited for the continued success of the fund and are pleased to announce our second quarter 2023 report. Some key points to note include:

- **Overview.** SHD II is a highly successful investment fund with additional upside. In the second quarter Centese, Channel Medsystems, and Potrero continued to progress their sales ramp, and EMKinetics and Azevan continued discussions with strategic partners. In addition, both Channel Medsystems and Potrero raised additional funds to accelerate sales growth. Overall, our portfolio companies have continued to progress and exhibit the possibility for additional distributions.

- **Capital Calls/Remaining Capital.** SHD II has called all available capital from its $15.65 million of commitments, and all funding obligations by Class A limited partners have been fulfilled.

- **$13.1 Million Invested.** SHD II has invested a cumulative total of $13,139,357 across nine portfolio companies.

- **$52.3 Million Distributed.** Cumulative distributions to SHD II Class A limited partners total $52,262,997, which represents 3.34x total capital commitments. Please refer to Appendix B for additional details on the distributions.

- **Milestone Payments.** SHD II's portion of exit event milestone payments has been fulfilled. Refer to Appendix B for more detail on milestone payments. Our investment in Channel MedSystems has resulted in significant realized distributions to limited partners; however, SHD II has retained an ownership stake in the company and additional value remains. Therefore, Channel MedSystems is highlighted in both Appendices A and B.

- **Reporting.** Electronic versions of our quarterly reports are available via a secure limited partner login on our revamped website: www.shdpartners.com. Click the 'LOGIN' button at the top right of the screen and select 'SHD II LOGIN'. The login id is 'SHD_II' and the password is 'maple2010'. After logging in, you have access to every quarterly report available to date.

- **Note on Valuation**. In calculating valuation, we use the basis for the investment unless (a) the investment has earned contractual-based interest in which case we include earned interest, (b) a subsequent financing event has occurred in which case we mark to that valuation, (c) there is a publicly available stock price, (d) the company has ceased operations in which case we write-off, or (e) the company has suffered what we determine to be a permanent impairment in value. These valuations are conservative as they are not reflective of the ultimate value that we expect to receive from the investments upon a successful exit event. The current carrying value of the active portfolio of SHD II, based on the valuation methodology described above, is estimated at approximately $8.9 million as of the end of the quarter. For further details, please refer to Appendix A.

- **Unrealized Potential Value.** SHD II has been a very successful fund to date and there is still additional value remaining in our active portfolio companies. Given the current status of those companies, associated cap table structures, and potential exit scenarios, we estimate residual value of the portfolio at approximately $4-7 million. We remain enthusiastic for the remaining value of SHD II and the prospect of additional future distributions.

As we progress, we will continue to keep you informed of any major changes to our portfolio. If at any time you would like more detail on activities or expectations from these investments, please do not hesitate to contact us at 214.303.1540.

Sincerely,

Philip Romano	Stuart Fitts	Andrew Offer
General Partner	General Partner	General Partner & CEO

PORTFOLIO COMPANY OVERVIEWS

Azevan Pharmaceuticals, Inc.

Therapeutics for stress-related central nervous system disorders

Headquarters: Bethlehem, PA

Business:

Azevan Pharmaceuticals, Inc. is a clinical stage, small molecule drug development company developing novel therapeutics to treat disorders of stress, mood, and behavior. The Company's first clinical compounds selectively block the effects of arginine vasopressin, a peptide neurohormone involved in the pathophysiology of major depression, intermittent explosive disorder (IED), impulse control/anger disorders, and post-traumatic stress disorder (PTSD). Vasopressin receptor antagonists represent a novel mechanism of action for addressing these indications.

SHD Board Member

Andrew Offer

Board Members

Neal Simon (Co-founder, CEO)
Geoff Smith (Ascent BioVentures)
Michael Pavia (Pharmaceutical industry veteran)
Paul Maddon (Founder of Progenics Pharma, Inc.)

Other Notable Investors

Ascent BioVentures

SHD II Investment History

Date Purchased	*Security Owned*	*Investment at Cost*	*Total Amount Raised in Round*	*Pre-Money Valuation*	*Ownership Position*	*Investment at Market Value*	*Return on Invested Capital*
Mar-12	Pfd.B	$100,000	$4,725,000	$16,602,221	0.276%	$138,586	1.386x
Apr-12	Pfd.B	$650,000	$4,725,000	$16,602,221	1.793%	$900,813	1.386x
Oct-13	Pfd.C	$1,000,000	$5,630,429	$25,612,118	2.757%	$1,385,488	1.482x
Oct-13	Warrants (Pfd.C)	$0	NA	NA	0.689%	$96,372	NA
Jan-14	Options (Common)	$0	NA	NA	0.257%	$35,967	NA
Jul-15	Pfd.C-1	$35,001	$1,722,738	$47,290,779	0.070%	$35,001	1.000x
Apr-16	Options (Common)	$0	NA	NA	0.128%	$17,850	NA
Feb-20	Pfd.C-1	$150,000	$1,722,738	$47,290,779	0.702%	$352,847	2.352x
Mar-21	Options (Common)	$0.000	NA	NA	0.105%	$14,055	NA
TOTAL		**$1,935,001**	**$18,012,660**		**6.776%**	**$2,976,979**	**1.538x**

Note: SHD II was issued warrants to purchase Pfd.C stock for its participation in the Series C round.

