

NEO BIOMEDICAL INDUSTRY BY THE NUMBERS

59%
GROWTH
..... 2000-2016

6 | EXITS
SINCE
..... 2002

\$2.3B+ INVESTED IN
400+ START-UPS
SINCE 2003

IN 2016
46 COMPANIES
RAISED
\$198 MILLION

\$5.6B GRP



PLUS REVIEW FEBRUARY 2017

Quarterly Economic Indicators
18 Counties of Northeast Ohio

The biomedical industry in Cleveland Plus is vibrant and growing. This report takes a look at how the sector has grown in terms of gross regional product and how investors are taking note as they fund start-ups.



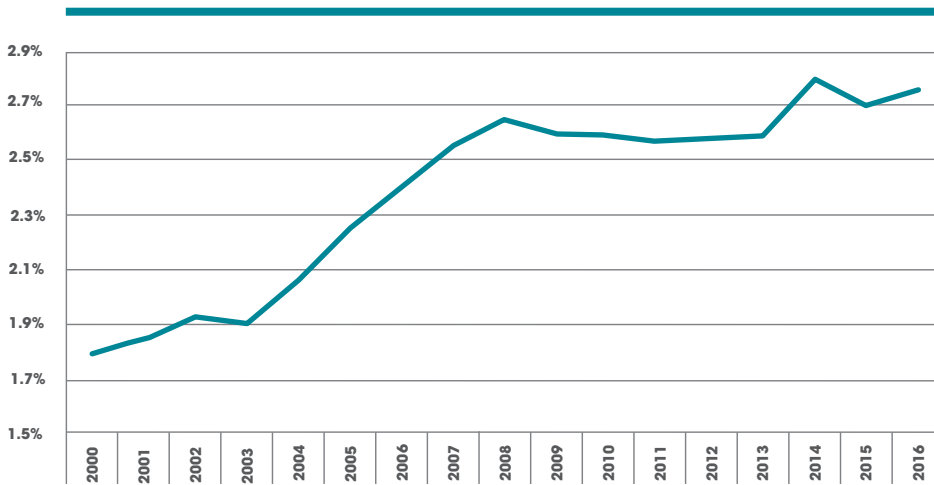
Northeast Ohio's biomedical sector – which includes medical device manufacturing, pharmaceuticals and therapeutics, and research and development – is a \$5.6 billion industry with more than 700 companies.

The region, rich in medical capital, is globally recognized for its clinical and research institutions, including Cleveland Clinic, University Hospitals, Akron Children's Hospital and Case Western Reserve University. Nationally ranked in multiple specialties and conducting over \$650 million in sponsored research, these institutions collaborate closely with regional biopharmaceutical, medical device and health IT companies to advance innovation.

Northeast Ohio is home to some of the industry's leading Contract Research Organizations (CROs) and regulatory experts, and has a robust biomedical manufacturing base, from full-service custom product design to component and finished product manufacturing.

An ever-growing pipeline of funded start-up companies demonstrates the vibrant biomedical environment in The Medical Capital. Since 2003, more than 400 biomedical start-ups have cumulatively raised \$2.3 billion in private capital.

