JDCA Written Response - 6.9.26

Topline Overview:

Below is a comprehensive overview of all the relevant discussion areas. That said, these points critically underpin the overall picture:

- The T1D Fund is an integral part of Breakthrough T1D's mission to accelerate life changing breakthroughs to cure, prevent, and treat type 1 diabetes (T1D) and its complications. It does so by focusing on a key area of the cures pipeline which lacked adequate private investment capital.
- It has always been and remains: a subsidiary of Breakthrough T1D governed by an LLC with Breakthrough T1D as the sole member; the LLC has been updated by Breakthrough T1D 6 times since inception without deviating from the initial intent of the Fund or its commitments to donors.
- The Fund has always been and remains a not-for-profit venture philanthropy fund seeking to simultaneously advance our mission, attract private capital into this investment space, and preserve donor intent by investing and reinvesting in the pipeline.

The Fund was designed to have an element of investment operating independence to nimbly interact with companies and investors in the venture space. It retains all the same capabilities that it has since inception.

Background and purpose of the Fund:

Created in 2016, the T1D Fund is a wholly owned subsidiary of the not-for-profit Breakthrough T1D (formerly JDRF). Since inception, the Fund's mission, investment strategy, and operating model have remained the same: to materially accelerate the research and development of new, life-changing breakthroughs that have the potential to provide a cure for, prevention of, and/or treatment for type 1 diabetes (T1D) and its complications. The Fund pursues this purpose by:

- Investing Fund assets in companies and other entities that are researching and developing T1D therapies.
- Attracting donations from donors who wish to directly participate in the establishment, management and/or oversight of T1D investment in a not-for-profit venture philanthropy fund.

The T1D Fund and Breakthrough T1D (the Foundation) teams work closely together to support portfolio company success. This occurs through research and clinical trial funding, regulatory and health policy support, and through the support of our medical affairs teams. This support is viewed as a very valuable benefit by portfolio companies in addition to the invested capital from the T1D Fund.

The Fund has approximately $250 million in assets under management across nearly 30 active portfolio companies. Breakthrough T1D is the T1D Fund's largest single supporter, having contributed the first $32 million of capital for investments and committed nearly $100 million more in capital, operating support, and related contributions since the T1D Fund's establishment.

In the past year, we have further evolved the T1D Fund strategy to increase our influence as an investor, co-lead rounds to catalyze greater T1D company and program investment, support R&D and company strategy, and to yield greater impact. Breakthrough T1D has committed $25 million to begin a new $150 million fundraising campaign as well as another $17.5 million over the next five years to support operating expenses. The fundraising campaign has raised over $80 million since launched in October of 2025.

This fiscal year alone, five new companies were added to the Fund portfolio with investments across companies focused on cell therapies and disease-modifying therapies including beta cell replacement, immune modulation, and beta cell health. In total, across these new portfolio additions, key portfolio follow-ons and accelerations, the Fund deployed capital in impact investments this fiscal year that totaled 3x the Fund’s prior historical annual average.

Donor dollars and our commitment:

We have made a commitment to our donors that all Fund assets will be used solely to advance the Fund's stated mission. We do not expend Fund assets on activities outside that purpose. Unlike a for-profit fund, the T1D Fund is a not-for-profit mission-driven venture impact fund created to accelerate treatments, prevention, and cures for type 1 diabetes through investment in companies advancing those goals.

Like any other venture fund, the T1D Fund does not disclose details on specific contributions or contributors. We can disclose that every contribution to the T1D Fund is restricted to its stated charitable purpose--venture investment in support of therapies and cures for type 1 diabetes.

That restriction is enforceable under federal tax law regardless of changes to board composition or governing documents. Every contribution to the T1D Fund is invested in T1D venture capital. This creates a continuous cycle of impact, allowing each donated dollar to support multiple generations of investment in promising T1D therapies and cures.

The Fund is not a for-profit and our donors have always understood and supported this model. It has been a core principle of the Fund since inception, remains unchanged today and will continue into the future.

Independent Investment Committee:

Like investment committees of other funds, the Fund's Investment Committee has always acted independently from Breakthrough T1D to determine investments for the Fund according to its purpose and that continues to this day. The Breakthrough T1D International Board of Directors has never vetoed a T1D Fund Investment Committee recommendation.

The Committee ensures that investment decisions made on behalf of the Fund are aligned with the Fund's strategic objectives & mission, fiduciary responsibilities, and risk management principles. The Committee is responsible for reviewing the evaluation / recommendation of the investment team and approving prospective portfolio additions and follow-on opportunities, as well as overseeing the ongoing performance of existing portfolio companies.

The Committee operates as a critical governance mechanism to:

- Promote disciplined and consistent investment decision-making.
- Enhance transparency and accountability within the investment process.
- Ensure all capital deployments comply with the Fund's purpose and mission of accelerating life-changing breakthroughs that have the potential to provide a cure, prevention and/or treatment of type 1 diabetes and its complications.

Through its oversight, the Committee strives to build a high-quality, diversified, and impact-driven portfolio in line with the Fund's financial and strategic goals.