Basis for Valuation: Pfd.C-1 round of financing (July 2015)

Post Money Valuation: $ 50,251,066

Current Status:

Azevan submitted a grant application to the Department of Defense in the second quarter, which would be worth up to $2 million if awarded. Azevan continued exploring potential acquisition options in the second quarter. Subsequent to quarter end, the company raised $110,000 in a convertible note to fund ongoing intellectual property costs. The company continues to operate efficiently and seeks to raise capital to bridge the company until a long term solution is available.

Channel MedSystems, Inc.

Cryoablation technology

Headquarters: Berkeley, CA

Business:

Channel MedSystems, Inc. ("Channel") is a medical device company that has developed an FDA approved cryoablation device, Cerene®, focused on the endometrial ablation market.

SHD Board Member

NA

Other Board Members

Ric Cote (CEO, former SVP of Conceptus)
Tim Berkowitz (President & CEO, Innova Health Partners)
Jigar Choksey (Principal, Third Point)
Richard Emmitt (Senior Partner, Innova Health Partners)
Lisa Garrett (Former CFO of Cardiva Medical)
Heather Knight (President at Baxter Healthcare)

Other Notable Investors

Third Point
Innova Health Partners

SHD II Investment History

Date Purchased	*Security Owned*	*Investment at Cost*	*Total Amount Raised in Round*	*Pre-Money Valuation*	*Ownership Position*	*Realized Proceeds*	*Investment at Market Value*	*Total Return on Invested Capital*
Feb-11	Pfd.A-1	$25,000	$1,000,000	$1,900,000	0.040%	$324,633	$30,566	14.208x
Mar-11	Pfd.A-1	$25,000	$1,000,000	$1,900,000	0.039%	$320,970	$30,222	14.048x
Apr-11	Pfd.A-1	$50,000	$1,000,000	$1,900,000	0.078%	$638,344	$60,104	13.969x
Jun-11	Pfd.A-1	$100,000	$1,000,000	$1,900,000	0.156%	$1,266,300	$119,231	13.855x
Jun-11	Pfd.A-1	$300,000	$1,000,000	$1,900,000	0.464%	$3,778,130	$355,737	13.780x
Dec-11	Pfd.A-1	$500,000	$1,000,000	$1,900,000	0.773%	$6,296,886	$592,895	13.780x
Apr-12	Pfd.A-2	$250,000	$9,700,000	$13,248,688	0.201%	$1,633,679	$153,822	7.150x
Sep-12	Pfd.A-2	$150,000	$9,700,000	$13,248,688	0.117%	$952,901	$89,722	6.951x
Jan-13	Common	$0	NA	NA	0.010%	$83,749	$1,995	NA
Feb-14	Common	$0	NA	NA	0.004%	$28,714	$684	NA
Sep-14	Pfd.A-3	$600,000	$27,407,999	$26,657,925	0.308%	$2,507,983	$236,144	4.574x
TOTAL		**$2,000,000**	**$104,264,184**		**2.190%**	**$17,832,288**	**$1,671,121**	**9.752x**

Basis for Valuation: Pfd.B round of financing (June 2023)

Post Money Valuation: $ 76,662,231

Current Status:

Channel continued to ramp sales of the Cerene® device, generating $429K in the second quarter, which represents 42% growth quarter-over-quarter. The company added multiple high-value accounts during the quarter including University of Colorado, NYU Longone, and HCA Southern Florida. Importantly, Channel secured its MDR certificate, which will allow them the opportunity to accelerate sales efforts in the European Union. In addition, the company closed on a $10.8 million extension of the Series B Preferred from insiders to fuel additional revenue growth.

Complexa, Inc.

Therapeutics for treatment of inflammation and fibrosis

Headquarters: Pittsburgh/Philadelphia, PA

Business:

Complexa, Inc. was a clinical stage drug development company developing nitro fatty acids as powerful anti-inflammatory modulators. The company was developing the compound to potentially treat many conditions that are affected by inflammation and/or fibrosis. The business has ceased operations.

SHD II Investment History

Date Purchased	*Security Owned*	*Investment at Cost*	*Total Amount Raised in Round*	*Pre-Money Valuation*	*Ownership Position*	*Investment at Market Value*	*Return on Invested Capital*
Apr-12	Pfd.A	$250,000	$3,334,476	$4,500,000	0.249%	$0	0.000x
May-12	Pfd.A	$599,999	$3,334,476	$4,500,000	0.591%	$0	0.000x
Dec-12	Pfd.A	$850,000	$3,334,476	$4,500,000	0.837%	$0	0.000x
Apr-13	Pfd.B	$300,000	$14,505,010	$15,000,000	0.321%	$0	0.000x
Jun-15	Pfd.C	$150,000	$38,900,000	$21,779,068	0.257%	$0	0.000x
TOTAL		**$2,149,999**	**$67,784,487**		**2.255%**	**$0**	**0.000x**

Basis for Valuation: Written Off

Post Money Valuation: $ -

Current Status:

SHD II has written-off this investment.

EMKinetics, Inc.

Non-invasive treatment of overactive bladder

Headquarters: San Francisco, CA

Business:

EMKinetics, Inc. ("EMK") has developed a device for the treatment of overactive bladder syndrome and urinary incontinence. The device uses electrical stimulation to non-invasively deliver a well established therapy currently administered via an implantable device or needles. The company is currently in the developmental stage and working towards FDA approval and CE Mark for its device.

