



MicroPort Scientific Corporation

2021 Annual Results

March 2022



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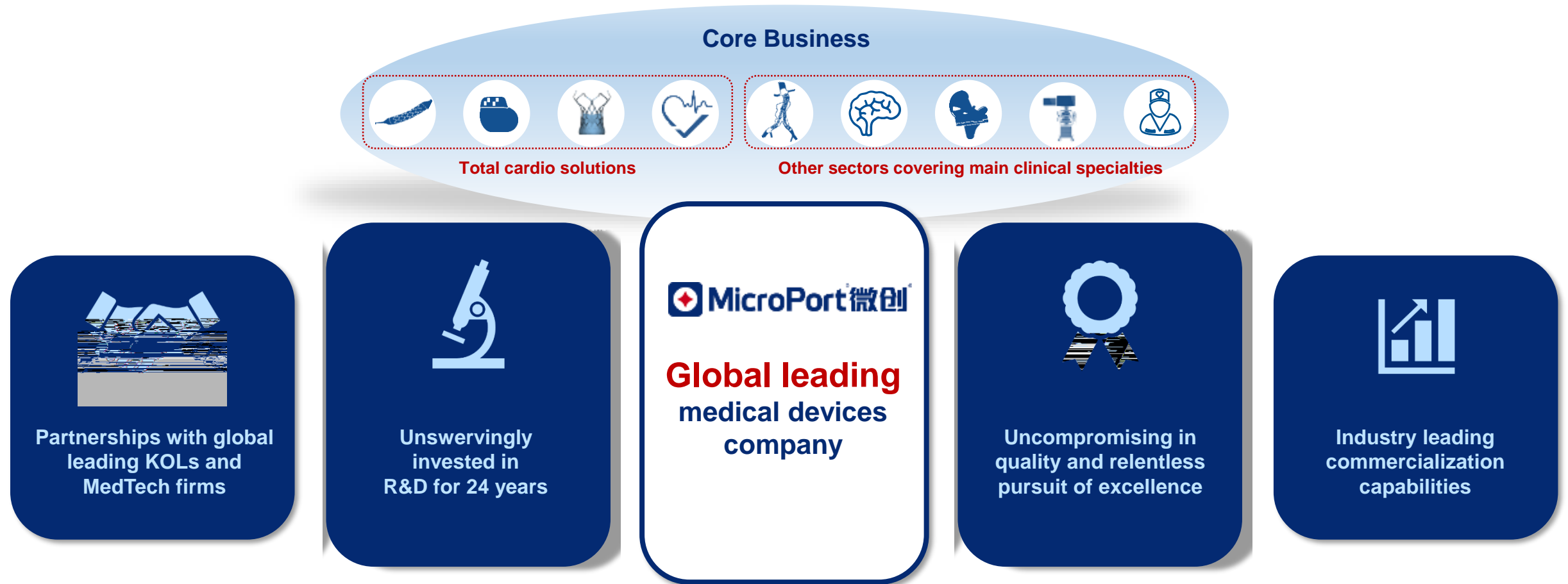
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**Building a super-conglomerate of people centric enterprises of
EMERGING MEDICAL TECHNOLOGIES**

2021A Financials

Revenue
\$778.6mn **↑ 15.0%YOY**

CRM & Ortho Int'l **↑ 14.5%YOY**
Other Int'l subs **↑ 25.8%YOY**



Surgical Robot

Realized revenue for the first time

R&D and marketing expenditure: \$80.1mn



Heart Valve

\$31.3mn **↑ 93.2%YOY**

R&D and marketing expenditure: \$41.6mn



Cardiovascular

\$139.5mn **↓ 10.8%YOY**

Impact of VBP on gross profit: \$36.8mn
Firehawk® large-scale overseas clinical trials

International Business

Market development & product promotion expenditure: **65.2mn²**
- Bluetooth® pacemakers approved; Invicta
Ortho int'l - gross profit margin increased

Non-cash/ One-off Costs

\$119.8mn

Incentive shares to employees: \$94.5mn
Subsidiaries IPO costs: \$12.9mn
CB interest accrual: \$12.4mn

Total Cardio

Business Highlights

Cardiovascular: revenue \$139.5mn, down 10.8% YOY

DES volume: **1.22mn** units (**+132%** YOY)

