**Supplement to Private Placement Memorandum**

**August 9, 2019**

**Portfolio Interest – Windgap Medical, Inc.**

This supplement (the “Supplement”) has been prepared in conjunction with the Private Placement Memorandum, Limited Liability Company Agreement, and Subscription Agreement related to Class A of SKK Ventures QP, LLC (the “Offering Documents”). This document should be reviewed simultaneously with the Offering Documents, and the Offering Documents are incorporated into this Supplement by reference. If you have not received copies of the Offering Documents, please contact Shepherd Kaplan Krochuk Investor Relations at 617-896-1600.

SKK Ventures QP, LLC Class A / Series WG4 (the “Fund”) intends to invest in Series B Preferred Stock of Windgap Medical, Inc (the “Company”). This Supplement is intended to supplement the information provided in the Fund’s Private Placement Memorandum by providing you with summary information about this proposed investment by the Fund. Investors should review all documents carefully before considering any investment in the Fund. Capitalized terms not otherwise defined herein will have the meanings ascribed to them in the Private Placement Memorandum.

This Supplement and the Investment Manager’s evaluation of the Company and the investment opportunity rely heavily on information provided by the Company. The Investment Manager has not independently verified all of the statements made in this document, and other documents related to the Company that have been provided to you in connection with your consideration of an investment in the Fund.

**The Company**

The Company has developed a novel drug delivery platform that automates the rehydration and administration of powdered or lyophilized drugs. Windgap’s autoinjector, Andi™, addresses the issues that have long affected current injection technologies, namely:

* Thermal stability – Epinephrine, glucagon and other biologics are highly temperature sensitive in liquid form and rapidly lose potency at elevated temperatures, when in solution.
* Portability – Large form factors and the need for a cool, stable environment limit patients’ ability to take their potentially life-saving medications with them, limiting compliance and increasing risk.
* User error – Non-intuitive form factors (epinephrine) and multi-step operations (glucagon), combined with highly stressful circumstances lead to improper use, patient injury, suboptimal efficacy and low patient compliance.

The Company has contracted with supply chain partners for manufacturing and drug-fill and in conjunction with those partners has manufactured and tested fully functional and filled production devices incorporating Windgap’s patent-pending reconstitution technology. Windgap has also received and acted upon pre-IND feedback from the FDA to increase the likelihood of a timely NDA 505(b)(2) filing and clearance for the epinephrine product.

The Company has recently entered a licensing agreement with a global pharmaceutical company in the allergy space, ALK. The agreement includes an initial cash payment, which the Company has received, milestone payments, and a tiered royalty structure. ALK announced the collaboration on approximately August 7, 2019.

Windgap Medical, Inc. was formed under Delaware law in 2011 and is located in Watertown, Massachusetts. The co-founders, Brent Buchine (CTO) and Chris Stepanian (CEO), are seasoned entrepreneurs and they are supported by a very experienced Board of Directors led by Mel Engle (BoD Chair & Investor) the former EpiPen™ CEO at Dey Pharma (the company that formerly marketed EpiPen™ before it was sold to Meridien / Mylan).

**The Product – Andi™ & Market Opportunity**

Windgap’s solution is to store a stable dry powdered drug in a miniature injector, which is then rapidly rehydrated and injected in two steps by the user.

1. A simple twist of the cap automatically rehydrates the dried medication in under two seconds with no shaking or swirling required by the user.
2. A nose-fired trigger administers the needle and delivers the rehydrated dose.

The first market opportunity that Windgap is addressing is epinephrine for anaphylactic shock from severe food, sting, and drug allergies. Windgap is also developing an emergency treatment for opioid overdose, rescue glucagon for hypoglycemic shock, and Benzodiazepines for treatment of chemical weapon exposure.

*Epinephrine Opportunity*

Windgap’s epinephrine-filled autoinjector, Andi™, offers increased shelf life over the EpiPen™ and other autoinjectors, reducing the number of prescription refills by at least 50%, and lowering out-of-pocket expense to the payer and patient. The device’s compact design (40% smaller than EpiPen™), combined with its stable drug form, enables increased patient compliance as the device can be stored in a car, a pocket or other non-temperature controlled environments with no deleterious effects on potency.

**Competition**

The epinephrine market is dominated by Mylan’s EpiPen auto-injector. The Adrenaclick, marketed by Impax and sold by CVS, has failed to make any significant impact in the market despite its significantly lower price. In August of 2018, the FDA approved Teva Pharmaceutical’s generic auto-injector for epinephrine.