SHD Board Member
Andrew Offer
Other Board Members
Dan Burnett (Co-founder and Interim CEO)
Alan Chesler (Investment Banker, Investor)
Other Notable Investors
Allergan, Inc.

SHD II Investment History

Date Purchased	*Security Owned*	*Investment at Cost*	*Total Amount Raised in Round*	*Pre-Money Valuation*	*Ownership Position*	*Investment at Market Value*	*Return on Invested Capital*
Apr-19	Common	$2,273,138	NA	NA	9.189%	$1,136,569	.500x
TOTAL		**$2,273,138**	**$13,881,882**		**9.189%**	**$1,136,569**	**.500x**

Note: SHD II invested in multiple rounds of equity financing and convertible notes ranging from November 2009 through August 2014. In April 2019 the company went through a reorganization and all outstanding stock and notes were exchanged for common shares. There has not been a valuation of any sort (either internal or external) since the reorganization, so for the time being, the market value of this investment is estimated at SHD's basis split between EMK and its spin-off company HandL Medical.

Basis for Valuation: N/A

Post Money Valuation: N/A

Current Status:

EMK signed a term sheet for a $1M+ investment during the quarter. The investment is expected to close in the third quarter; additional information will be shared in the quarter end report. While continuing to operate on minimal cash, the company obtained Chinese regulatory approval in the second quarter, which is expected to unlock a $250,000 milestone payment from MedTecX in the third quarter.

HandL Medical, Inc.

Non-invasive treatment of migraine

Headquarters: San Francisco, CA

Business:

HandL was spun off from SHD II portfolio company EMKinetics, Inc. ("EMK"), and has developed a device for the treatment of migraine and potentially other neurological disorders. The device uses electrical stimulation to non-invasively deliver therapy. The company is currently in the developmental stage and working towards FDA approval and CE Mark for its device.

HandL Medical

SHD Board Member

Andrew Offer

Other Board Members

Dan Burnett (Co-founder and Interim CEO)

Alan Chesler (Investment Banker, Investor)

Mike Jaasma (former Acting Branch Chief at FDA)

SHD II Investment History

Date Purchased	*Security Owned*	*Investment at Cost*	*Total Amount Raised in Round*	*Pre-Money Valuation*	*Ownership Position*	*Investment at Market Value*	*Return on Invested Capital*
Apr-19	Common	$0	NA	NA	9.189%	$1,136,569	NA
TOTAL		**$0**	**$200,000**		**9.189%**	**$1,136,569**	**NA**

Note: HandL was spun out of EMKinetics in April 2019, with the same capitalization structure as EMKinetics as of the time of the spinoff. There has not been a valuation of any sort (either internal or external), so for the time being, the market value of this investment is estimated at SHD's basis split between EMKinetics and HandL.

Basis for Valuation: N/A

Post Money Valuation: N/A

Current Status:

HandL continues its attempts to raise capital via grants, convertible debt, or traditional equity financing. Minimal development is expected until funding is secured.

Loma Vista Medical, Inc.

Non-compliant medical inflatable technology

Headquarters: Burlingame, CA

Business:

Loma Vista Medical, Inc. ("LVM") was a medical device company that developed non-compliant, high pressure medical inflatable technology. The puncture resistant composite materials used in creating LVM's balloons could withstand pressures far beyond other available technology, with a nominal amount of shape change. The company was focused on balloons utilized in the transcatheter aortic valve implantation (TAVI) market; however, the technology was applicable in other markets including kyphoplasty. The company was acquired by CR Bard in 2013.

SHD II Investment History

Date Purchased	*Security Owned*	*Investment at Cost*	*Total Amount Raised in Round*	*Pre-Money Valuation*	*Ownership Position*	*Realized Proceeds*	*Realized Return on Invested Capital*
Apr-10	Pfd.B	$500,000	$1,556,115	$5,300,000	3.919%	$1,592,603	3.185x
Jun-10	Pfd.B	$200,000	$1,556,115	$5,300,000	1.568%	$637,041	3.185x
Jul-10	Pfd.B	$300,000	$1,556,115	$5,300,000	2.351%	$955,562	3.185x
Jan-11	Pfd.C	$150,000	$4,851,588	$8,931,522	1.307%	$531,034	3.540x
Mar-11	Pfd.C	$216,032	$4,851,588	$8,931,522	1.852%	$752,486	3.483x
Jun-11	Pfd.C	$150,000	$4,851,588	$8,931,522	0.949%	$385,488	2.570x
Sep-11	Pfd.C	$183,967	$4,851,588	$8,931,522	1.150%	$467,530	2.541x
Jan-13	Pfd.D	$300,000	$2,696,007	$19,000,000	1.436%	$583,494	1.945x
TOTAL		**$1,999,999**	**$11,098,870**		**14.530%**	**$5,905,237**	**2.953x**

Basis for Valuation: Actual proceeds received from sale of company

Current Status:

Each of the available milestones from the acquisition were achieved, paid, and distributed to our limited partners. Please refer to Appendix B for details on the milestone payments.

Potrero Medical, Inc.