Biomedical Share of Total NEO GRP: 2000 - 2016

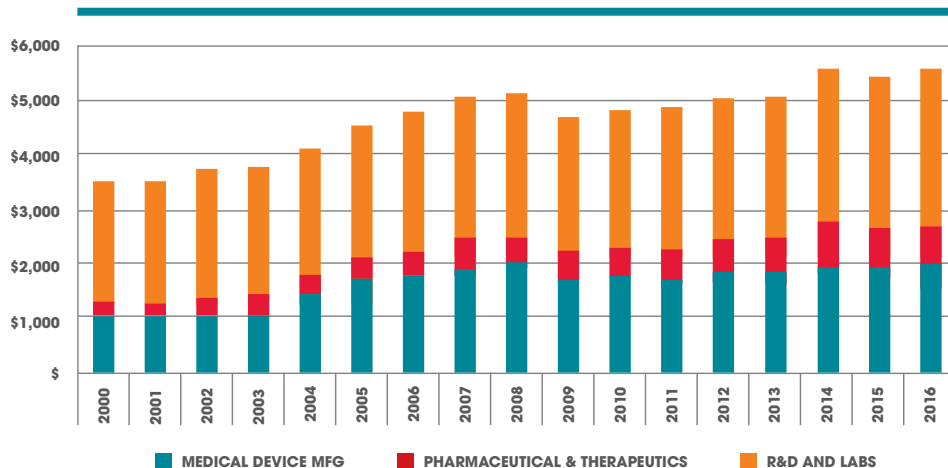


BIOMEDICAL INDUSTRY GROWS 59% FROM 2000 TO 2016

In 2000, the biomedical industry accounted for 1.8% of the total Northeast Ohio gross regional product (GRP). The industry has experienced 59% growth since then, and now accounts for 2.8% of the region's GRP. All other sectors have remained relatively flat during the 2000 - 2016 time period.

Source: Moody's Economy.com

Growth in Biomedical GRP: 2000 - 2016

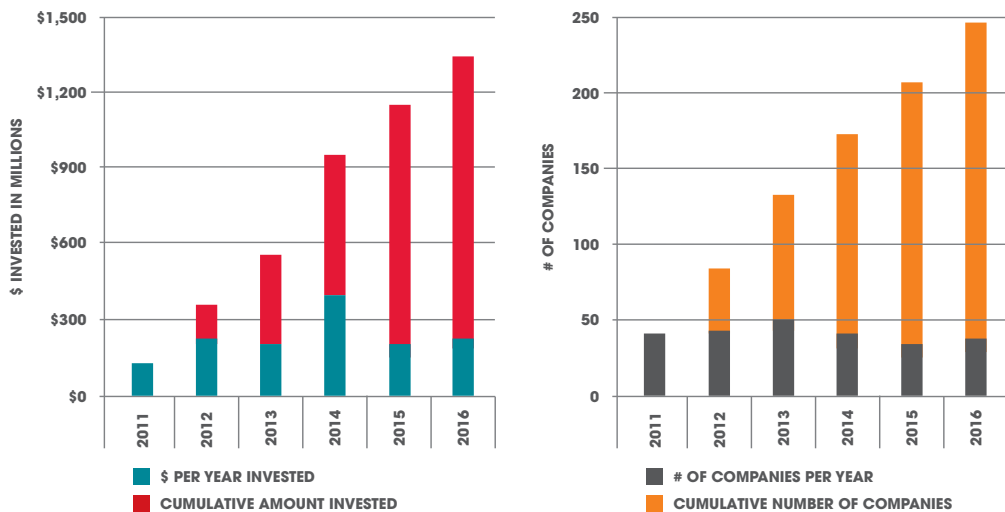


BIOMEDICAL GRP IS \$5.6 BILLION

The GRP for the biomedical industry has steadily increased since 2000, with a minor dip in 2007 as a result of the recession. It has recovered to become a \$5.6 billion sector in 2016.

Source: Moody's Economy.com

Investments in NEO Companies: 2011 - 2016



SOURCE: BIOENTERPRISE

61 EXITS SINCE 2002

Since 2003, more than \$2.3 billion has been invested in start-up companies, with more than \$1 billion raised in the past five years alone. This funding represents recognition of Northeast Ohio's strength in the biomedical industry as companies grow and become significant enough to be acquired. Indeed, there have been 61 exits since 2002.

DEVELOPMENT ACTIVITY (Across All Industries)

PULSEFLOW TECHNOLOGIES CHOOSES NEO FOR ITS U.S. EXPANSION

UK-based PulseFlow Technologies, a growing medical-device company focused on developing products to address lower limb circulatory issues, has expanded into the United States with the opening of a headquarters, light assembly and warehouse facility in Willoughby. After considering Tennessee, Florida, Washington and Texas, PulseFlow's leadership chose Northeast Ohio, where the company is expected to create 75 jobs. The potential for adding manufacturing capabilities exists as well.