The decisions are made by experts in the venture capital and biotech space who have experience in drug development. The Investment Committee currently consists of the Fund's two Managing Directors, Sylvia Tobé, Ph.D., and Lucio Iannone, Ph.D., Brady Bohrmann, a seasoned biotech and tech venture investor who has served on the Investment Committee for years, and John Cammett, a lifelong entrepreneur and private-equity and venture investor.

Governance and Leadership Changes:

We are very grateful to previous T1D Fund board members for their service and their commitment to our mission. Governance changes are normal and healthy elements of any organization's evolution, and these were taken to strengthen the Fund's position as it grows, not to change its direction.

T1D Fund governance changes have always been at the sole discretion of Breakthrough T1D's International Board of Directors according to the LLC between Breakthrough T1D and the T1D Fund. These changes include Joe Lacher's appointment as Chair of the T1D Fund Board, joining alongside new members Grant Beard who served on the original T1D Fund Board, John Cammett, and Mike Boyle. John Cammett will also serve on the Fund's Investment Committee. They join continuing Board members Aaron Kowalski and Karen Jordan. Joe Lacher will roll off Breakthrough T1D's International Board of Directors on June 30, 2026. Karen Jordan will serve out the remainder of her term on the T1D Fund Board which is one additional year.

Additionally, updates were made to the LLC Agreement that governs the relationship to ensure better alignment between the Foundation and Fund and provide for a sounder governance structure. We cannot provide LLC agreements, but these changes include:

- Focusing the authority of the Fund to operate exclusively for the Purpose of the Fund
- Ensuring that officers of Breakthrough T1D are also officers of the Fund

- Clarifying that the Fund can only expend funds on activities explicitly related to the purpose of the Fund

Breakthrough T1D and the Fund Board will continue to recruit additional directors, including individuals with scientific, biopharma, and venture investing expertise, to support the Fund's long-term mission and growth.

Fund CEO

On June 4, 2026, staff were notified that Elizabeth Mily, former chief executive officer, was leaving to pursue new opportunities. We are grateful for her leadership and many contributions that have helped make the Fund a success. This change does not alter the T1D Fund's mission, strategy, or operations. Sylvia Tobé, Ph.D., and Lucio Iannone, Ph.D., remain in leadership roles as Managing Directors, and Dan McNamara remains Head of Strategy and Industry Engagement. The team continues to execute its strategy, support portfolio companies, and deploy capital in support of transformative therapies and cures for T1D.

Moving Forward:

Across the Fund's 10-year history, Breakthrough T1D's International Board of Directors (IBOD) has made governance changes to keep pace with the Fund's growth and the evolving needs of our mission. The IBOD believes these recent changes best deliver on our mission and continue to accelerate life-changing breakthroughs for people with T1D. These updates strengthen the T1D Fund's position as a leader in venture philanthropy; they do not change the mission, investment strategy, or operating model.

To be clear:

- **Breakthrough T1D and the T1D Fund remain solely focused on our mission to accelerate cures for T1D.** Organizational operations run in service of this mission and our community. Changes in board members and staff are regular elements of organizational operations to meet evolving needs. As we move forward, our employee and volunteer team members are dedicated to ensuring that every part of Breakthrough T1D builds upon the key tenets identified at the Fund's inception: leveraging synergies across all of Breakthrough T1D, including the Research, Advocacy and Medical Affairs teams, as a key investment competitive advantage, and maintaining sufficient investment operational nimbleness and expertise to succeed in the venture space.

- **Breakthrough T1D and the T1D Fund are exceptional stewards of donor funds.** Breakthrough T1D and the T1D Fund take the responsibility to steward donations seriously and have both a legal and a fiduciary obligation to honor donor intent. Every gift to the T1D Fund is restricted to its charitable purpose-venture investment to accelerate T1D therapies and cures-and that restriction is enforceable under federal tax law regardless of changes to board composition or governing documents. Any suggestion that funds could be redirected at will misunderstands how restricted charitable gifts work.
- **The T1D Fund's Investment Committee remains in place.** This committee continues to evaluate investment opportunities and portfolio decisions and works autonomously to make investment decisions pursuant to the T1D Fund's purpose, investment strategy, and the governing documents. To put a fine point on this, the T1D Fund's investment and portfolio decisions continue to be governed by the independent Investment Committee, which currently consists of the T1D Fund's two managing directors, long-time independent Investment Committee member and seasoned biotech investor Brady Bohrmann, and lifelong entrepreneur and private equity investor John Cammett.
- **The T1D Fund is having a significant impact and growing.** It now has approximately $250 million in assets across nearly 30 active portfolio companies. This fiscal year alone, five new companies were added to the Fund portfolio with investments across companies focused on cell therapies and disease-modifying therapies including beta cell replacement, immune modulation, and beta cell health. Across these new portfolio additions, key portfolio follow-ons and accelerations, the Fund deployed capital in impact investments this fiscal year that totaled 3x the Fund’s prior historical annual average.

The T1D Fund remains a critical part of Breakthrough T1D and a key resource in advancing breakthroughs at every stage of the therapy and cures pipeline. We remain committed to the T1D community and look forward to continuing this work with our donors, partners, and supporters to find cures for T1D.