Balloon & accessories revenue: **+47.5%** YOY

OCT & DSA successfully launched

CRM: revenue \$220.4mn, **+18.8%** YOY

Revenue **+53.7%** in China, market share ranks **Top 4**

Heart Valve: revenue **+93.2%** YOY; gross margin **+15 pts**

EP³: revenue

Endovascular: revenue \$106.0mn, **+45.6%** YOY

Rapid revenue & profit growth for **5** consecutive years

Neurovascular: revenue \$59.1mn, **+72.5%** YOY

Surgical robots: **Toumai®** approved; **Honghu** submitted to NMPA & FDA; established **10+** training centers & trained **~300** surgeons

Orthopedics: revenue \$215.6mn, **+5.1%** YOY

Joint products won tenders in national VBP

Spine & Trauma revenue **+47.4%** YOY

Surgical business: revenue \$4.7mn, **+11.6%** YOY

R&D Progress

22 NMPA, **15** CE & **7** FDA newly obtained

26 NMPA Green Path products - **No.1** in industry

Strong Balance Sheet

Period end cash balance: \$1.75bn



80+
Countries & Regions



20,000+
Hospitals



6,800+
Patents
(incl. applications)

Overseas Revenue Growth

Overall: South America **+29.9%**, EMEA **+16.8%**, North America **+6.7%**

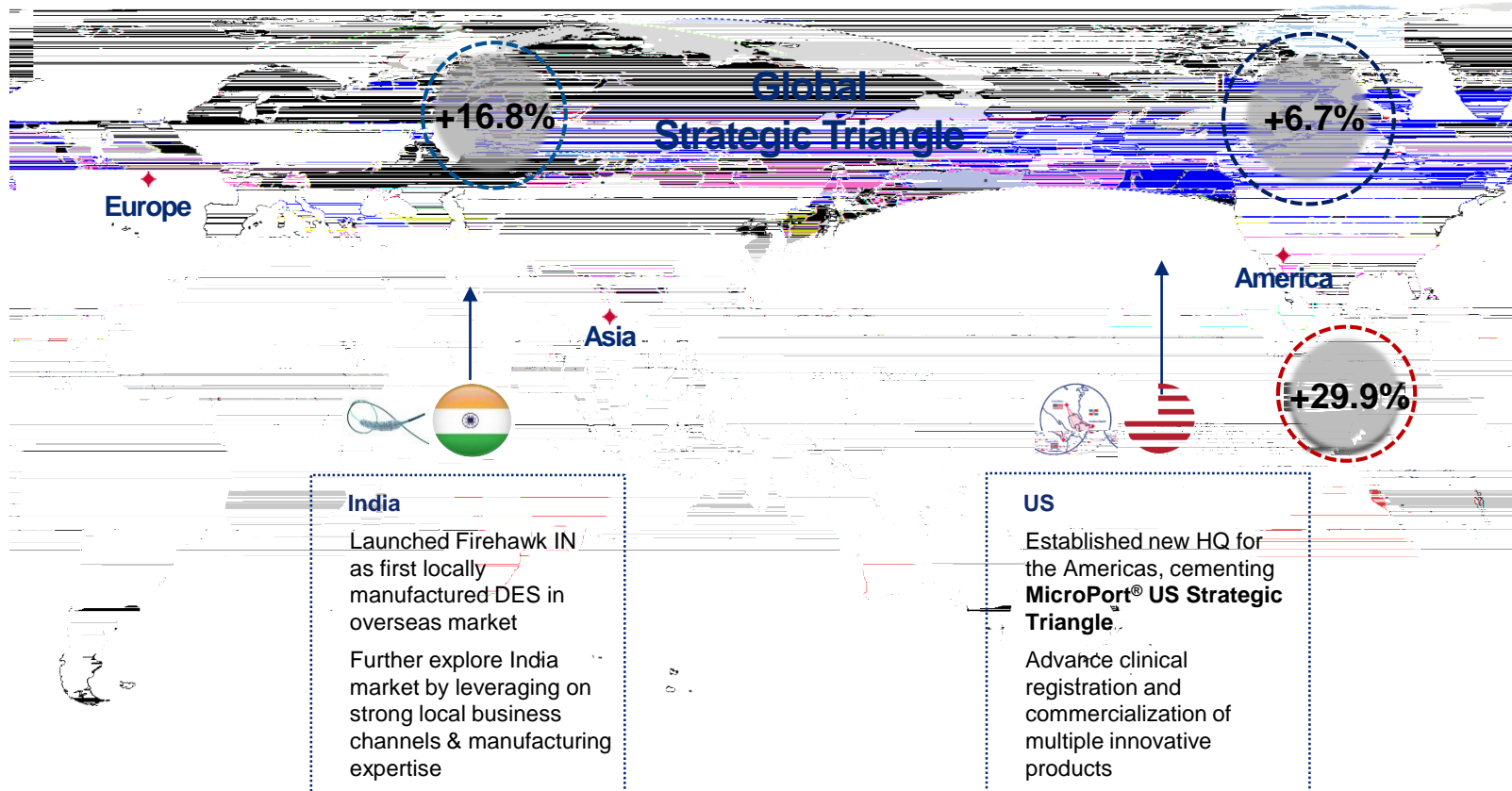
Cardiovascular: EMEA **+136%**, South America **+18%**