**Series B Preferred Stock and Company Financing History**

The Fund will be investing up to $20 million USD into Series B Preferred Stock of the Company (the “Stock”). The Stock is priced to imply a $60 million pre-money valuation of the Company. The Stock carries a number of rights and benefits, including, among other things: liquidation preference to prior preferred equity series; the right to elect one board member, which has been filled by Reading Wilson, an affiliate of the Funds Manager; customary protective provisions to protect the rights of holders of the Stock from certain amendments and dilution; and a weighted average anti-dilution mechanism.

Since its founding in 2011 the Company has closed approximately $15.7 million in total capital ($6.5 million in equity, $8.2 million in convertible debt, and a $1 million loan award). Prior to the series of the Fund described in this Supplement, the Fund has invested approximately $1.6 million in Series A shares, and $3.1 million in the convertible notes of the Company.

Convertible notes issued during 2016, 2017 and 2018 have converted to Stock as part of the initial closing of the Stock. The conversion of those notes provides earlier investors, including the Fund, with shares of the Stock in exchange for outstanding debt at a price equal to or less than the price per share at which the same Stock is currently being offered. Shepherd Kaplan Krochuk, LLC, the Fund, and the Manager have taken into account the capitalization of the Company, including convertible securities, in negotiating the share price of the Stock for the Fund’s further investment.

**Risk Factors Specific to the Company**

1. Development Stage Company

Investment in development stage companies such as Windgap Medical, Inc. involve a high degree of risk. Development stage companies have little or no operating history and will need substantial additional investments of capital to support expansion and achieve their business objectives. The Company does not target its first commercial product launch until 2021. Prior to that time, it will need to develop its manufacturing capability and successfully test its products to achieve FDA approval. Delays and complications could arise as the Company develops its manufacturing process and tests its products. The Company will need to seek infusions of cash through research collaborations, existing and future licensing arrangements and capital raising in order to support its activities.

The Company’s FY 2017 Financial Statements state that at December 31, 2017 the Company had current assets of $1,777,354 and a net loss of $5,528,146 during the year. The Company has not yet completed an audit for the fiscal year ended December 31, 2018; however, the draft unaudited financial statements prepared by the Company state current assets of $47,517 and a net loss of $4,931,624 for that period. The Company’s Board of Directors has determined to delay the audit of the Company’s Financial Statements for FY 2018 until the third quarter of 2019 to reduce the cost to the Company of the audit.

Although the Company believes that a successful Series B raise would provide sufficient capital to commercialize its epinephrine product, there is no assurance that the additional capital needed by the Company will be available. As a result the Company can experience failure or substantial declines in value and an investor may suffer a loss of his/her entire investment.

As a development stage Company, the Company will be competing against numerous, large, established companies that have substantially greater financial, technical, manufacturing, marketing, distribution and other resources, and the Company will be at a significant competitive disadvantage. The Company’s patents and maintenance of trade secrets may not protect the proprietorship of the Company’s products. The Company’s senior management is critical to the Company’s success and there is no assurance that they will stay.

2. Intellectual Property Risk

The Company’s success is heavily dependent on its ownership of the intellectual property that it has developed. Although the Company is active in protecting its intellectual property, there is a risk that its ownership could be challenged. For example, a competitor could infringe on the intellectual property rights of the Company or claim that the Company’s patent protections are invalid, which could result in considerable costs for the Company and could affect the value of its intellectual property portfolio. A competitor could also claim that the Company’s products infringe on the intellectual property owned by others, which could cost the Company significant funds to defend, could delay regulatory approval, and could ultimately diminish the Company’s freedom to operate. Further, the Company’s intellectual property portfolio is limited in scope and duration by operation of law in the U.S. and in other jurisdictions, which may limit the Company’s exclusivity in certain countries and after certain periods of time.

3. Regulatory Status and Risks

Windgap’s combination of a proven drug and existing route of administration could substantially reduce time to market under a streamlined Regulatory 505(b)(2) Process:

* Epinephrine product will be filed as a 505(b)(2) against a reference listed drug (RLD).
* Targeting a dose profile that is already approved by the FDA helps to simply the regulatory process. The autoinjector is designed around the same needle length and gauge, resulting in no change to the route of administration.
* The epinephrine pre-IND meeting with the FDA indicates the potential for a bio waiver and rapid path with no phased clinical studies required; and Windgap may be able to demonstrate equivalence and device viability through in vitro testing and human factors studies.

