corista

2014 North American Image-Centric Workflow Platforms New Product Innovation Award

FROST & SULLIVAN

50 Years of Growth, Innovation & Leadership

Letter of Congratulations

Frost & Sullivan is proud to recognize Corista for New Product Innovation Leadership in Image-Centric Workflow Platforms for Digital Pathology.

We're constantly asked by our Award recipients about our rigorous selection process and research methodology. The answer is that Frost & Sullivan has over 1,800 industry analysts, independently tracking 11 industry markets from both market and technology perspectives. Our analysts speak to industry peers and players in the value chain, and we cross-reference that data against our own extensive knowledge in the market, independently vetting our findings. At the end of this stringent process, we're able to recognize specific companies for superior solutions, best-in-class service, and innovative answers to key market challenges.

To achieve excellence in New Product Innovation Leadership is never an easy task, but it is one made even more difficult due to today's intense competition, customer volatility, and economic uncertainty. We at Frost & Sullivan feel that this makes recognizing your company's impressive accomplishments that much more important.

In addition, we know that there are many individuals (employees, customers, and investors) contributing to your company's impressive success. We believe that this hard work, dedication, and Olympic-class performance should truly be acknowledged.

We are therefore proud to present this honor to Corista this year as your team strives to achieve even greater levels of performance.

Once again, we congratulate you on your achievements and wish you even greater success in the near future.

Sincerely yours,

David Frigstad
Chairman
Frost & Sullivan

Background and Company Performance

Industry Challenges

Overview of Tissue Diagnostics and Digital Pathology

Tissue diagnostics is a matured and established area. According to the College of American Pathologists (CAP) 2013 data, approximately 80% of the world's pathologists are based out of the United States. This makes the United States ideal for assessing pathological trends. The demand for tissue-based diagnostics is propelled by numerous factors.

- There are hundreds of in vitro diagnostic IHC, SS, and ISH stains that provide clinical value, including differentiation between cancerous and precancerous tumors, prediction of therapeutic response, and infection detection.

- IHC slide volumes exhibit double-digit growth annually.

- While tissue-based companion diagnostics are one of the most important growth drivers for the US market, new companion diagnostics have always been limited. Therefore, the forecast incorporates a lag until the next companion diagnostic will be launched.

As anatomic pathology increases in importance, accessibility to digitized images also becomes more important. The workload in many laboratories is estimated to increase by about 8% to 10% each year, and Frost & Sullivan has noticed that more clinical laboratories are purchasing digital pathology systems to meet this demand; vendors are also pushing high throughput scanners in an attempt to address the growing workload. It is estimated that most laboratories during a forecast period of 7 years will switch to digital pathology and there are scanners in the market that have increased their capacity to scan about 200,000 slides annually when operated 24/7. However, digitizing the workflow solves only one of the issues, and many challenges associated with interconnectivity, remote patient monitoring, and collaborative work still prevail.

A comparison of previous patient specimens is virtually impossible without a good content image analytics platform. Oftentimes slides are stored in different locations, making access to these slides difficult. Traditionally, experts would need to commute for hours to read and interpret slides in a variety of remote locations; the turnaround time for remote diagnosis can take 1 to 3 weeks. Digital images only solve a part of the problem; image size, large scale distribution, and accessibility are also key in alleviating the problems associated with providing efficient care.

Frost & Sullivan sees Telepathology as the future of pathology, allowing physicians to search through vast image repositories to identify anomalies across various patients, organs, and tissues. Frost & Sullivan is convinced that, in the near future, there will be a

tremendous need for solutions that offer content-based image analytics, on top of the demand for whole slide imaging (WSI) scanners and image analysis solutions.

Revenue for image management platforms in the Digital Pathology Systems market was $6.7 million in 2012, and it has the potential for $18.6 million in 2019. Frost & Sullivan estimates that this segment will grow at a CAGR of 15.7% in the United States. Plus, most US laboratories are forming partnerships with other countries, which further drives the need for sharing images. Digital images from WSIs are large and they will require a capable data storage medium locally, or as an alternative, laboratories could employ cloud-based storage.