CLEAN ENERGY FUTURE INVESTS IN LORDSTOWN

A developer of gas-fired electric power-generation facilities, Clean Energy Future is constructing a 940-megawatt combined cycle gas turbine (CCGT) power plant in the Village of Lordstown. This project includes an \$890 million investment, the largest private investment in Ohio in 2016, and will create 25 jobs. The developer continues to commit to Northeast Ohio, recently announcing plans for a second Lordstown plant. These investments bring the total number of Ohio plants, in various stages of development, to 10.

DAISY BRAND CONTINUES TO COMMIT TO WOOSTER

A fourth-generation, family-owned business, Daisy Brand provides dairy products to markets across the United States. In 2013, the company chose Wooster for a new production facility to grow its brand. When the company needed to expand to meet market needs again in 2016, its leadership considered the benefits of expanding this NEO facility versus its Casa Grande, Arizona, facility. They once again chose Wooster, investing \$142 million and projecting the creation of 81 new jobs in addition to the retention of 89.

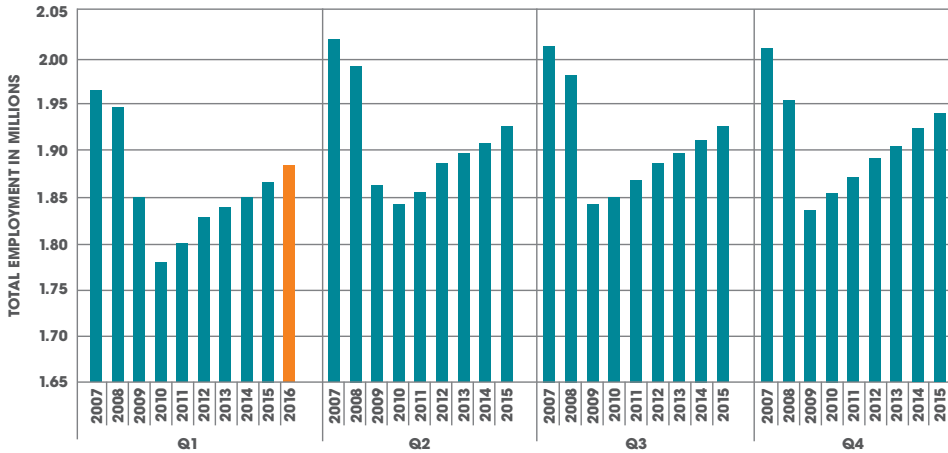
FIRELINE EXPANDS IN YOUNGSTOWN

Fireline Inc., a leading supplier to the aerospace industry, is adding 25,655 square feet to its existing 90,000-square-foot facility to meet product demand opportunities. The project, which represents an investment of \$3.7 million in fixed assets, will retain 88 jobs and create another 21.

\$60 MILLION OHIO CITY PROJECT AIMS TO REVITALIZE KEY INTERSECTION

Construction is under way for the \$60 million mixed-use development project at the corner of West 25th Street and Detroit Avenue, just west of downtown Cleveland. The project, which involves both new construction and historic renovation, will bring 194 apartment units and 50,000 square feet of commercial space to this key intersection. Upon project completion, valuable goods and services will be available to the neighborhood through a grocer specializing in locally sourced and fresh foods, a co-working facility providing low-cost access to office facilities and business resources, and a complement of restaurants and retailers.

NORTHEAST OHIO TOTAL EMPLOYMENT (NOT SEASONALLY ADJUSTED)

