MINNESOTA, USA
A LEADER IN THE WORLD’S HEALTH ECONOMY
AN INVESTOR’S GUIDE
MINNESOTA IS THE MEDICAL ALLEY OF THE WORLD. The state has a long history of medical innovation, from bone-marrow transplants to the implantable pacemaker. As Minnesota’s reputation for medical breakthroughs has grown, so have the number of medical companies, research projects, health professionals, and investors coming to the state. It provides the perfect location for investors looking to invest in a med tech company.
COLOPLAST RELOCATES TO MED-TECH HUB IN MINNESOTA
A global leader in the development of intimate healthcare products and services, Coloplast relocated its North American headquarters to Minneapolis from Atlanta and Santa Barbara in 2006 after acquiring its urology business Mentor. Located on a 5.4 acre site along the Mississippi River, the $35 million campus houses one of the company’s three global Innovation Centers and approximately 300 employees in sales, marketing, and research and development.

HQ OUTSIDE OF U.S.: Denmark
IN MINNESOTA SINCE: 2006
LOCATION IN MINNESOTA: North Minneapolis
WHY THEY CHOSE MINNESOTA:
■ Importance of U.S. market to global business
■ Strong med-tech hub in Minneapolis-St. Paul
■ Deep talent pool

“We are looking to significantly enhance our presence here in the U.S. The U.S. is a growth driver for the overall global business for Coloplast.”

- ED VEOME, PRESIDENT, NORTH AMERICAN CHRONIC CARE DIVISION, COLOPLAST
Minnesota is located in the American Midwest, only three hours from any major city in the continental U.S. The medical technology industry is clustered in and near the Twin Cities of Minneapolis and St. Paul, a metropolitan area with a population of 3.5 million people.

#1 The world's #1 health tech cluster is known as “Medical Alley”

114 Nonstops to U.S. cities

23 International nonstops including Tokyo, Amsterdam, Paris and London

Only 3 hours max by air from any major city in U.S.

Minnesota is close to your North American customers.
Medical Alley’s concentration of med tech workers is three times higher than the national average and about the same as the San Francisco Bay Area.

### Employment Concentration Comparison

<table>
<thead>
<tr>
<th>Location</th>
<th>2016 Employment</th>
<th>Location Quotient (1.0 = U.S. AVG.)</th>
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</thead>
<tbody>
<tr>
<td>Medical Alley Area</td>
<td>36,972</td>
<td>3.03</td>
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<tr>
<td>Northern California</td>
<td>58,723</td>
<td>3.03</td>
</tr>
<tr>
<td>Boston</td>
<td>29,196</td>
<td>1.98</td>
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<tr>
<td>San Diego</td>
<td>33,582</td>
<td>4.18</td>
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<tr>
<td>Los Angeles</td>
<td>50,597</td>
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<tr>
<td>Chicago</td>
<td>26,761</td>
<td>.05</td>
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</table>

Medical Alley’s concentration of med tech workers is three times higher than the national average and about the same as the San Francisco Bay Area.
MINNESOTA’S MED TECH TOP 10

20,000 - OVER HALF of the state’s med tech employees are employed by these leading companies.

- 3M
- Medtronic
- St. Jude Medical
- Boston Scientific
- Smiths Medical
- Coloplast
- Beckman Coulter, Inc.
- Greatbatch Medical
- Cardiovascular Systems Inc.
- Olympus Surgical Technologies America

#1 STATE FOR FDA PRE-MARKET APPROVALS

6.5 MONTHS FASTER THAN REST OF U.S.

SPEED TO MARKET MEANS LESS MONEY SPENT AND MORE REVENUE GAINED FASTER.
OLYMPUS SURGICAL TECHNOLOGIES EXPANDS IN MINNESOTA

Olympus is a precision technology leader, designing and delivering innovative solutions in its core business areas of Medical and Surgical Instruments, Life Science Imaging Systems, Industrial Measurement and Imaging Instruments, and Cameras and Audio Products. When the company decided to expand and consolidate its R&D and Training Centers, it moved to nearby Brooklyn Park.

HQ OUTSIDE OF U.S.: Tokyo, Japan

IN MINNESOTA SINCE: 2001

LOCATION IN MINNESOTA: Brooklyn Park

WHY THEY CHOSE MINNESOTA:
- Central U.S. location
- Strong medical device industry
- Talented workforce

FUNDING SOURCES: Minnesota Investment Funds and Tax Increment Financing
### Minneapolis-St. Paul Region

- **Talent Retention**: Minneapolis-St. Paul region retains more professionals than top 25 U.S. metros.

### Minnesota's Contribution to Research and Technical Know-How

- **$455 Million**: $455 million in research grants awarded to University of Minnesota and Mayo Clinic by National Institutes of Health (NIH) in 2014.
- **9th Largest University**: 9th largest research university in the world: University of Minnesota.
- **Patent Invention**: #1 in patents per 100k population (56/100k).
- **Center of Excellence**: Minnesota Medical Manufacturing Partnership (MMMP) will receive financial and operational support from the federal government.
MINNESOTA ATTRACTS INVESTMENT capital, offers tax benefits to angel investors and has a lower cost of doing business than Boston, LA, San Diego or San Francisco.