Visionary Innovation and Product Excellence

Key Unmet Needs

To address the above challenges, Massachusetts-based Corista introduced its innovative DP3 platform that removes physical boundaries from pathology. DP3 is a truly unified system, connecting scanners of all makes and models to pathologists within an organization and across the world. And, by providing a common set of tools for real-time viewing and diagnosis by any connected pathologist, Corista is directly addressing the most significant challenges in this space. Most importantly, through DP3, real-time remote expert diagnosis becomes feasible.

Matched to Market's Needs

Frost & Sullivan believes that DP3 is extremely compelling because it enables pathologists to manage workflows in the most comprehensive and time efficient manner possible. This means that a pathologist or a physician can access slide images and offer diagnosis from any location on any browser-enabled device, including mobile tablets. And because DP3 accepts images from any scanner, pathology practices can utilize existing scanners – while also interfacing with other facilities that may different equipment, making DP3's adoption seamless.

Use of Mega Trends

Corista has effectively identified Telepathology as a megatrend, and as the future of digital pathology. In this regard, Corista's DP3 offers the best possible solution with several attributes:

- It serves as a central portal for case management, with real-time access to local and remote digital images from any scanner

- It offers browser-based access from any connected device (i.e. laptops, tablets, smartphones, etc.)

- It allows for the gathering of structured data through its customer-configurable

synoptic reporting

- It's image centric approach is also user centric, with clean, intuitive interfaces which improve its ease of use and adoptability

- It can interface with major hospital systems (i.e. LIS, HIS)

- It enables synchronized viewing and documentation among doctors, in real-time, and aims to incorporate image-based querying and search in future.

Products and Service Value

Pathologists view Corista's DP3 platform as invaluable, as it allows patients and remote medical centers quicker access to expert care. DP3 also offers diagnostic synoptic reporting, which is a very valuable tool used by pathologists, gathering structured data which can be mined and analyzed by third party tools. Additionally, the platform's integrated support for use in tumor boards brings diagnostic imaging to the forefront in support of cross-department decision making and peer review.

Pioneering Best Practices

As mentioned earlier, one of the most important aspects of Corista's DP3 is that the system is hardware agnostic, which is truly unique in this field because most hospital systems have multiple types of scanners. So before DP3, there was no one system where all pathology case management could be achieved. In addition, smaller remote facilities were unable to afford the large, expensive scanners used in the more established centers. Therefore, they were unable to have their digital images read by outside experts.

Corista's vision was to create a unified platform that would accept, manage, and store-for future search-image-centric patient cases from any scanner. This approach required extensive technical engineering to map each scanner according to the manufacturer and model. But the result was a completely new digital pathology platform that truly unites remote locations and equipment into one cohesive, real-time network for vastly improved care.

In addition to the above, most systems today are embedded with multiple features and complex functionalities, making it harder for pathologists to do consistent work. Working with conventional WSI scanners is time consuming because of the need to use multiple systems. So Corista's ability to simplify workflows and make the process universal is extremely impressive. And the "Collaboration" feature found in the DP3 system enables pathologist to easily interact with another colleague on a particular case. Users can assign, request, or annotate and respond online, which saves time and travel costs among pathologists.

Corista currently holds three patents, with more pending worldwide. The company is also developing an IP portfolio based on its DP3 technology.

Conclusion

After concluding it's independent evaluation, Frost & Sullivan is convinced that Corista's DP3 platform is unrivaled in the market. This innovative software platform covers the complete lifecycle management of digital pathology images, and with it, hospitals can achieve a substantial improvement in pathology, and ultimately, patient outcomes. Because of its ability to significantly improve image management for digital pathology, Frost & Sullivan recognizes Corista with the 2014 North American New Product Innovation Award in Image-Centric Workflow Platforms for Digital Pathology.

Significance of New Product Innovation Leadership

Ultimately, growth in any organization depends upon continually introducing new products to the market, and commercializing those products to the greatest extent possible. For these dual goals to occur, a company must be best-in-class in three key areas: understanding demand, nurturing the brand, differentiating from the competition. This three-fold approach to delivering New Product Innovation Leadership is explored further below.