Critical care monitoring and Foley catheter technologies

Headquarters: Hayward, CA

Business:

Potrero Medical, Inc. ("Potrero") is a medical device company that has developed technology to improve Foley catheter drainage and monitor vital health measurements in a critical care setting. The devices prevent air locks which are common problems with Foley catheters. In addition, they accurately measure urine output, temperature, intra-abdominal pressure and other vital signs which are important, especially in a critical care setting, and can be used to provide early detection of acute kidney injury and other conditions.

SHD Board Member

Andrew Offer

Other Board Members

Dan Burnett (Founder, Serial Entrepreneur)

Chris Dewey (Partner, Ceros Capital Markets)

Colby Wood (Managing Partner, Sonder Capital)

Joe Urban (Chief Executive Officer)

Other Notable Investors

Baxter International, Inc.

Medline Industries, Inc.

GT Healthcare Capital Partners

SHD II Investment History

Date Purchased	*Security Owned*	*Investment at Cost*	*Total Amount Raised in Round*	*Pre-Money Valuation*	*Ownership Position*	*Investment at Market Value*	*Return on Invested Capital*
Apr-14	Pfd.A	$1,000,000	$4,943,914	$5,999,593	0.779%	$753,457	.751x
Jun-15	Common	$24,758	NA	NA	0.025%	$43,326	1.750x
Dec-15	Pfd.B	$100,000	$8,197,697	$30,919,935	0.029%	$27,767	.278x
Mar-23	Effect of Antidilution	$0	NA	NA	1.144%	$1,105,959	NA
TOTAL		**$1,124,758**	**$109,956,264**		**1.976%**	**$1,930,509**	**1.716x**

Basis for Valuation: Pfd.D round of financing (March 2023)

Post Money Valuation: $ 69,739,691

Current Status:

Potrero brought in $1.4 million of revenue in the second quarter, representing over twice the total from the first quarter, and their largest quarterly revenue total to date. The company attributes the uptick in sales to a new head of commercial and a rebuilt sales team structure. Of note, Potrero announced that the 50,000th patient was treated with the Accuryn platform in the second quarter.

In addition, Potrero held an additional close on their Series D financing, bringing the total to $7.7 million raised. The company expects to raise an additional $4.3 million in the third quarter to provide runway and afford the company the opportunity to continue to ramp its revenues.

Centese, Inc.

Post-surgical drainage tube technology

Headquarters: Omaha, NE

Business:

Centese is developing a medical device for post-surgical drainage in cardiothoracic surgery patients. Approximately 750,000 major cardiothoracic surgeries are performed yearly with existing chest drainage systems known to be ineffective at draining fluid, sometimes leading to major post-surgical complications, life-threatening conditions, longer hospital stays and increased health care costs. Centese's device is designed to minimize any potential injury to surrounding organs and will facilitate proper fluid drainage thereby promoting full healing and recovery in less time.

SHD Board Observer

Andrew Offer

Other Board Members

Dan Burnett (Co-founder, Serial entrepreneur)
Evan Luxon (Co-founder, CEO)
Javad Seyedzadeh (Industry veteran, Investor)
Alan Chesler (Investment Banker, Investor)

Other Notable Investors

MedTech Venture Partners

SHD II Investment History

Date Purchased	*Security Owned*	*Investment at Cost*	*Total Amount Raised in Round*	*Pre-Money Valuation*	*Ownership Position*	*Investment at Market Value*	*Return on Invested Capital*
May-15	Common	$0	NA	NA	3.846%	$40,338	NA
TOTAL		**$0**	**$11,194,928**		**3.846%**	**$40,338**	**NA**

Basis for Valuation: Pfd.A round of financing (June 2017)

Post Money Valuation: $ 8,099,869

Current Status:

Centese brought in $160,000 in revenue in the second quarter. Positive data from the 12-hour chest tube removal study at NYU was presented at the Western Thoracic Surgical Association, which resulted in piloting interest from attendee Kaiser Permanente. In addition, the company is in discussions with HCA for a separate potential pilot to investigate the Thoraguard technology. Centese continues to search for a lead investor for their Series B financing.

Sight Sciences, Inc.

Devices for the treatment of ophthalmic conditions

Headquarters: Menlo Park, CA

Business:

Sight Sciences, Inc. ("SGHT") is a medical device company that is developing safe and easy treatments for patients with various ophthalmic conditions including glaucoma and dry eye. Additionally, Sight Sciences has developed an easy and inexpensive treatment for dry eye which could also have future uses in the home healthcare market.

SHD II Investment History

Date Purchased	*Security Owned*	*Investment at Cost*	*Total Amount Raised in Round*	*Pre-Money Valuation*	*Ownership Position*	*Realized Proceeds*	*Realized Return on Invested Capital*
Aug-11	Common	$149,999	$5,249,995	$6,900,000	0.433%	$3,052,156	20.348x
Dec-20	Common	$6,466	NA	NA	0.257%	$1,815,512	280.800x
Sep-11	Common	$599,999	$5,249,995	$6,900,000	1.731%	$12,208,679	20.348x
Dec-13	Common	$750,000	$5,249,995	$6,900,000	2.164%	$15,260,848	20.348x
Oct-15	Common	$150,000	$6,999,956	$53,999,856	0.103%	$727,851	4.852x
TOTAL		**$1,656,464**	**$395,045,126**		**4.688%**	**$33,065,046**	**19.961x**

Note: In conjunction with the IPO in July 2021, all preferred shares of Sight Sciences were converted into common shares

Basis for Valuation: Distribution of stock (Nasdaq: SGHT) utilizing the closing stock price on the distribution date of March 29, 2022.

