



# Third Annual Benefit Report of MNPHARM, SBC

A Minnesota Public Benefit Corporation

March 20, 2018

This report covers the period of time from January 1, 2017 to December 31, 2017.

## History:

MNPHARM was incorporated as one of the first PBC's in Minnesota on January 2, 2015 by Founders Jeff Reinert and Dave Roeser. MNPHARM is a Specific Benefit Corporation (SBC).

We are in the business of Molecular Farming to advance plant based medicine to Address Significant Public Health Challenges.

## Management:

- Dave Roeser, Co-Founder & CEO / 35+ Years in Business
  - Accounting, finance, agriculture, R&D, built and sold several businesses
- Jeff Reinert, Co-Founder & President / 30+ Years in Business
  - Prod Dev, Manufacturing, Operations, Consulting, built and sold several businesses
- Bryan Roeser CSO / 6+ Years in Business Science
  - Agriculture, R&D and degree in microbial genetics. Research lab & grant experience.
- Dr. James Thompson / Research Scientist
  - Mayo Clinic researcher who joined MNPHARM in 2017 as a contract worker.

## Highlight of the Year:

We moved into new lab space in The Incubology (old Imation HQ) in February 2017. A perfect lab facility that has everything we need for success. Features like purified air, DI water, vent hoods, LN onsite, chemical inventory database, hazardous waste program and others will help us achieve Good Manufacturing Practices (GMP) this year. Securing the right facilities was an important step to achieving our goals.

We secured Convertible Debt funding in January 2017 and started another raise late in 2017. Started working with the Venn Foundation for specific project funding and raise an additional \$300,000 in debt funding in the first half of 2018.

In May we were awarded a Regenerative Medicine Minnesota grant of \$100,000 which allowed us to purchase lab equipment necessary to scale up production.

With the new lab and equipment we were able to produce and purify VEGF and BMP2 and also produced in plants an animal vaccine. These proteins will help us achieve our social benefit goals.

**MNPHARM pursued our Specific Benefit purpose stated in our articles of incorporation by the following:**

- Business activities: Met with several non-profit research labs to discover what proteins we could make for them that will further their mission.
- Acquired and/or made equipment and started writing SOP's toward GMP certification
- Continue to grow our own seed stock.
- Worked on our own improved vector MPV1 for better protein expression
- Started refining and stocking BMP2 in our -80c freezer
- Working with 3D printing of connective tissues and bone, where our cost reductions will make these treatments a reality.

**MNPHARM succeeded in achieving our specific benefit goals by:**

- We expanded from working with The Mayo Clinic to include The Hormel Institute and the U of Minnesota, St. Olaf and UC Irvine. Specific game changing applications from our products
- We now have a clear path to reduce recombinant proteins cost by 100 fold. This cost reduction will make research more cost effective and speed up the time to commercialization where a greater number of people can be helped
- Animal health was added to our product as a division. Making cost effective vaccines more quickly for animals will help stop the spread of health issues, save animal lives and help farmers.

**Barriers that prevented us from fully achieving our specific benefit purpose to the extend we planned in this reporting years were:**

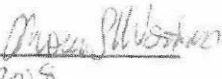
- We applied for a MDA grant, to make an edible plant that can be modified into a vaccine, but was not successful.
- Found that the OSU vector was incorrect and cost us months of production time.
- Funding: We need additional funds to hire researchers to advance our work.

**Certification by the Board of Directors**

The undersigned, being all the Directors of MNPHARM, hereby acknowledge and certify that we have reviewed and approved the enclosed Second ANNUAL Report.

DAVE ROESER   
Print Sign

JAMES THOMPSON   
Print Sign

Monica Wood, MD   
Print 03/22/2018 Sign

JEFF REINERT   
Print Sign



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*Steve Simon*

Steve Simon  
Secretary of State