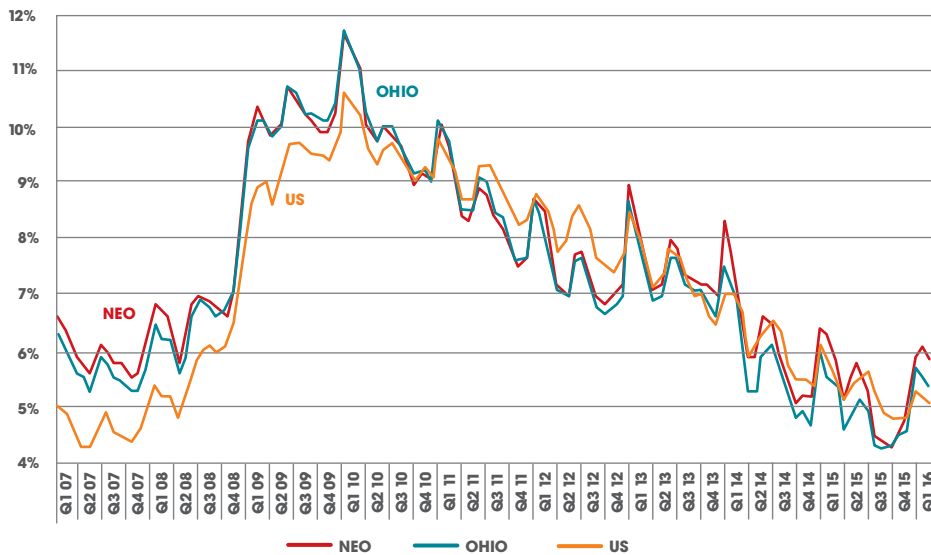


TOTAL EMPLOYMENT AT 1.88 MILLION

Total employment in Q1 2016 averaged 1.88 million, up 17,000 jobs year-over-year.

Source: Quarterly Census of Employment and Wages (QCEW). This is the most current reliable data available for total jobs in Northeast Ohio.

NORTHEAST OHIO UNEMPLOYMENT RATES THROUGH MARCH 2016

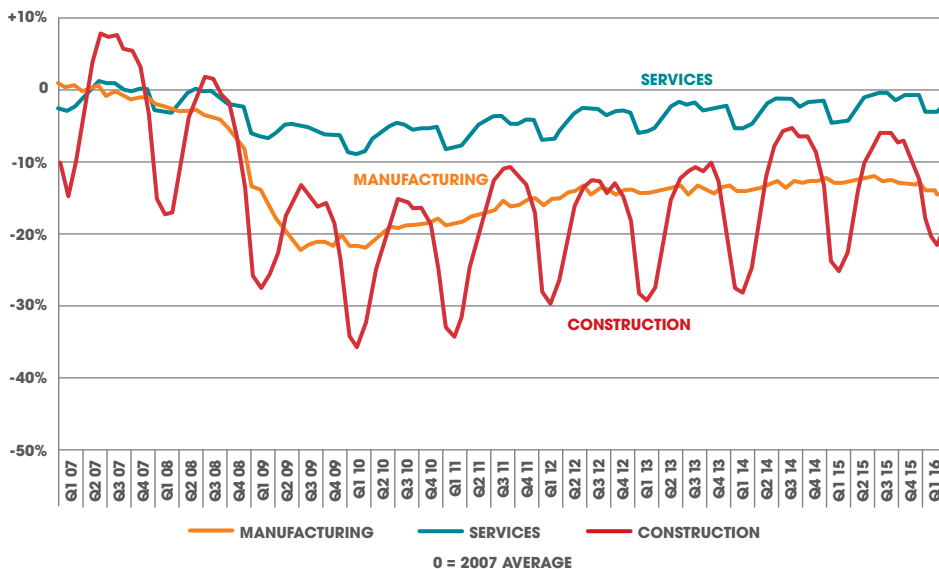


NEO UNEMPLOYMENT DOWN YEAR-OVER-YEAR

The Northeast Ohio unemployment rate averaged 6.0% in Q1 2016, down slightly year-over-year (the rate averaged 6.2% in Q1 2015). Ohio's unemployment rate in Q1 2016 averaged 5.6%, while the U.S. rate was at 5.2%.

Source: Current Population Survey (CPS), a survey of 60,000 households nationwide.

