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 3.6 million people.

Minnesota is close to your North American customers.

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

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

130
Nonstops to U.S. cities

26
International nonstops including Tokyo, Amsterdam, Paris and London

MSP International Airport

International nonstops
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.

<table>
<thead>
<tr>
<th>Location</th>
<th>2017 Employment</th>
<th>Location Quotient (1.0=U.S. AVG.)</th>
</tr>
</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>
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<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>
<td>1.5</td>
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<tr>
<td>CHICAGO</td>
<td>26,761</td>
<td>.05</td>
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</tbody>
</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
MINNESOTA IS A CENTER FOR RESEARCH AND TECHNICAL KNOW-HOW.

EVER SINCE THE MAYO BROTHERS set up practice in Minnesota, the state has attracted leading medical innovators, researchers, inventors and entrepreneurs.

$464 MILLION

$455 million in research grants awarded to University of Minnesota and Mayo Clinic by National Institutes of Health (NIH) in 2014.

#1

IN TALENT RETENTION

Minneapolis-St. Paul region retains more professionals than top 25 U.S. metros.

#1 IN PATENTS PER 100K POPULATION (56/100K)

9TH

9th largest research university in the world: University of Minnesota

U.S. DEPT. OF COMMERCE 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
LOW EFFECTIVE TAX RATES
COMPETITIVE LABOR COSTS
ADVANCED LOGISTICS INFRASTRUCTURE
NO PROPERTY TAX ON MACHINERY AND INVENTORY

46% of companies received deals worth $1M or more

Companies securing first raise funding totaled $152.1 M, a 5-year high!

MEDICAL DEVICE
$302.0M raised by 46 companies

DIGITAL HEALTH
$67.1M raised by 22 companies

PHARMACEUTICALS
$28.8M raised by 13 companies

DIAGNOSTICS
$27.2M raised by 8 companies

RESEARCH TOOLS
$6.5M raised by 4 companies

OTHER
$3.3M raised by 8 companies

MED-TECH INVESTMENT
$434.9M

RECORD INVESTMENT IN 2015

46%
HERAEUS MEDICAL COMPONENTS STAYS NEAR CUSTOMERS IN MINNESOTA
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
96 MED TECH COMPANIES RECEIVED $421.5 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>Medical Device Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>4C Medical Technologies</td>
<td>Medical Device</td>
</tr>
<tr>
<td>Abs Corporation</td>
<td>Joint Medical Device</td>
</tr>
<tr>
<td>Access Point Technologies Ep, Inc</td>
<td>Medical Device</td>
</tr>
<tr>
<td>Adrenacard Inc</td>
<td>Medical Device</td>
</tr>
<tr>
<td>AmericanVision Inc</td>
<td>Eye Care</td>
</tr>
<tr>
<td>Artoss Inc</td>
<td>Bone Repair Diagnostics</td>
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<tr>
<td>Augustine Temperature Management LLC</td>
<td>Medical Device</td>
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<tr>
<td>Biosig Technologies Inc</td>
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<tr>
<td>Boka LLC</td>
<td>Oral Care</td>
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<tr>
<td>Caerus Corp</td>
<td>Medical Device</td>
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<tr>
<td>Cardia Inc</td>
<td>Medical Device</td>
</tr>
<tr>
<td>Cardio Flow Inc</td>
<td>Heart Care</td>
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<tr>
<td>Closys</td>
<td>Oral Care</td>
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<tr>
<td>Coherent Medical, Inc</td>
<td>Medical Device</td>
</tr>
<tr>
<td>Cofter Medical</td>
<td>Health Care Garments</td>
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<tr>
<td>CVRX Inc</td>
<td>HBP Care Device</td>
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<tr>
<td>Elucent Medical</td>
<td>Medical Device</td>
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<tr>
<td>Embomedics</td>
<td>Medical Device</td>
</tr>
<tr>
<td>Enteromedics Inc</td>
<td>Obesity Control Device</td>
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**Total:** $421.5M
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
<table>
<thead>
<tr>
<th>Company</th>
<th>Product Categories</th>
</tr>
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<tbody>
<tr>
<td>EVA MEDTEC LLC</td>
<td>Massage Device</td>
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<tr>
<td>HEALTHE LLC</td>
<td>Eye Care</td>
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<tr>
<td>IMPLEO MEDICAL, INC</td>
<td>Medical Device</td>
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<td>INSPIRE MEDICAL SYSTEMS</td>
<td>Sleep Apnea Device</td>
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<td>MEDICAL 21</td>
<td>Medical Device</td>
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<tr>
<td>METAMODIX INC</td>
<td>Diabetes Control Device</td>
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<tr>
<td>MICRO OPTIX MEDICAL</td>
<td>Blindness Prevention</td>
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<td>MINNETRONIX</td>
<td>Medical Device</td>
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<td>MIVI NEUROSCIENCE</td>
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<td>MONTERIS MEDICAL INC</td>
<td>Robotics Laser Surgery</td>
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<td>NASCENT SURGICAL LLC</td>
<td>Surgery Tech</td>
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<td>NEURO ONE</td>
<td>Brain Diagnostics</td>
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<td>OLYMPEX MEDICAL</td>
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<td>OSPREY MEDICAL INC</td>
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<td>PATHRIGHT MEDICAL LLC</td>
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<td>PELVITAL</td>
<td>Medical Device</td>
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<td>PEYTANT SOLUTIONS</td>
<td>Medical Device</td>
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<tr>
<td>PERCEPTIS MEDICAL</td>
<td>Pediatric Surgery Tech</td>
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<tr>
<td>PROTOSTHETICS INC</td>
<td>Prosthetic Device</td>
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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
96: $421.5M

- PURSUIT VASCULAR
- ROTATION MEDICAL INC
- SKYLINE MEDICAL
- SONEX HEALTH
- SPINEOLOGY INC
- ST. TERESA MEDICAL INC
- SUNSHINE HEART INC
- TORAX MEDICAL INC
- MEDICAL DEVICE
- JOINT MEDICAL DEVICE
- MEDICAL DEVICE
- CTS TREATMENT
- SPINAL SURGERY TECH
- SURGERY TECH
- HEART CARE
- OBESITY CARE
- UROTRONIC INC
- VIGILANT DIAGNOSTICS
- XCEDE TECHNOLOGIES
- ZIFT MEDICAL LLC
- MEDICAL DEVICE
- IN VITRO DIAGNOSTICS
- MEDICAL DEVICE
- COSMETIC SURGERY DEVICE
FOR MORE INFORMATION ON MEDICAL INVESTMENT IN MINNESOTA

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