Current Status:

SHD II has distributed all owned shares of SGHT to its limited partners, thereby completing the fund's investment holding period. Please visit the Sight Sciences website for any publicly available information.

SCHEDULE OF INVESTMENTS
(APPENDIX A)

Scientific Health Development II, Ltd.
Schedule of Active Investments
June 30, 2023
(unaudited)

Portfolio Company	Purchase Date	Percent Owned	Security Type	Number of Shares	Effective Cost per Share	Total Cost Basis	Estimated MV per Share	Estimated Market Value
Azevan Pharmaceuticals, Inc. [1]	Mar-12	0.276%	Pfd.B	75,606	$ 1.323	$ 100,000	$ 1.833	$ 138,586
	Apr-12	1.793%	Pfd.B	491,442	$ 1.323	$ 650,000	$ 1.833	$ 900,813
	Oct-13	2.757%	Pfd.C	755,858	$ 1.323	$ 1,000,000	$ 1.833	$ 1,385,488
	Oct-13	0.689%	Warrants (Pfd.C)	188,965	$ -	$ -	$ 0.510	$ 96,372
	Jan-14	0.257%	Options (Common)	70,523	$ -	$ -	$ 0.510	$ 35,967
	Jul-15	0.070%	Pfd.C-1	19,095	$ 1.833	$ 35,001	$ 1.833	$ 35,001
	Apr-16	0.128%	Options (Common)	35,000	$ -	$ -	$ 0.510	$ 17,850
	Feb-20	0.702%	Pfd.C-1	192,497	$ 0.779	$ 150,000	$ 1.833	$ 352,847
	Mar-21	0.105%	Options (Common)	27,559	$ -	$ -	$ 0.510	$ 14,055
		6.776%		1,856,545		$ 1,935,001		$ 2,976,979
Channel MedSystems, Inc. [2]	Feb-11	0.040%	Pfd.A-1	135,670	$ 0.184	$ 25,000	$ 0.225	$ 30,566
	Mar-11	0.039%	Pfd.A-1	134,139	$ 0.186	$ 25,000	$ 0.225	$ 30,222
	Apr-11	0.078%	Pfd.A-1	266,775	$ 0.187	$ 50,000	$ 0.225	$ 60,104
	Jun-11	0.156%	Pfd.A-1	529,209	$ 0.189	$ 100,000	$ 0.225	$ 119,231
	Jun-11	0.464%	Pfd.A-1	1,578,947	$ 0.190	$ 300,000	$ 0.225	$ 355,737
	Dec-11	0.773%	Pfd.A-1	2,631,579	$ 0.190	$ 500,000	$ 0.225	$ 592,895
	Apr-12	0.201%	Pfd.A-2	682,743	$ 0.366	$ 250,000	$ 0.225	$ 153,822
	Sep-12	0.117%	Pfd.A-2	398,234	$ 0.377	$ 150,000	$ 0.225	$ 89,722
	Jan-13	0.010%	Common	35,000	$ -	$ -	$ 0.057	$ 1,995
	Feb-14	0.004%	Common	12,000	$ -	$ -	$ 0.057	$ 684
	Sep-14	0.308%	Pfd.A-3	1,048,130	$ 0.572	$ 600,000	$ 0.225	$ 236,144
		2.190%		7,452,426		$ 2,000,000		$ 1,671,121
EMKinetics, Inc. [3]	Apr-19	9.189%	Common	1,083,542	$ 2.098	$ 2,273,138	NA	$ 1,136,569
		9.189%		1,083,542		$ 2,273,138		$ 1,136,569
HandL Medical, Inc. [3]	Apr-19	9.189%	Common	1,083,542	NA	$ -	NA	$ 1,136,569
		9.189%		1,083,542		$ -		$ 1,136,569
Potrero Medical, Inc. [4]	Jul-13	0.082%	Pfd.A	412,167	$ 0.243	$ 100,000	$ 0.193	$ 79,425
	Sep-13	0.162%	Pfd.A	811,171	$ 0.247	$ 200,000	$ 0.193	$ 156,313
	Mar-14	0.156%	Pfd.A	785,169	$ 0.255	$ 200,000	$ 0.193	$ 151,302
	Jun-14	0.153%	Pfd.A	769,730	$ 0.260	$ 200,000	$ 0.193	$ 148,327
	Aug-14	0.076%	Pfd.A	379,665	$ 0.263	$ 100,000	$ 0.193	$ 73,161
	Sep-14	0.075%	Pfd.A	377,146	$ 0.265	$ 100,000	$ 0.193	$ 72,676
	Oct-14	0.075%	Pfd.A	374,952	$ 0.267	$ 100,000	$ 0.193	$ 72,253
	Jun-15	0.025%	Common	123,788	$ 0.200	$ 24,758	$ 0.350	$ 43,326
	Dec-15	0.029%	Pfd.B	144,093	$ 0.694	$ 100,000	$ 0.193	$ 27,767
	Mar-23	1.144%	Effect of Antidilution Protection	5,739,281	$ -	$ -	$ 0.193	$ 1,105,959
		1.976%		9,917,162		$ 1,124,758		$ 1,930,509
Centese, Inc. [5]	May-15	3.846%	Common	4,033,788	$ -	$ -	$ 0.010	$ 40,338
		3.846%		4,033,788		$ -		$ 40,338
Grand Total						**$ 7,332,896**		**$ 8,892,085**