CRM: EMEA **+13.3%**, Japan **+127.2%**

Orthopedics: EMEA **+27.6%**, US **+6.7%**, Japan **+6.7%**

Endovascular: **>100%**

Cardiovascular: launched India manufacturing for **Firehawk 4**





~\$1.57bn raised in total

Feb 2021

Heart Valve



Successful listing on HKEx (stock code: 2160.HK)

Net IPO proceeds of **~\$357mn**

Jun 2021

MPSC



Raised **~\$689mn** from the issuance of convertible bond

Jun 2021

Electrophysiology¹



Application accepted for listing on SSE STAR Market

Jul 2021

CRM



Equity financing of **\$150mn** from a group of well-known institutional investors
Post-money valuation of **\$1.25bn**

Dec 2021

Neurovascular

Application accepted for spin-off and separate listing on HKEx

Nov 2021

Neurovascular

Equity financing of **\$150mn** from a group of well-known institutional investors
Post-money valuation of **\$1.75bn**

Nov 2021

Surgical Robot



Successful listing on HKEx (stock code: 2252.HK)
Highest 18A IPO valuation
Net IPO proceeds of **~\$222mn**



St

Rob

Establish
NDR and
Further exp
business in

Domestic



Cardio-vascular

Firesorb® completed patient enrollment for FUTURE-III Pivotal Trial
First DSA system **Soul-Man** obtained **NMPA**



Ortho-pedics

Zirconium Niobium Alloy Femoral Head entered **NMPA Green Path**
5 products obtained **NMPA**



Endo-vascular

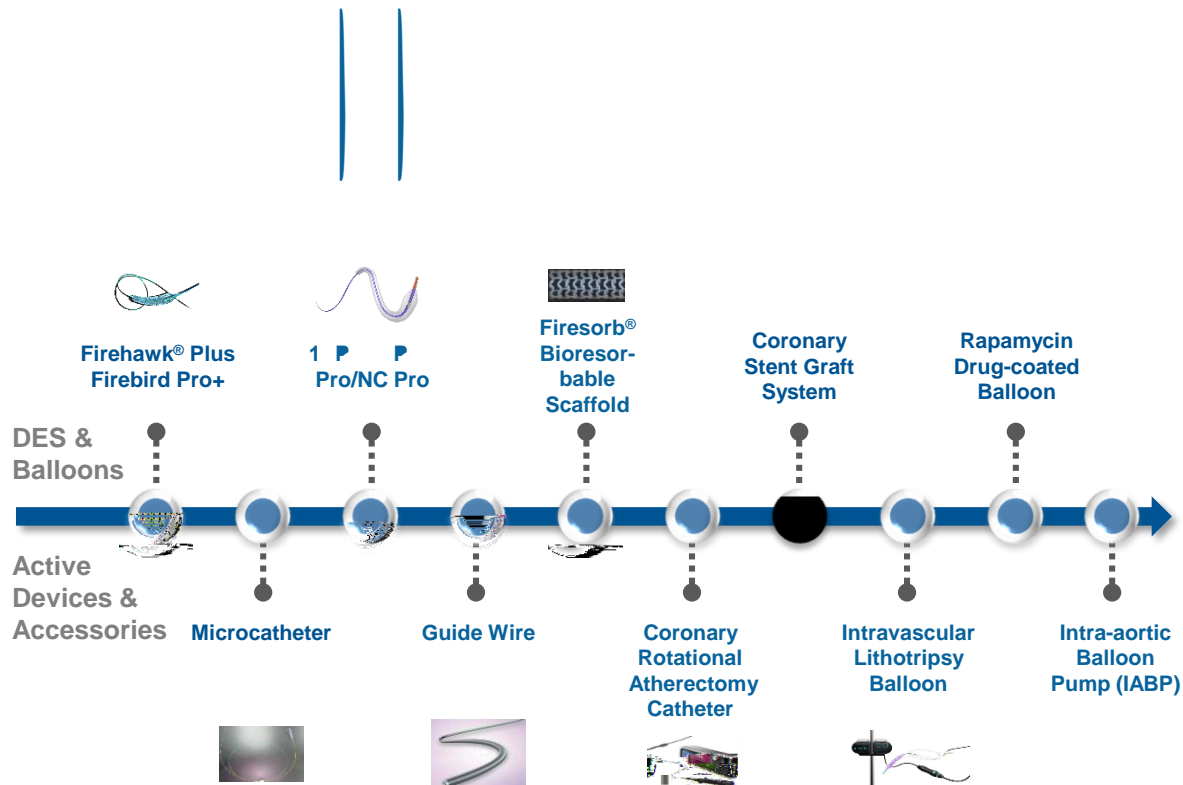
Talos® Thoracic Stent Graft, **Fontus®** Surgical Stent Graft, **Ryflumen®** High-pressure Balloon Catheter obtained **NMPA**
First venous stent **Vflower®** entered **NMPA Green Path**