Understanding New Product Innovation Leadership

Ultimately, innovation is about finding a productive outlet for creativity, for translating ideas into things people want to buy, and doing it over and over again. Even a very good idea, or even a series of very good ideas, will amount to nothing without successful implementation at each stage of development and commercialization. Creativity and implementation are therefore two sides of the same coin, as explored further below.
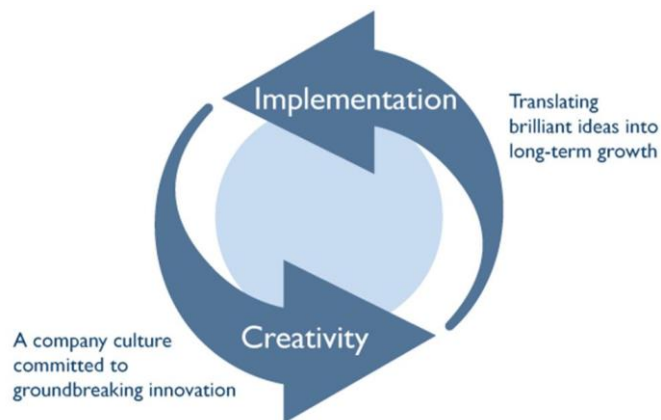
Frost & Sullivan's Global Research Platform

Frost & Sullivan maintains more than 50 years in business and is a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The Company's research philosophy originates with the CEO's 360-Degree Perspective, a holistic research methodology that encourages us to consider growth challenges, and the solutions companies employ to solve them, from every angle. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation, and leadership. Based on the results of our research in new product innovation leadership, Frost & Sullivan is proud to present the 2014 North American New Product Innovation Leadership Award in Image-Centric Workflow Platforms to Corista.

Key Benchmarking Criteria

For the New Product Innovation Leadership Award, Frost & Sullivan analysts independently evaluated the total client experience and strategy implementation excellence according to the criteria detailed below.

Visionary Innovation

> Criterion 1: Unmet Needs
> Criterion 2: Use of Mega Trends
> Criterion 3: Pioneering Best Practices
> Criterion 4: Blue Ocean Strategy

Criterion 5: Aspirational Ideals

Product Excellence

Criterion 1: Match to Needs
Criterion 2: Reliability and Quality
Criterion 3: Product/Service Value
Criterion 4: Positioning
Criterion 5: Design

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

Decision Support Scorecard and Matrix

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard and Matrix. This analytical tool compares companies' performance relative to each other. It features criteria unique to each award category and ranks importance by assigning weights to each criterion. The relative weighting reflects current market conditions and illustrates the associated importance of each criterion according to Frost & Sullivan. This tool allows our research and consulting teams to objectively analyze performance, according to each criterion, and to assign ratings on that basis. The tool follows a 10-point scale that allows

for nuances in performance evaluation; ratings guidelines are illustrated below.
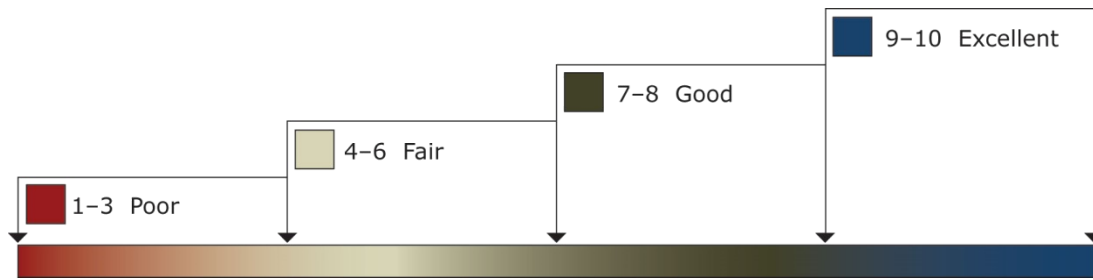
Best Practice Award Analysis for Corista

Decision Support Scorecard: Visionary Innovation

The Decision Support Scorecard, shown below, includes all performance criteria listed on page 7 and illustrates the relative importance of each criterion and the ratings for each company under evaluation for the New Product Innovation Leadership Award. The research team confirms the veracity of the model by ensuring that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

Finally, to remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key players in as Company 2 and Company 3.