Notes: See following page

Notes:

(1) SHD II was issued warrants to purchase Pfd.C shares as a condition to participating in the Pfd.C round and was issued options to purchase common stock for providing other services to the company. The warrants are valued at the difference between the price of the most recent financing (Pfd.C-1) less the exercise price of the warrant. The common stock options are valued at the current common price per share as determined by the board less the exercise price of the options. The February 2020 investment was made as a bridge note, of which the entire principal and interest amount converted into Pfd. C-1 shares in January 2022, resulting in an effective price per share of $0.779.

(2) The February, March, April and initial June 2011 investments were made as bridge notes that converted into Pfd.A shares. These investments earned 8% interest annually, of which the entire principal and interest amount converted into Pfd.A shares upon closing of the round resulting in effective prices per share of $0.184, $0.186, $0.187, and $0.189, respectively. The April and September 2012 investments were made as bridge notes that converted into Pfd.B shares. These investments earned 8% interest annually, of which the entire principal and interest amount converted into Pfd.B shares at a discounted rate upon closing of the round resulting in effective prices per share of $0.366 and $0.377, respectively. In January 2013 and February 2014, SHD II was granted common shares for its role in providing financial consulting services. These shares have been valued at the current common share price based on an independent 409A valuation dated August 31, 2021. The September 2014 investment was made as a bridge note that converted into Pfd.C shares. This investment earned 8% interest annually, of which the entire principal and interest amount converted into Pfd.C shares upon closing of the round resulting in an effective price per share of $0.572.

(3) SHD II invested in EMKinetics over multiple rounds of equity financing and convertible notes ranging from November 2009 through August 2014. In April 2019 the company went through a reorganization and all outstanding stock and notes were exchanged for common shares. Immediately thereafter, the company spun off migraine and other neurological indications into a separate company named HandL, Inc., which upon its creation held the same capitalization structure as the reorganized EMKinetics. There has been no external valuation of either EMK or HandL since the restructuring/spin-off, so current market value is estimated at original basis divided among the entities.

(4) The July 2013 through October 2014 investments were made as bridge notes that were to convert into Pfd.A shares. These investments earned 8% interest annually, of which the entire principal and interest amount converted into Pfd.A shares at effective prices per share ranging from $0.243 to $0.267. The May 2015 investment was a purchase of common shares from an existing shareholder; the purchase price was $0.20 and largely based on the independent 409A valuation of $0.17 dated January 31, 2015. The current market value of these common shares are based on an independent 409A valuation dated December 31, 2021. The December 2015 investment was made as a bridge note, of which the entire principal and earned interest amount converted into Pfd.B shares upon closing of the round at a maximum pre-money valuation of $20 million, resulting in an effective price per share of $0.694. The Pfd.D financing closed with a lower price per share than our prior investments. Those prior investments own an anti-dilution protection right; therefore, additional interest in the company has been granted under this right. As additional capital is raised under the Pfd.D financing the anti-dultion forumula will be adjusted. Our ultimate anti-dilution protection will be calculated upon final closing of the Pfd.D financing. The figure above serves as an estimate as of the end of the quarter.

(5) The Centese common shares were distributed to shareholders of Potrero Medical, Inc. based on their pro rata ownership of Potrero. The current market value of these common shares are based on an independent 409A valuation dated September 30, 2021, a price per share of $0.010.

Scientific Health Development II, Ltd.

Schedule of Sold, Licensed or Inactive Investments

June 30, 2023

(unaudited)

