

Access Point Technologies EP Inc



ND LEGISLATIVE SESSION TESTIMONY ON HB1141



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Presented by
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Access Point Technologies EP is a medical technology & device development company focused on the treatment of cardiac arrhythmias. HQ in Rogers MN since 2003, the company manufactures and sells highly specialized catheters in more than 20 countries including, Japan, Korea and the USA. We partner with world leading physicians to identify unmet device needs in their field and then develop solutions they can use to improve the care for their patients.

Our company leadership has relationships with globally recognized subject matter expert physicians who help us understand the unmet needs in their practice and share with us their ideas for novel devices to help them treat their patients. Our company leadership team are named inventors on more than 100 issued US patents and have brought many medical devices to market. We have worked in small and large companies and understand how to take a project from concept & napkin sketch through the design, prototype, testing and commercialization process. As you all know, there are significant costs associated with taking an early-stage concept into a device that is ready for the market. The most significant barrier to successful medical device development is access to the capital required to bring devices through design, development, and regulatory clearance.

We have participated in several MN based economic development programs, but we were attracted to ND by the LIFT funding program. This program helped us close a significant funding gap for testing and new technology development to move a new technology forward. This is an important gap that other programs fail to address. The LIFT program played a significant role in our decision to open a new facility in ND. We have used the LIFT funding to accelerate hiring, perform device prototyping and support testing of novel cryo systems. We are excited to expand our business in ND with the support of the commerce department programs, because of programs like LIFT and the strong level of engineering talent coming out of the ND colleges. We initially planned to lease space in existing facilities but have decided to make the commitment to purchase and build a custom facility for our Med Device R&D center in Horace ND. Let me be clear, we would not have made that commitment without the LIFT program funding.

Our new building will be the anchor for this development complex which will focus on Medical Technology Development. This is possible, in part, because the LIFT funding is specifically allocated for activities that more traditional lending sources cannot easily support, such as applied research, experimentation/testing and Intellectual Property Development. While these activities are absolutely essential to the development of new intellectual property, new technologies and new business, they are not easily supported by traditional lending sources, so investor capital has to be obtained and then allocated to these activities. The LIFT funds supplement seed investor cash which gives the banks the confidence they need to mitigate cash flow risks in the business, and thus facilitate their lending to support business expansion in ND. The LIFT funding allows the bank to leverage partnerships with us and other sources of financing as we move forward. This is critically important in the early stages of the company and technology development.

We are planning to develop our novel cryo system capabilities in our new facility in Horace with our initial focus on providing a solution to physicians who are treating Atrial Fibrillation. This disease affects 1 in 4 adults over the age of 40 and is approximately a \$4B global market. We expect this facility to be the

cornerstone of a medical device development campus where we plan to design and develop several new cryo systems and devices for other indications. Like the aerospace industry, the medical device development process requires contributions from many disciplines. Mechanical and electrical engineering as well as software and quality engineering and quality systems are all required as part of a multidiscipline team to bring these devices to clinical practice. This system will also be capable of addressing unmet clinical needs in other applications with other projects that we anticipate starting in 2021 and 2022. These additional projects will also require funding in the initial testing and development stage and we hope and expect that the environment in ND will continue to support the development of these programs as we expand our base of operations in the coming months and years.

Thank you very much for the time and opportunity to present today. We are looking forward to growing our presence in Horace and helping to bring a medical device development capability to the area that represents a significant economic diversification opportunity for ND.

Thank You

Sean Carroll

President, APT EP Inc