NUMEN® Silk 3D Electronically Detachable Coil, **Neurohawk®** Stent Thrombectomy Device, **Diveer** Intracranial Balloon Dilatation Catheter obtained **NMPA**
Tigertriever® Revascularization Device, **X-track** Intracranial Distal Access Catheter submitted for NMPA

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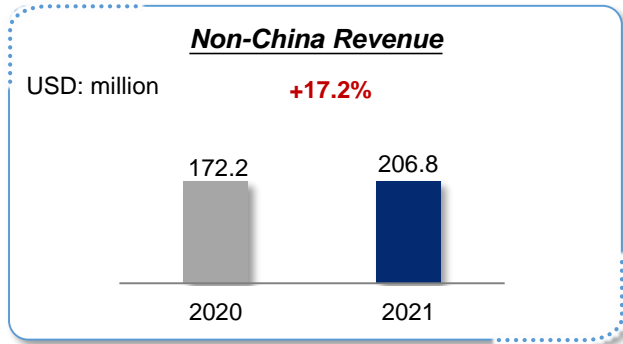


DES

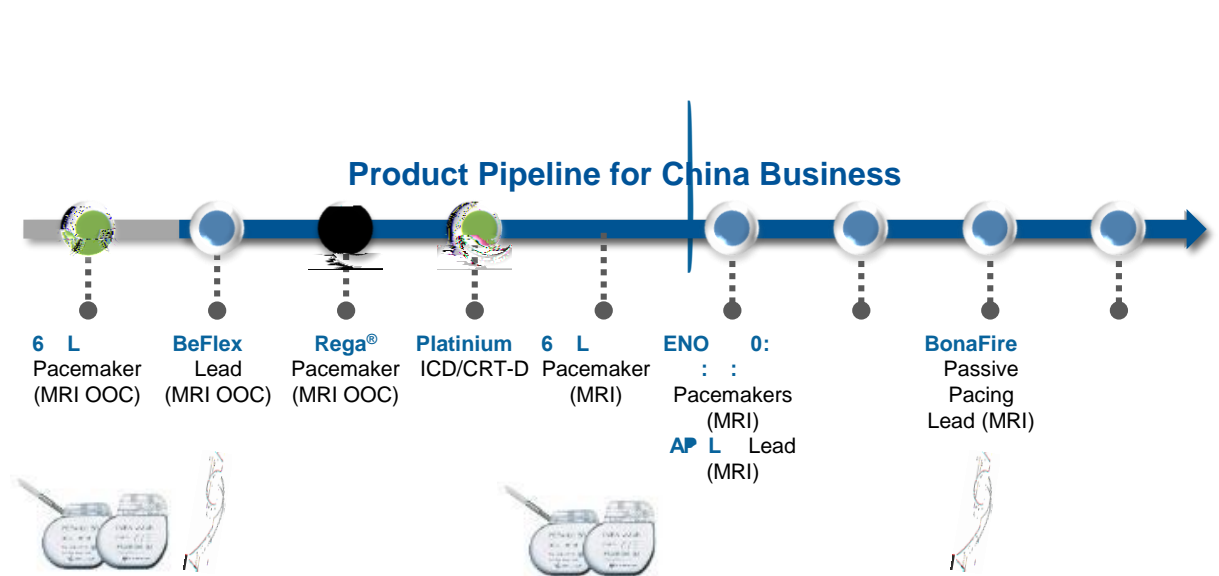
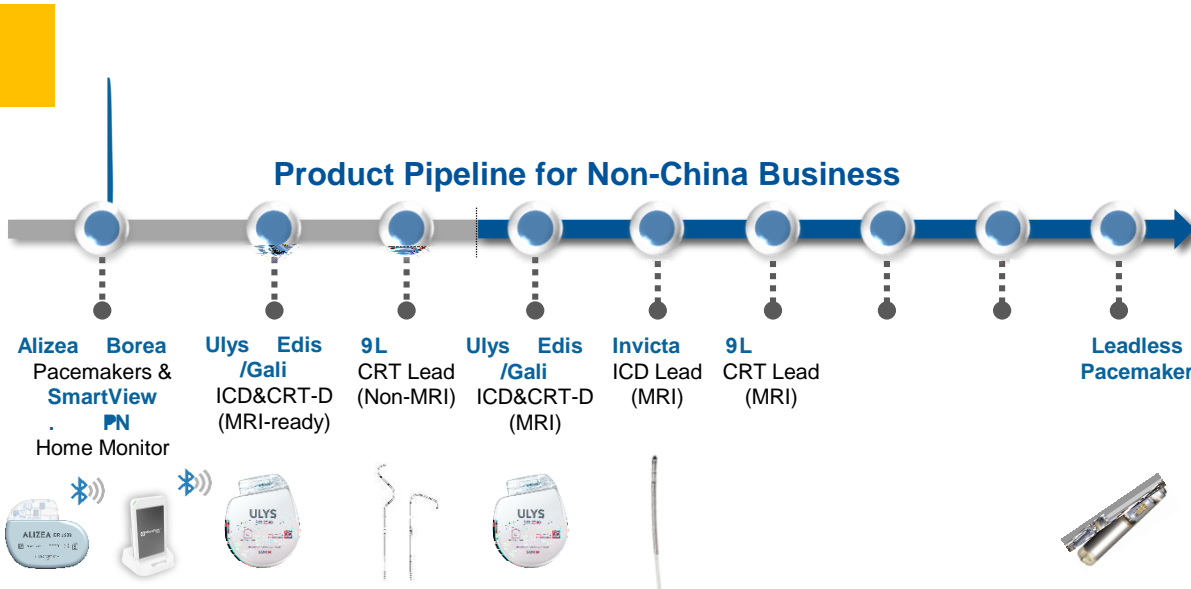
- ◆ 21A revenue \$93.1mn
- ◆ Covering **2,900+** hospitals, newly penetrated **~610** hospitals
- ◆ First DSA system **Soul-Man** obtained **NMPA** & successfully launched
- ◆ Invest