Portfolio Company	Purchase Date	Security Type	Total Cost Basis	Realized Proceeds to Date	Realized Multiple on Investment	Gain/(Loss) Realized to Date	Remaining Potential Proceeds	Total Potential Multiple on Investment
Loma Vista Medical, Inc. (1)	Apr-10	Pfd.B	$ 500,000	$ 1,592,603	3.19x	$ 1,092,603	$ -	3.19x
	Jun-10	Pfd.B	$ 200,000	$ 637,041	3.19x	$ 437,041	$ -	3.19x
	Jul-10	Pfd.B	$ 300,000	$ 955,562	3.19x	$ 655,562	$ -	3.19x
	Jan-11	Pfd.C	$ 150,000	$ 531,034	3.54x	$ 381,034	$ -	3.54x
	Mar-11	Pfd.C	$ 216,032	$ 752,486	3.48x	$ 536,455	$ -	3.48x
	Jun-11	Pfd.C	$ 150,000	$ 385,488	2.57x	$ 235,488	$ -	2.57x
	Sep-11	Pfd.C	$ 183,967	$ 467,530	2.54x	$ 283,563	$ -	2.54x
	Jan-13	Pfd.D	$ 300,000	$ 583,494	1.94x	$ 283,494	$ -	1.94x
		LVM Subtotal	$ 1,999,999	$ 5,905,237	2.95x	$ 3,905,238	$ -	2.95x
Channel Medsystems, Inc. (2)	Feb-11	Pfd.A-1	$ 25,000	$ 324,633	12.99x	$ 299,633	$ 30,566	14.21x
	Mar-11	Pfd.A-1	$ 25,000	$ 320,970	12.84x	$ 295,970	$ 30,222	14.05x
	Apr-11	Pfd.A-1	$ 50,000	$ 638,344	12.77x	$ 588,344	$ 60,104	13.97x
	Jun-11	Pfd.A-1	$ 100,000	$ 1,266,300	12.66x	$ 1,166,300	$ 119,231	13.86x
	Jun-11	Pfd.A-1	$ 300,000	$ 3,778,130	12.59x	$ 3,478,130	$ 355,737	13.78x
	Dec-11	Pfd.A-1	$ 500,000	$ 6,296,886	12.59x	$ 5,796,886	$ 592,895	13.78x
	Apr-12	Pfd.A-2	$ 250,000	$ 1,633,679	6.53x	$ 1,383,679	$ 153,822	7.15x
	Sep-12	Pfd.A-2	$ 150,000	$ 952,901	6.35x	$ 802,901	$ 89,722	6.95x
	Jan-13	Common	$ -	$ 83,749	NA	$ 83,749	$ 1,995	NA
	Feb-14	Common	$ -	$ 28,714	NA	$ 28,714	$ 684	NA
	Sep-14	Pfd.A-3	$ 600,000	$ 2,507,983	4.18x	$ 1,907,983	$ 236,144	4.57x
		Channel Subtotal	$ 2,000,000	$ 17,832,288	8.92x	$ 15,832,288	$ 1,671,121	9.75x
Complexa, Inc. (3)	Apr-12	Pfd.A	$ 250,000	$ -	0.00x	$ (250,000)	$ -	0.00x
	May-12	Pfd.A	$ 599,999	$ -	0.00x	$ (599,999)	$ -	0.00x
	Dec-12	Pfd.A	$ 850,000	$ -	0.00x	$ (850,000)	$ -	0.00x
	Apr-13	Pfd.B	$ 300,000	$ -	0.00x	$ (300,000)	$ -	0.00x
	Jun-15	Pfd.C	$ 150,000	$ -	0.00x	$ (150,000)	$ -	0.00x
		Complexa Subtotal	$ 2,149,999	$ -	0.00x	$ (2,149,999)	$ -	0.00x
Sight Sciences, Inc. (4)	Aug-11	Common	$ 149,999	$ 3,052,156	20.35x	$ 2,902,157	$ -	20.35x
	Dec-20	Common	$ 6,466	$ 1,815,512	280.80x	$ 1,809,047	$ -	280.80x
	Sep-11	Common	$ 599,999	$ 12,208,679	20.35x	$ 11,608,679	$ -	20.35x
	Dec-13	Common	$ 750,000	$ 15,260,848	20.35x	$ 14,510,848	$ -	20.35x
	Oct-15	Common	$ 150,000	$ 727,851	4.85x	$ 577,851	$ -	4.85x
		Sight Subtotal	$ 1,656,464	$ 33,065,046	19.96x	$ 31,408,582	$ -	19.96x
Grand Total			**$ 7,806,461**	**$ 56,802,571**	**7.28x**	**$ 48,996,109**	**$ 1,671,121**	**7.49x**

Notes:

(1) Loma Vista Medical was acquired by CR Bard in July 2013. All available proceeds have been collected as of May 2015.

(2) Channel MedSystems, on behalf of its equity holders, settled its lawsuit with Boston Scientific in February of 2020. The settlement also required Boston to relinquish its equity in the company. The remaining potential value detailed in the chart above includes the most recent equity round (priced in June 2023) price per share.

(3) Complexa was written off as of August 14, 2020.

(4) Sight Sciences common stock (NASDAQ: SGHT) was distributed to LPs on March 29, 2022 at a market close price of $14.04 per share.

EXIT EVENT MILESTONE ANALYSIS
(APPENDIX B)

Scientific Health Development II, Ltd.

Exit Event Milestone Analysis

June 30, 2023

Portfolio Company	Date	Description	Realized: Transaction Consideration	Realized: Distribution to Class A Limited Partners	Potential: Transaction Consideration	Potential: Estimated SHD II Proceeds	Overall: Transaction Consideration	Overall: Proceeds to Class A Limited Partners
Loma Vista Medical, Inc.								
	7/30/2013	Closing	$ 27,626,080	$ 4,000,000			$ 27,626,080	$ 4,000,000
	11/8/2013	1st Escrow Release (Closing reconciliation)	$ 411,416	$ 91,000			$ 411,416	$ 91,000
	8/5/2014	2nd Escrow Release (12 months post closing)	$ 1,568,000	$ 228,000			$ 1,568,000	$ 228,000
	2/11/2015	3rd Escrow Release (18 months post closing)	$ 2,912,000	$ 423,000			$ 2,912,000	$ 423,000
	5/4/2015	Milestone 1: FDA and CE Mark approval on Flow-through	$ 4,000,000	$ 581,000			$ 4,000,000	$ 581,000
	1/23/2015	Milestone 2: Manufacturing Transfer	$ 4,000,000	$ 581,000			$ 4,000,000	$ 581,000
Loma Vista Medical, Inc. Total			$ 40,517,496	$ 5,904,000	$ -	$ -	$ 40,517,496	$ 5,904,000
Return on Investment				*2.95x*		*0.00x*		*2.95x*
Channel MedSystems, Inc.								
	2/11/2020	Legal Settlement with Boston Scientific	CONFIDENTIAL	$ 16,696,001			CONFIDENTIAL	$ 16,696,001
Channel MedSystems, Inc. Total			$ -	$ 16,696,001	$ -	$ -	$ -	$ 16,696,001
Return on Investment				*8.35x*		*0.00x*		*8.35x*
Sight Sciences, Inc.*								
	3/29/2022	Distribution of Sight Sciences Shares	NA	$ 29,662,996			NA	$ 29,662,996
Sight Sciences, Inc. Total			$ -	$ 29,662,996	$ -	$ -	$ -	$ 29,662,996
				17.91x				*17.91x*
SHD II Totals				**$ 52,262,997**	**$ -**	**$ -**		**$ 52,262,997**
Return on SHD II				*3.34x*		*0.00x*		*3.34x*