DECISION SUPPORT SCORECARD FOR THE NEW PRODUCT INNOVATION LEADERSHIP AWARD (ILLUSTRATIVE):VISIONARY INNOVATION

Measurement of 1–10 (1 = poor; 10 = excellent)	Award Criteria					
Visionary Innovation	Unmet Needs	Use of Mega Trends	Pioneering Best Practices	Blue Ocean Strategy	Aspirational Ideals	Weighted Rating
Relative Weight (%)	**20%**	**20%**	**20%**	**20%**	**20%**	**100%**
Corista	9.0	9.0	9.0	8.0	9.0	9.0
Company2	7.0	7.0	7.0	6.0	7.0	7.0
Company3	6.0	7.0	7.0	6.0	7.0	7.0

Criterion 1: Unmet Needs
Requirement: A clear understanding of customers' desired outcomes, the products that currently help them achieve those outcomes, and where key gaps may exist

Criterion 2: Use of Mega Trends
Requirement: Ability to incorporate long-range, macro-level scenarios into strategic plans, thereby anticipating and preparing for multiple futures that could occur

Criterion 3: Pioneering Best Practices
Requirement: A nothing-ventured-nothing-gained approach to strategy implementation that results in processes, tools, or activities that generate a consistent and repeatable level of success.

Criterion 4: Blue Ocean Strategy
Requirement: Proven track record of creating new demand in an uncontested market space, rendering the competition obsolete

Criterion 5: Aspirational Ideals
Requirement: A willingness to look beyond the simple goal of generating a profit to embrace a more powerful ideal of bringing greater value to customers or the planet

Decision Support Scorecard: Product Excellence

DECISION SUPPORT SCORECARD FOR THE NEW PRODUCT INNOVATION LEADERSHIP AWARD (ILLUSTRATIVE):PRODUCT EXCELLENCE

Measurement of 1–10 (1 = poor; 10 = excellent)	Award Criteria					
Product Excellence	Match to Needs	Reliability and Quality	Product/Service Value	Positioning	Design	Weighted Rating
Relative Weight (%)	**20%**	**20%**	**20%**	**20%**	**20%**	**100%**
Corista	9.0	9.0	9.0	9.0	9.0	9.0
Company2	7.0	8.0	7.0	6.0	6.0	7.0
Company3	6.0	7.0	6.0	6.0	6.0	6.0

Criterion 1: Match to Needs
Requirement: Customer needs directly influence and inspire a product's design and positioning

Criterion 2: Reliability and Quality
Requirement: The product consistently meets or exceeds customer expectations for performance and length of service