“The cost of doing business is a better value in Minnesota. We would likely have needed substantially more if we were located on the coasts.”

–DOUG KILLION, PRESIDENT AND CEO OF PURSUIT VASCULAR
$434.9M MED-TECH INVESTMENT

RECORD INVESTMENT IN 2015

69.4%

15.4%

6.8%

6.2%

1.5%

0.8%

53% of companies received deals worth $1M or more

LOW EFFECTIVE TAX RATES

ADVANCED LOGISTICS INFRASTRUCTURE

COMPETITIVE LABOR COSTS

NO PROPERTY TAX ON MACHINERY AND INVENTORY

First financing up 142% in 2015

53% of companies received deals worth $1M or more

<table>
<thead>
<tr>
<th>Sector</th>
<th>Investment</th>
<th>Companies</th>
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</thead>
<tbody>
<tr>
<td>MEDICAL DEVICE</td>
<td>$302.0M</td>
<td>46</td>
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<tr>
<td>DIGITAL HEALTH</td>
<td>$67.1M</td>
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<tr>
<td>PHARMACEUTICALS</td>
<td>$28.8M</td>
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<tr>
<td>DIAGNOSTICS</td>
<td>$27.2M</td>
<td>8</td>
</tr>
<tr>
<td>RESEARCH TOOLS</td>
<td>$6.5M</td>
<td>4</td>
</tr>
<tr>
<td>OTHER</td>
<td>$3.3M</td>
<td>8</td>
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</table>
Heraeus combines material expertise with technological know-how to create high-quality solutions for their customers. Industry leaders in the cardiac rhythm management and cardiovascular industry segments, as well as other Heraeus customers and competitors, are located in Minnesota.

HQ OUTSIDE OF U.S.: Hanau, Germany
IN MINNESOTA SINCE: 2001
LOCATION IN MINNESOTA: White Bear Township
WHY THEY CHOSE MINNESOTA:
- Proximity to customers
- Talented workforce
- Access to key R&D center
- Existing relationship with White Bear Township
FUNDING SOURCES: State Job Creation Funds, City Tax Increment Financing

“The Minneapolis-St. Paul region is one of the most important ‘Eco Systems’ worldwide for the medical device industry segments, CRM and cardio-vascular industries.”
- NICOLAS SCHULZ, SVP, OPERATIONS, HERAEUS
101 MED TECH COMPANIES RECEIVED $434.9 MILLION IN INVESTMENT IN MINNESOTA.
Holaira taps into venture capital in Minnesota.

Holaira raised $42 million from venture capital funds in 2014, paving the way for a European clinical trial of the company’s catheter-based system to treat obstructive lung disease. The company’s targeted lung denervation procedure has the potential to make breathing easier for patients with chronic obstructive pulmonary disease.

LOCATION IN MINNESOTA: Plymouth

SOURCE: Over $70 million in venture capital

FUNDING SOURCE: Vertex Ventures, Singapore/India

“This financing signals a strong endorsement from the investment community for our product development progress and support for our upcoming clinical trials.”

- DR. DENNIS WAHR, PRESIDENT & CEO, HOLAIRA
<table>
<thead>
<tr>
<th>Company Name</th>
<th>Industry/Technology</th>
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<th>Industry/Technology</th>
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<tr>
<td>ADVENTIUM</td>
<td>DIGITAL HEALTH</td>
<td>BIOSIG TECHNOLOGIES INC</td>
<td>MEDICAL DEVICE</td>
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<td>AMPHORA MEDICAL</td>
<td>BLADDER CARE</td>
<td>BRIGHT HEALTH</td>
<td>DIGITAL HEALTH INSURANCE</td>
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<td>ANDARTA MEDICAL INC</td>
<td>MEDICAL DEVICE</td>
<td>CARDIALEN INC</td>
<td>HEART ARRHYTHMIA DEVICE</td>
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<td>ANSER INNOVATION</td>
<td>REMOTE MONITORING CARE</td>
<td>CARDIONOMIC INC</td>
<td>MEDICAL DEVICE</td>
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<td>ARIA CV INC</td>
<td>MEDICAL DEVICE</td>
<td>CAREQUO LLC</td>
<td>HEALTH STAT APP</td>
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<td>ARTOSS INC</td>
<td>BONE REPAIR</td>
<td>COGENTIX MEDICAL, INC.</td>
<td>MEDICAL DEVICE</td>
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<td>ATIVA MEDICAL</td>
<td>DIAGNOSTICS MICRO-LAB</td>
<td>CONVENTUS ORTHOPAEDICS INC</td>
<td>FRACTURE CARE</td>
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<td>AUM CARDIOVASCULAR</td>
<td>HEART ERROR DETECTION</td>
<td>CVRX</td>
<td>HBP CARE DEVICE</td>
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<tr>
<td>BIOACTIVE REGENERATIVE THERAPEUTICS INC</td>
<td>RESEARCH TOOLS</td>
<td>DIAMEDICA</td>
<td>NEURO &amp; KIDNEY CARE</td>
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<tr>
<td></td>
<td></td>
<td>EMBOMEDICS INC</td>
<td>MEDICAL DEVICE</td>
</tr>
</tbody>
</table>

* A partial list of companies funded.
REBIOTIX BENEFITS FROM MINNESOTA BACKGROUND.