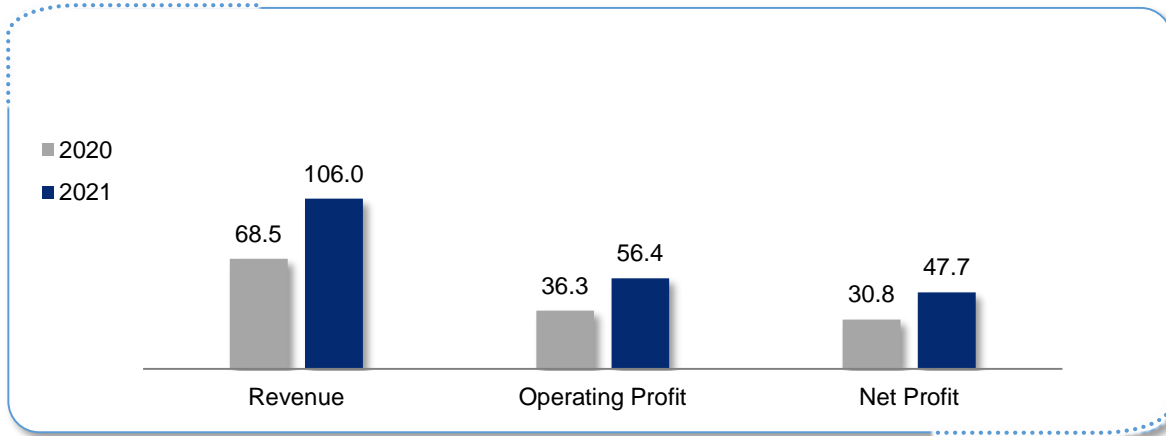
Balloon & Accessories

- ◆ 21A revenue \$24.5mn, up 47.5% YOY
- ◆ Balloon products penetrated **~455** hospitals with total coverage reaching **~1,250** hospitals
- ◆ **13** new registration approvals in **7** countries/regions, further expanding global footprint



Top 1
Chinese player
No. 1
market share for
China-made products





Talos® Thoracic Stent Graft System

NMPA approved in Jan-2022

Branched Aortics Stent Graft System

Design validation

High-pressure Balloon Catheter

NMPA approved

Drug Balloon Catheter

Design validation

Vflower® Venous Stent System

Under clinical trail

Vena Cava Filter

Upon clinical trail

Thrombectomy Catheter

Upon clinical trail

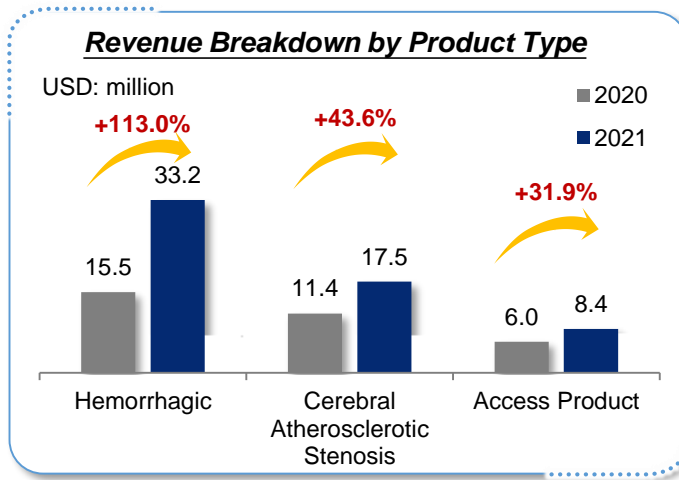
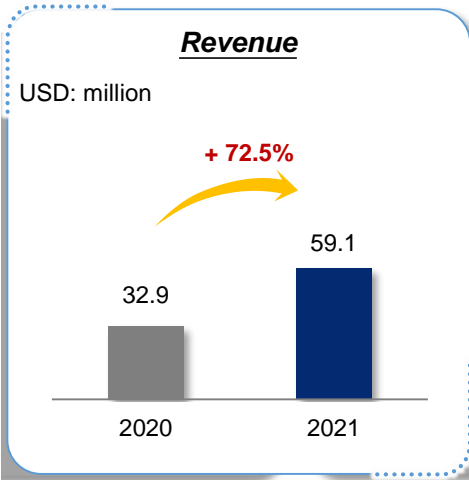
Fontus® Branched Surgical Stent Graft System

NMPA approved

TIPS Stent Graft System

Design validation

Business Highlights



The **Largest** Chinese player
1 Most approved therapeutic products

12 approved products covering **all** major areas of neurovascular diseases

China

- ~2,200 total hospital penetration, including all the **top 100** hospitals
- Eagle & Swallows** program covered ~80 lower-tier cities and counties

