Medtronic Announces a $337 Million Product Investment from Blackstone Life Sciences to Expand Development of Future Diabetes Technologies

Investment with Blackstone Life Sciences Expected to Accelerate Medtronic Diabetes Pump and CGM Technology Pipeline

DUBLIN and NEW YORK, June 12, 2020 (GLOBE NEWSWIRE) -- Medtronic plc (NYSE:MDT) and Blackstone (NYSE:BX) today announced that Medtronic intends to significantly increase research and development (R&D) funding in its Diabetes Group through an agreement to receive $337 million of funding from funds managed by Blackstone Life Sciences ("BXLS") including co-investors, aimed at advancing new, innovative products especially designed to reduce the burden of diabetes management. The announcement was made in conjunction with the start of the virtual 80th Scientific Sessions of the American Diabetes Association (ADA). Medtronic's diabetes device portfolio is designed to improve patient outcomes and provide greater lifestyle flexibility to Type 1 diabetes patients, which includes approximately 22 million individuals worldwide and 1.5 million individuals in the United States.

"This investment is important for people living with diabetes, as we expect it will expand our offering of future insulin delivery and sensor innovations that have the potential to improve patients' management of their diabetes," said Sean Salmon, Medtronic executive vice president and president, Diabetes Group. "Over the past 12 months, Medtronic has significantly increased its investment in Diabetes R&D, including investments in a series of near-term programs such as the MiniMed™ 780G insulin pump system, our Personalized Closed Loop (PCL) system, our extended wear infusion set, and our Zeus and Synergy sensors. The added investment from Blackstone empowers us to pull forward specific programs in our pump and CGM pipeline that aim to address unmet patient needs, beyond PCL and Synergy."

Blackstone Life Sciences has significant experience in executing development funding agreements in the pharmaceutical and biotech industry, to help expand and accelerate meaningful innovation for patients. The investment leverages this proven model.

"This collaboration, our first investment in the medical devices space, demonstrates how Blackstone Life Sciences is using its capital and expertise to help bring vital technologies, with the potential to save lives, to patients who need them," said Nicholas Galakatos, Ph.D., global head of Blackstone Life Sciences. "We look forward to partnering with Medtronic, the leader in this space, to advance their next generation of innovative medical devices for diabetes patients."

Under the terms of the agreement, Medtronic will receive up to $337 million in funding over the next several years to fund four identified Diabetes R&D programs. For competitive reasons, Medtronic is not disclosing the specific development programs. Medtronic's engineering, clinical, and regulatory teams will perform the development work to activate these programs. The funding received will be equal to the R&D expenses incurred. If successfully commercialized, Medtronic will pay royalties which are expected to be in the low- to mid-single digit range as a percentage of sales. Additional terms of the arrangement were not disclosed.

The ADA Annual Scientific Sessions is the largest diabetes meeting in the United States where endocrinologists from around the world gather to discuss the latest advancements in diabetes research, prevention and care. Medtronic will be hosting a management briefing from ADA for investors & analysts at 6 p.m. EDT today. Click here for more details.

About Blackstone Life Sciences
Blackstone Life Sciences is a private, global investment platform with capabilities to invest across the life-cycle of companies and products within the key life science sectors. By combining scale investments and hands-on operational leadership, Blackstone Life Sciences helps bring to market promising new medicines and medical products that improve patients' lives.

About the Diabetes Group at Medtronic(www.medtronicdiabetes.com)
Medtronic is working together with the global community to change the way people manage diabetes. The company aims to transform diabetes care by expanding access, integrating care and improving outcomes, so people living with diabetes can enjoy greater freedom and better health.

About Medtronic
Medtronic plc (www.medtronic.com), headquartered in Dublin, Ireland, is among the world's largest medical technology, services and solutions companies – alleviating pain, restoring health and extending life for millions of people around the world. Medtronic employs more than 90,000 people worldwide, serving physicians, hospitals and patients in more than 150 countries. The company is focused on collaborating with stakeholders around the world to take healthcare Further, Together.

Any forward-looking statements are subject to risks and uncertainties such as those described in Medtronic's periodic reports on file with the Securities and Exchange Commission. Actual results may differ materially from anticipated results.

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