Founded by a former Medtronic engineer, Rebiotix is a clinical-stage biotechnology company revolutionizing the treatment of challenging gastrointestinal diseases by harnessing the power of the human microbiome. In October of 2016, Rebiotix announced that the first patient with recurrent urinary tract infections has been treated in a clinical study to evaluate the ability of RBX2660, a microbiota-based drug candidate, to suppress or reverse colonization with multi-drug resistant organisms (MDROs).

LOCATION IN MINNESOTA: Roseville

WHY THEY LOCATED HERE:
- Proximity to customers
- Access to research and talent
- Corporate leadership in industry

FUNDING SOURCE: Fundraising
ENTEROMEDICS INC  OBESITY CONTROL DEVICE
EVA MEDTEC LLC  MASSAGE DEVICE
EVIDENTIA HEALTH  DIAGNOSTICS APP
GLOBAL KINETICS CORPORATION  MEDICAL DEVICE
GRAVIE INC  DIGITAL HEALTH INSURANCE
HEALTHSENSE  REMOTE MONITORING
IMBIO LLC  CLINICAL GRADE BIOMARKERS
INTERVALVE INC  MEDICAL DEVICE
LEARN TO LIVE INC  ONLINE THERAPY

LIVIO HEALTH GROUP  IN-HOME CARE
MEDICOM DIGITAL INC  TARGETED HEALTH MESSAGING
METAMODIX INC  MEDICAL DEVICE
MICROOPTX MEDICAL LLC  BLINDNESS PREVENTION
MINNESOTA IMAGING & ENGINEERING LLC  MEDICAL DEVICE
MINNESOTA MEDICAL SOLUTIONS LLC  MEDICAL MARIJUANA
MINNETRONIX INC  MEDICAL DEVICE
MIROMATRIX MEDICAL INC  ORGAN GENERATION
MIVI NEUROSCIENCE INC  MEDICAL DEVICE
MONTERIS MEDICAL  ROBOTIC LASER SURGERY

*A partial list of companies funded.*
DIAMEDICA STAYS NEAR TALENT AND RESEARCH IN MINNESOTA.
DiaMedica is a biopharmaceutical company focused on developing innovative treatments for neurological and kidney diseases where no current therapies are available. In October 2016, the company announced that the first patient has been dosed in the Phase Ib clinical trial of DM199, a novel recombinant tissue kallikrein (‘rKLK1”) protein for the development of neurological and kidney diseases.

HQ OUTSIDE OF MINNESOTA: Originally Winnipeg, Canada
LOCATION IN MINNESOTA: Minnetonka
WHY THEY CHOSE MINNESOTA:
■ Strong med-tech and life science workforce
■ Proximity to University of Minnesota
■ Desirability of region in attracting talent
NEOCHORD INC
NOVU LLC
NXOTHERA INC
ONEMEDNET CORP
ONEOME LLC
OSPREY MEDICAL
POPS! DIABETES CARE INC
PRECEPTIS MEDICAL INC
PROTÉGÉ BIOMEDICAL
PURSUIT VASCULAR INC
RECOMBINETICS INC
MITRAL REGURGITATION TREATMENT
DIGITAL HEALTH
BPH THERAPY
MEDICAL RECORD SHARING
DIGITAL HEALTH
MEDICAL DEVICE
MOBILE DEVICE CARE
PEDIATRIC SURGERY TECH
CLOTTING PRODUCT
MEDICAL DEVICE
GENE EDITING TECH
RETRACEHEALTH INC
ROTATION MEDICAL
SANSORO HEALTH
SONEX HEALTH LLC
SPINETHERA
STERONIX
STERILUCENT INC
SUNSHINE HEART INC
TORAX MEDICAL
XEDE TECHNOLOGIES INC
ZIPNOSIS INC
ZYGA TECHNOLOGY INCL
VIRTUAL CARE
JOINT MEDICAL DEVICE
DIGITAL HEALTH
CTS TREATMENT
BACK PAIN DRUG
STEM CELL RESEARCH
STERILIZATION
HEART CARE
OBESITY CARE
MEDICAL DEVICE
VIRTUAL CARE
JOINT PAIN RELIEF

*A partial list of companies funded.