Nevertheless, FDA approval is required for the commercialization of Windgap’s products, and such approval can be delayed if the Company’s progress on manufacturing and testing its products does not proceed in accordance with the Company’s plans, or if the FDA imposes additional requirements not currently anticipated. Such problems can increase the time and cost of product development, limit the revenue and profitability potential of the Company and imperil the Company’s prospects if its products are not approved.

4. Valuation Risks.

While publicly traded companies are valued through transparent, market-driven stock prices, the valuation of a private development stage company is far more subjective and an investor risks overpaying for an investment. The price paid for an investment may have a material impact on the eventual return, if any at all. As stated above, the Stock has been valued based on a pre-money valuation of the Company of $60 million. If Windgap fails to develop its products or receive non-dilutive funding for research or licensing in accordance with its goals, additional funding may be required at a lower valuation than was paid by an earlier investor. Refer to Stock Purchase Agreement, and related documents, for the exact terms, and to the notes to the Company’s FY2017 Financial Statements for a description of the terms of the Company’s outstanding debt and equity.

5. Certain Conflicts of Interest

The Fund has used its rights as a holder of Series A Preferred Stock of the Company to appoint Timothy Krochuk, a Managing Member of SKK, as a director of the Company. The Fund has used its rights as a holder of Series B Preferred Stock to appoint Reading Wilson, a member of SKK Group, LLC, as a director of the Company. In each of their capacities as a director, these appointees would be obligated to act in the best interests of the Company and its shareholders, which could potentially conflict those of the Fund and its investors. Appointees are also expected to receive personal compensation in the form of cash and/or stock options from the Company for their service to the Company. In addition, SKK and its affiliates may come into possession of information about the Company or its services that differs from information to which you will have access by virtue of the directorship or otherwise. We do not undertake to provide such information to you, now or in the future. We may also have different degrees of contact with the Company than you may in the future.

The Company and Provident Healthcare Partners, LLC (“Provident”) have negotiated an agreement (the “Transaction Agreement”) that provides that Provident will have the exclusive right to consult with the Company regarding all future private equity financings. Mr. Krochuk was involved in that negotiation as a director of the Company. SKK has several business relationships with Provident, for example: an affiliate of Provident has provided a loan to an affiliate of SKK in connection with a stock warehousing arrangement related to the Fund, which was negotiated simultaneously with the Transaction Agreement; SKK has sponsored a fund that owns a substantial minority stake in Provident; SKK has negotiated solicitation and brokerage agreements with Provident; and SKK is in the early stages of planning a private fund that would involve collaboration with Provident. Due to these relationships, SKK, Mr. Krochuk, other funds sponsored by SKK, and other fund investors may have interests in considering the Transaction Agreement, or in future transactions with the Company, that conflict with the best interests of the Fund. For example it is possible that payments from the Company to Provident could indirectly benefit SKK and investors in its other funds, but be adverse to the Fund and the Company. SKK believes that the governance structure of both the Company and SKK, help mitigate the effects of conflicts of interest on the Fund.

6. Other Risks

Uncertain market pricing for epinephrine autoinjectors and larger, better financed competition could hurt Windgap’s prospects. When Andi™ reaches commercialization, it is uncertain what prevailing market prices will be for epinephrine autoinjectors. It is possible that pricing will be lower than prices that prevail in the market today. Further, existing competitors may use their size and financial strength to lessen Andi’s appeal to prospective customers by lowering the price on their own products to protect their existing market share.

Further, in the time it will take for Windgap’s autoinjectors to reach commercialization, many market variables can change that could harm their financial prospects – regulations, new competing technology / products, market pricing, patient need, or improved drugs.

7. Additional Available Documentation

In addition to the documents provided to you with these Offering Documents, certain additional documents related to Windgap Medical, Inc. are available upon your request and after executing a Non-Disclosure Agreement to protect proprietary information of the fund and the Company. These documents include:

* 2016 Audited Financial Statements of Windgap Medical, Inc.
* 2017 Audited Financial Statements of Windgap Medical, Inc.
* October 2018 unaudited financial Statements of Windgap Medical, Inc.
* Financial forecasts of Windgap Medical, Inc.
* Capitalization Table of Windgap Medical, Inc.
* Key Series B documents, including: Certificate of Incorporation, Right of First Refusal and Co-Sale Agreement, Voting Agreement, Stock Purchase Agreement, and Investors Rights Agreement.

To assist with your consideration of an investment of the Fund, we have made these documents available through a secure data room. Please contact SKK Investor Relations if you would like to arrange access to our data room:

**Email:** [investorrelations@skk-llc.com](mailto:investorrelations@skk-llc.com)

**Phone:** 617-896-1600