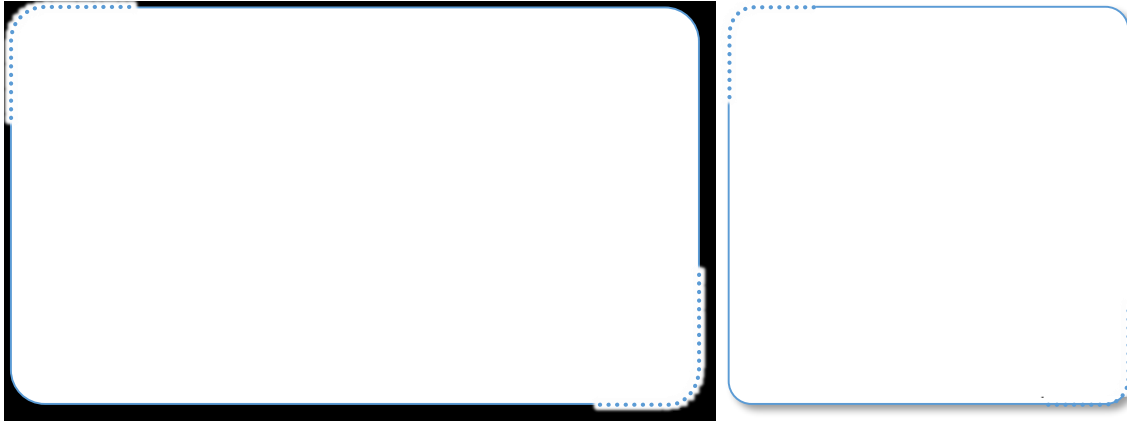
Global

- Registration:** NUMEN approved by **CE, FDA & MFDS of South Korea**
- Commercialization:** i. NUMEN completed overseas commercial implantations in **Chile**; ii. local sales team in **UK, South America & Japan**
- Partnership:** complementary product portfolio and global sales network with Rapid Medical
- Supply chain:** plan to build a global R&D and production center in **Irvine, California, USA**








IPO in Progress

	Product	Pre-clinical	Clinical	Registration
Hemorrhagic Stroke	9 8 0 9 > / 0 P N - nically Detachable Coil			2nd generation of NUMEN coil family NMPA approved in Feb-2022
	Comaneci® Embolization Assist Device *			Obtained CE Marking & FDA approval FDA Breakthrough Device Designation NMPA approval expected in 2024
	Rebridge® Intracranial Visualized Stent			First patient enrolled in Jan-2022 NMPA approval expected in 2025
Cerebral Atherosclerotic Stenosis	Tubridge 1 - diverting Stent			Design validation NMPA approval expected in 2024
	Diveer 4 L N L L Balloon Dilatation Catheter			NMPA approved in Jan-2022
	Intracranial Drug-Coated Balloon Catheter System			Design development NMPA approval expected in 2026
Acute Ischemic Stroke	Neurohawk® Stent Thrombectomy Device			NMPA approved in Feb-2022
	Tigertriever® Revascularization Device *			Obtained CE Marking & FDA approval Submitted for NMPA review NMPA approval expected in 4Q22
	X- LN Intracranial Distal Access Catheter			NMPA approval expected in 2022
Access Product	W-track® Intracranial Aspiration Catheter			Design validation NMPA approval expected in 2023
	Neuro-Guidewire			Design development NMPA approval expected in 2023




- ◆ Successful spin-off and separate listing on HKEx (4 Feb 2021)
- ◆ Net IPO proceeds: **HKD 2,717.2mn** (~\$357mn)

- ◆ Follow-on investment of approximately **\$3.3mn** in **Valcare**, to accelerate R&D of its mitral and tricuspid product candidates, namely, **P O**, **Helios** & **O**
- ◆ Follow-on investment of **\$25mn** in **4C Medical** and be granted exclusive China commercial rights for its tricuspid product

	Product	Pre-clinical	Clinical	Registration
TAVI (aortic valve)	VitaFlow Liberty 	NMPA approved in Aug 2021 Submitted for CE in Dec 2021		
	VitaFlow® III	Design fixing		
	VitaFlow® Balloon Expandable	Design stage		
	In-house Developed Replacement Product	Under animal studies		
TMV (mitral valve)	LAL 	Under early feasibility study		
	Helios 	Under animal studies		
	In-house Developed Edge to Edge	Design fixing		
	P O 	Under clinical trial		
TTV (tricuspid valve)	Trivid Repair Product	Design stage		
	Edge to Edge Repair Product	Design stage		
Surgical	Surgical Valve	Design stage		
Procedural Accessories	Alwide® Plus Balloon Catheter 	NMPA approved in Jul 2021		
	Angelguide® Tip Pre-shaped Super Stiff Guidewire	NMPA approved in Aug 2021		
	Alwide Balloon Catheter III	Verification stage		
	Embolic Protection Device	Design fixing		
	Expandable Sheath	Design stage		