Criterion 3: Product/Service Value
Requirement: Products or services offer the best value for the price, compared to similar offerings in the market
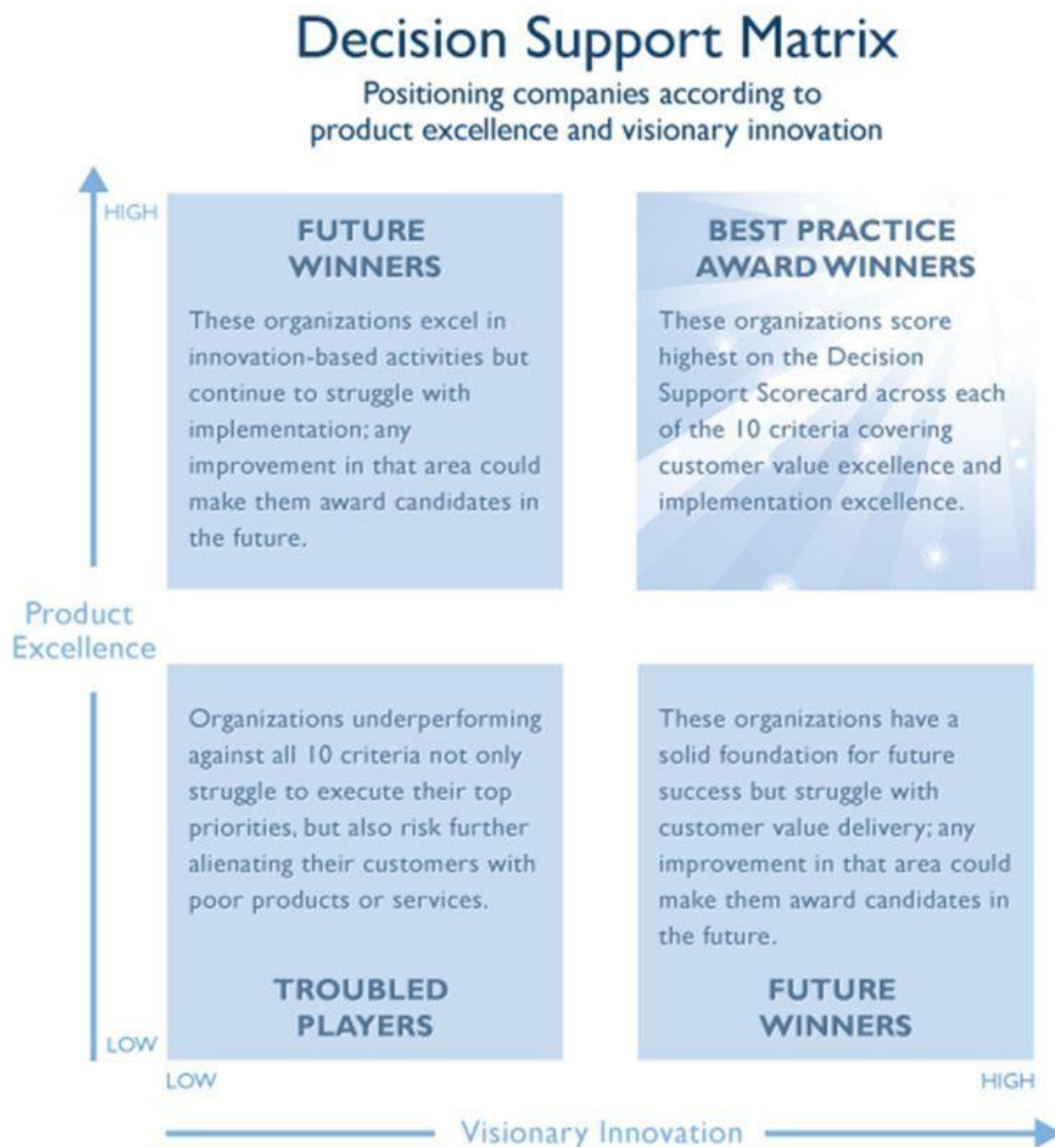
Criterion 4: Positioning

Requirement: The product or service delivers a unique, unmet need that competitors cannot easily replicate or replace

Criterion 5: Design

Requirement: The product's visual presentation makes it easy to use, and makes customers happy to use it

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts can then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which are not yet operating at best-in-class levels.

Decision Support Matrix

Positioning companies according to product excellence and visionary innovation

FUTURE WINNERS

These organizations excel in innovation-based activities but continue to struggle with implementation; any improvement in that area could make them award candidates in the future.

BEST PRACTICE AWARD WINNERS

These organizations score highest on the Decision Support Scorecard across each of the 10 criteria covering customer value excellence and implementation excellence.

Organizations underperforming against all 10 criteria not only struggle to execute their top priorities, but also risk further alienating their customers with poor products or services.

These organizations have a solid foundation for future success but struggle with customer value delivery; any improvement in that area could make them award candidates in the future.

