Replicating a proven job creation model:

40,000 sq. ft. Expansion

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What Can We Do To Create Jobs In St. Paul?

- How can we leverage the existing Twin City med tech knowledge base?
- How can we leverage the U of M and especially its emerging bioscience expertise and technology?
- How can we do this economically?
- How can we do it now?
A successful nonprofit bioscience incubator...

- $24 million, 125,000 sq. ft.
- 40 current and graduated tenants
- 325 jobs
- Opened in 2005
- 90% occupancy since 2007
...located between the campuses
Our original sponsors took an enormous risk...

- **Diamond** (> $2 million)
  - SAINTPAUL MINNESOTA
  - Xcel Energy
  - University of Minnesota

- **Platinum** (> $1 million)
  - 3M
  - Allina Hospitals & Clinics

- **Gold** (> $500,000)
  - Boston Scientific
  - Ecolab
  - Medtronic

- **Silver** (< $500,000)
  - Dorsey & Whitney LLP
  - Foundation
  - SurModics

- **Bronze** (< $100,000)
  - Park Midway Bank
  - Gray Plant Mooty
  - Wells Fargo
  - KPMG
  - Andcor
...and it paid off!

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,712,238</td>
<td>$2,208,957</td>
<td>$2,629,699</td>
<td>$2,551,572</td>
<td>$2,424,000</td>
</tr>
<tr>
<td>Cash Flow</td>
<td>$(920,201)</td>
<td>$(953,366)</td>
<td>$(107,124)</td>
<td>$180,022</td>
<td>$281,051</td>
</tr>
</tbody>
</table>

Note: UEL has no executive / staff - it relies on a volunteer board
“Companies less than one year old created all net new jobs from 1997 to 2005”

Source: Business Dynamics Statistics, US Census Bureau
“Every new biotech job creates another six jobs in the rest of the economy”

Source: Biotechnology Industry Institute
UEL = 2,300 jobs...and more to come

- 325 clean, high paying bioscience jobs and 2000 (6X) support jobs elsewhere in the Twin City economy

- The UEL model is perpetual and self-sustaining: it will continue to produce more graduates and more jobs
MN’s next “Medtronic” may be among our tenants; in fact...
4 of MN’s largest biotech cos. have UEL ties

2010 Top 25 List for Largest Biotech in MN

Former UEL Tenants

Current UEL Tenants

io

Syntiron

Harland Medical Systems

ISurTec
A UEL success story: Kingfisher Biotech

- Develops veterinary reagents for use in bovine, equine, swine, and chicken research
- Sole employee 3 years ago; team of 5 now sells to over 100 customers worldwide
- Secured FDA grants to develop veterinary reagents

Joanna LaBresh, President
A UEL success story: Syntiron

- Developing wide variety of vaccines
- Secured 4 Phase 1 NIH Grants and $4 million DTRA contract
- Signed $150 million licensing transaction with Sanofi Pasteur in 2010
- 27 employees

Joe Shaw, President
A UEL graduate: Harland Medical

- Provides advanced surface enhancement products, services and systems to the world’s leading healthcare product manufacturers
- Has grown to 35 employees

Jon Anderson, President
A UEL graduate: Twin Star Medical

- Manufacturer of micro–porous catheters for precise local drug infusion, pressure reduction/fluid removal, tissue monitoring
- Presently entering clinical and feasibility trial stages, focused on drug delivery and wound care
- Will have 15 employees at its new location
A UEL graduate: Orthocor Biomedical

- Developed orthopedic device and is now actively selling
- Will have 9 FTEs by year end

John Dinusson, President
UEL graduate: Segetis

• Developed renewable technology enabling bio-refiners to replace ‘embedded petroleum’

• Employs 26 people

• “The UEL was absolutely instrumental for initial success of Segetis. The facility provided not only labs and conference rooms, but also the atmosphere and the environment that was vital for hiring high caliber people.”

Sergey Selifonov & Olga Selifonova
Founders
Graduates spread out around the Twin Cities
UEL cannot meet current demand

• During the past 12 months UEL turned away 30,000 square feet of prospective tenant prospects

• Tenants want lab space – UEL is out of lab space
UEL’s expansion opportunity

- 40,800 gross sq. ft. of new lab space
- Will generate 200+ construction jobs and ±125 bioscience jobs
The expansion will increase cash flow

<table>
<thead>
<tr>
<th></th>
<th>Current Building</th>
<th>Expansion</th>
<th>Combined</th>
<th>Change</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>$2,250,000</td>
<td>$1,024,400</td>
<td>$3,274,400</td>
<td>1.5X</td>
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<tr>
<td>Cash Flow after Debt Service</td>
<td>$281,051</td>
<td>$1,024,400</td>
<td>$1,524,400</td>
<td>5.4X</td>
</tr>
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Increased cash flow could be used to fund future projects, fueling further job creation
Expansion budget uses/potential sources

<table>
<thead>
<tr>
<th>Uses</th>
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<tbody>
<tr>
<td>All project costs including land, lease up</td>
<td>$23 million</td>
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</tbody>
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<table>
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<tr>
<th>Sources</th>
</tr>
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<tbody>
<tr>
<td>Federal and/or state contribution for $\frac{1}{2}$ project costs</td>
</tr>
<tr>
<td>$11$ million</td>
</tr>
<tr>
<td>Land already owned by UEL and included in project cost above</td>
</tr>
<tr>
<td>$6$ million</td>
</tr>
<tr>
<td>Private donations</td>
</tr>
<tr>
<td>$6$ million</td>
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</tbody>
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$23$ million

**UEL needs your help to raise $6$ million in private donations**
UEL is worthy of Support

- A proven jobs incubator that leverages the U of M and the existing medtech / biotech knowledge base

- St. Paul-based but graduates migrate across the Twin Cities

- Clear evidence of need for additional space

- A replicable and self-sustaining job creation model
Thank you!

- UEL appreciates your consideration