CHANGE IN EMPLOYMENT BY SECTOR THROUGH MARCH 2016

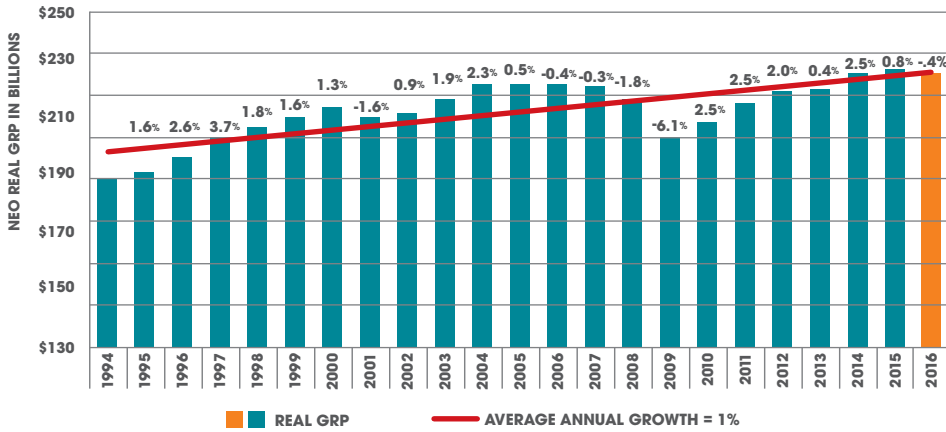


SERVICE SECTOR SEES YEAR-OVER-YEAR INCREASE

Services sector employment added nearly 19,000 workers year-over-year to reach almost 1.3 million workers. The construction sector added nearly 3,000 jobs while the manufacturing sector was down almost 5,000 jobs year-over-year.

Source: Quarterly Census of Employment and Wages (QCEW). This is the most current, reliable data available for total jobs in Northeast Ohio.

NEO REAL REGIONAL GROSS PRODUCT (GRP) IN BILLIONS

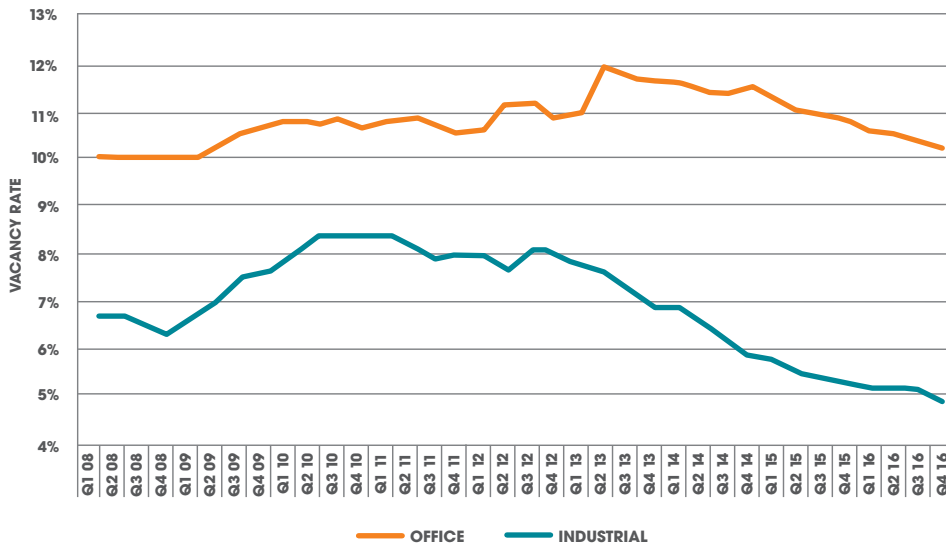


NEO GRP PROJECTED TO BE \$224.5 BILLION IN 2016

After six years of GRP growth for the 18 counties of Cleveland Plus, Moody's Economy.com is projecting a slight decline of .4% in 2016, with GRP at \$224.5 billion. Data for 2016 GRP is subject to 12 to 18 months of revision.