* The Sight Sciences distribution to Class A Limited Partners was in the form of stock. The stock price as of market close the day of distribution is used for reporting.

SCIENTIFIC HEALTH DEVELOPMENT II, LTD.
FINANCIAL STATEMENTS
(APPENDIX C)

Scientific Health Development II, Ltd.

Quarterly Balance Sheet

2023

(unaudited)

		Q1		Q2
Assets				
Cash/Checking	$	2,042	$	503
Accounts Receivable	$	46	$	46
Total Current Assets	$	2,089	$	549
Due from SHD GP II, LLC	$	-	$	-
Due from SHD II Class B, LLC	$	100	$	100
Due from SHD Management, LLC	$	41,843	$	26,518
Total Due from Affiliates	$	41,943	$	26,618
Investment in EMKinetics, Inc.	$	2,293,384	$	2,293,384
Investment in Channel MedSystems, Inc.	$	-	$	-
Investment in Azevan Pharmaceuticals, Inc.	$	1,935,001	$	1,935,001
Investment in Potrero Medical, Inc.	$	1,124,758	$	1,124,758
Investment in Centese, Inc.	$	-	$	-
Investment in HandL, Inc.	$	-	$	-
Total Investments in Portfolio Companies	$	5,353,142	$	5,353,142
TOTAL ASSETS	**$**	**5,397,174**	**$**	**5,380,310**
Liabilities				
Accounts Payable	$	-	$	-
Total Current Liabilities	$	-	$	-
Due to SHD GP II, LLC	$	3,661	$	3,661
Due to Class A Limited Partners	$	-	$	-
Due to Class B Limited Partners	$	-	$	-
Due to SHD Management, LLC	$	-	$	-
Total Due To Affiliates	$	3,661	$	3,661
Equity				
Partner Capital - SHD GP II, LLC	$	1,565	$	1,565
Partner Capital - Class A Limited Partners	$	15,650,000	$	15,650,000
Partner Capital - SHD II Class B, LLC	$	100	$	100
Prior Years' Retained Earnings	$	46,098,872	$	46,098,872
Current Year's Net Income	$	(20,703)	$	(37,567)
Accumulated Distributions - SHD GP II, LLC	$	(5,226)	$	(5,226)
Accumulated Distributions - Class A Limited Partners	$	(52,262,997)	$	(52,262,997)
Accumulated Distributions - SHD II Class B, LLC	$	(4,068,098)	$	(4,068,098)
Total Equity	$	5,393,513	$	5,376,648
TOTAL LIABILITIES & EQUITY	**$**	**5,397,174**	**$**	**5,380,310**

Scientific Health Development II, Ltd.

Quarterly Income Statement

2023

(unaudited)

	Q1	Q2	YTD
Revenues			
Proceeds from Sale of Investments	$ -	$ -	$ -
Less: Original Investment (Basis)	$ -	$ -	$ -
Total Gain/(Loss) on Sale of Investments	$ -	$ -	$ -
Operating Expenses			
Bank Service Charges	$ -	$ -	$ -
Consulting Fees	$ 735	$ 665	$ 1,400
Conferences & Memberships	$ 105	$ -	$ 105
Insurance	$ 1,248	$ 1,241	$ 2,489
Meals & Entertainment	$ 39	$ 21	$ 60
Office Expense	$ 390	$ 17	$ 407
Payroll Expense	$ 17,275	$ 15,524	$ 32,799
Postage & Delivery	$ -	$ 1	$ 1
Legal & Accounting Fees	$ 1,348	$ -	$ 1,348
Rent	$ (770)	$ (773)	$ (1,543)
Repairs & Maintenance	$ 37	$ -	$ 37
Taxes	$ 47	$ -	$ 47
Telephone	$ 111	$ 83	$ 194
Travel	$ 68	$ 21	$ 88
Website & Computer Expense	$ 71	$ 64	$ 135
Total Operating Expenses	$ 20,703	$ 16,864	$ 37,567
Net Operating Profit	$ (20,703)	$ (16,864)	$ (37,567)
Consulting Income	$ -	$ -	$ -
Depreciation/Amortization	$ -	$ -	$ -
Interest Income/(Expense)	$ -	$ -	$ -
Net Income	**$ (20,703)**	**$ (16,864)**	**$ (37,567)**