TROUBLED PLAYERS

FUTURE WINNERS

Product Excellence

HIGH

LOW

LOW — HIGH

Visionary Innovation

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan's Awards team follows a rigorous 10-step process (illustrated below) to evaluate potential Award candidates and assess their fit with our best practice criteria.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 **Monitor, target, and screen**	Identify Award recipient candidates from around the globe	• Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies	Pipeline of candidates who potentially meet all best-practice criteria
2 **Perform 360-degree research**	Perform comprehensive, 360-degree research on all candidates in the pipeline	• Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates	Matrix positioning all candidates' performance relative to one another
3 **Invite thought leadership in best practices**	Perform in-depth examination of all candidates	• Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps	Detailed profiles of all ranked candidates
4 **Initiate research director review**	Conduct an unbiased evaluation of all candidate profiles	• Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 **Assemble panel of industry experts**	Present findings to an expert panel of industry thought leaders	• Share findings • Strengthen cases for candidate eligibility • Prioritize candidates	Refined list of prioritized Award candidates
6 **Conduct global industry review**	Build consensus on Award candidates' eligibility	• Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates	Final list of eligible Award candidates, representing success stories worldwide
7 **Perform quality check**	Develop official Award consideration materials	• Perform final performance benchmarking activities • Write nominations • Perform quality review	High-quality, accurate, and creative presentation of nominees' successes
8 **Assemble board of advisors**	Finalize the selection of the best-practice Award recipient	• Present candidates to a Board of Advisors • Build consensus • Select Award recipient	Decision on which company performs best against all best-practice criteria
9 **Communicate recognition**	Inform Award recipient of Award recognition	• Present Award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10 **Take strategic action**	Award External Influencing	• Coordinate media outreach • Assist with marketing support	Widespread awareness of recipient's Award recognition among investors, media personnel, and employees

Impact of New Product Innovation Leadership Award on Key Stakeholders

The New Product Innovation Leadership Award recognizes Corista's accomplishments in the Content Based Image Retrieval and Analytics Solutions for Digital Pathology. Unbiased, third-party recognition can help enhance credibility and brand value, thereby supporting Corista's standing in the market. By researching, ranking, and recognizing those who define excellence in their respective endeavors, Frost & Sullivan hopes to inspire and influence the following three constituencies:

Investors

Investors and shareholders always welcome impartial third-party recognition. Similarly, prospective investors and shareholders are drawn to companies with a well-established reputation for excellence. Unbiased validation is a highly credible way to showcase an organization worthy of investment.

Customers

Third-party validation can help assure prospective customers of a company's value and reputation. It can also help lower the level of risk that a customer may feel in engaging for the first time with an organization.

BEST PRACTICES LEVERAGE FOR GROWTH ACCELERATION

Employees

This Award represents the creativity and dedication of Corista's executive team and employees. Such public recognition can boost morale and inspire your team to continue its pursuit of excellence in new product innovation leadership for Corista.
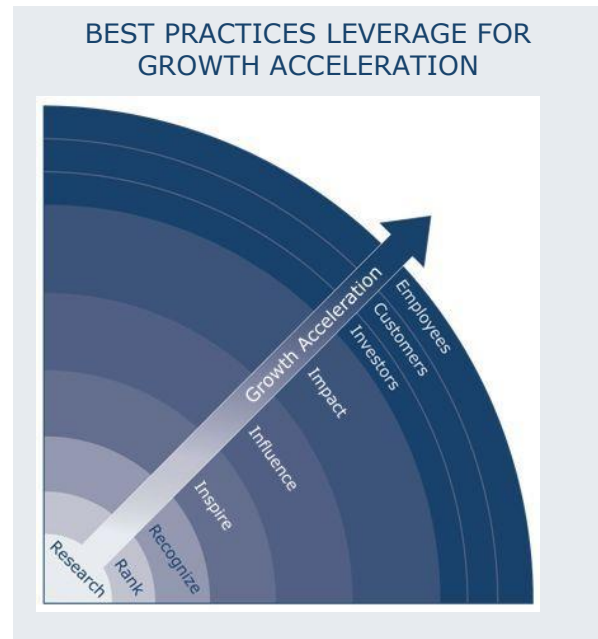
About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.