Source: Moody's Economy.com

NORTHEAST OHIO INDUSTRIAL AND OFFICE VACANCY

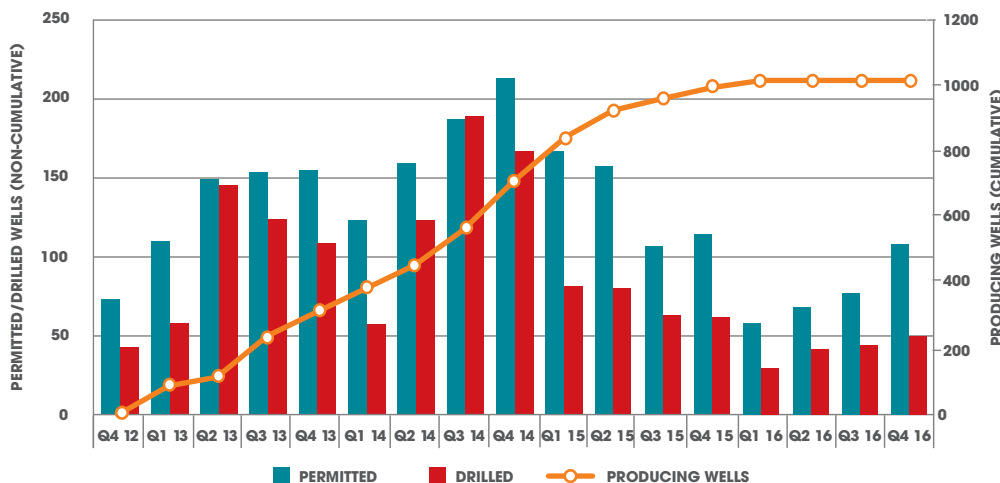


INDUSTRIAL VACANCY RATE AT LOWEST RATE IN YEARS

The vacancy rate for industrial space is at 4.9%, the lowest rate in nearly a decade, well before the recession of 2008-09. Occupied space is at \$552 million square feet. Office vacancy continues to decline at 10.2%, down slightly year-over-year, and has dipped below pre-recession rates. Occupied space is currently at 153.2 million square feet.

Source: CoStar

OHIO UTICA WELL ACTIVITY (NON-CUMULATIVE)



WELL PRODUCTION ACTIVITY GROWS IN Q4 2016

This graph shows the status of Utica shale wells originally permitted in each quarter. Since tracking results in Q4 2012, 2,173 total permits have been issued; 1,462 of those have been drilled. Currently 1,020 are in production statewide.

Source: Ohio Department of Natural Resources

GENEROUS SUPPORT PROVIDED BY:



For a complete list of funders, visit clevelandplus.com/about/funders.

DATA SOURCES

Team Northeast Ohio uses a number of data sources for the Regional Economic Review. One of the primary sources is Moody's Economy.com (economy.com) data for Northeast Ohio.

Moody's Economy.com county-level output, employment and payroll historical data are estimated from several publicly available sources and are summarized into the Team NEO regional footprint. It is important to understand data provided by Economy.com are estimates of economic activity.

Team NEO also uses data from federal and state sources as part of this report. We rely heavily on data from the U.S. Bureau of Labor Statistics (bls.gov) and Ohio's Labor Market Information (lmi.state.oh.us) for information on wages, unemployment and both general and industry-specific employment.

Industrial and office real estate data for this edition were derived from the CoStar Group. Due to market limits within the CoStar database, historic trend data for the Team NEO region are reflective of 14 of the 18 counties forming the regional footprint. These counties include: Ashtabula, Cuyahoga, Erie, Geauga, Huron, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit and Trumbull.

ECONOMIC DEVELOPMENT PARTNERS ACROSS 18 COUNTIES OF NORTHEAST OHIO:

- Ashland Area Council for Economic Development
- Columbiana County Port Authority
- Erie County Economic Development Corporation
- Geauga Growth Partnership, Inc.
- Greater Akron Chamber
- Greater Cleveland Partnership
- Growth Partnership for Ashtabula County
- Huron County Development Council
- Lake County Ohio Port & Economic Development Authority
- Medina County Economic Development Corporation
- Portage Development Board
- Richland Community Development Group
- Stark Development Board, Inc.
- Tuscarawas County Community Improvement Corporation
- Youngstown/Warren Regional Chamber
- Wayne Economic Development Council

ABOUT TEAM NEO AND THE CLEVELAND PLUS 18-COUNTY REGION

Team NEO is an economic development organization focused on creating jobs for Northeast Ohio's residents. In collaboration with our partners, it leads the region's business attraction efforts, supports business retention and expansion work as Northeast Ohio's JobsOhio affiliate, accelerates the impact of innovation in the region, and aligns strategies and resources within the economic development network to maximize its impact. In addition, Team NEO provides tools to assist employers in attracting talent to the region. For more information, visit www.clevelandplus.com.

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