 Product admitted in NMPA Green Path

IPO





◆ **IPO on HKEx on Nov 2, 2021**

First surgical robot company listing on HKEx
Selected for inclusion in **Hang Seng Composite Index** (Mar-22)



Business Highlights





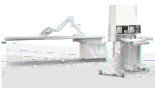





- ◆ **DFVision®** 3D Electronic Laparoscope **approved by NMPA**; successful commercial launch with revenue contribution for the first time
- ◆ Established **10+** training centers nationwide in 2021, mainly through collaboration with reputable hospitals



R&D Progress

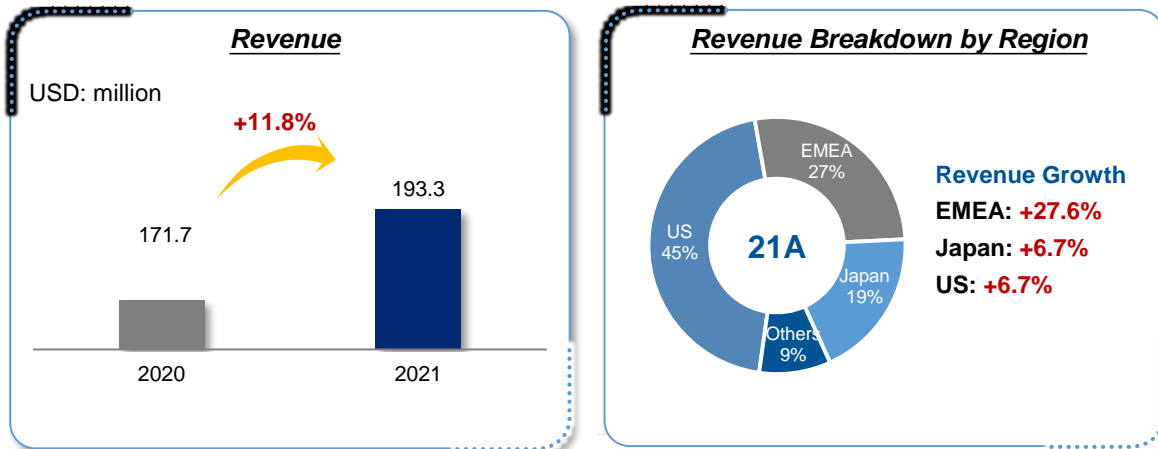
- Laparoscopic Surgery**
- ◆ Flagship product **Toumai®** Laparoscopic Surgical Robot **approved by NMPA** (Jan-22), as the **first commercialized** four-arm laparoscopic surgical robot developed in China
 - ◆ Toumai® completed multi-disciplinary & multi-center clinical trial surgeries in Jan-22
 - ◆ Toumai® Single-arm launched clinical trials (FIM)
- Orthopedic Surgery**
- ◆ Honghu in **NMPA** registration stage; submitted for **FDA** approval
- Panvascular & Percutaneous Surgery**
- ◆ R-One & Mona Lisa both launched NMPA registrational clinical trials
- Natural Orifice Surgery**
- ◆ Trans-bronchial Surgical Robot launched clinical trials (FIM)

 Note: 1. For the indication in percutaneous nephrolithotomy

	Product	Pre-clinical	Clinical	Registration
Laparoscopic	Toumai® Laparoscopic Surgical Robot 			Obtained NMPA approval in Jan-22
	DFVision® 3D Electronic Laparoscope 			Obtained NMPA approval
	Toumai® Single-arm Laparoscopic Surgical Robot		First human clinical trial (FIM)	
Orthopedic	Honghu Orthopedic Surgical Robot 			NMPA registration stage Submitted for FDA approval 
	Spine Surgical Robot		Design stage	
Natural Orifice	Trans-bronchial Surgical Robot		First human clinical trial (FIM)	
Panvascular	R-One Vascular Interventional Surgical Robot 		Clinical trial stage in China Obtained CE in 2019 	
	TAVR Surgical Robot		Design stage	
Percutaneous	> M 8 L Lisa Robotic Transperineal Prostate Biopsy System Mona Lisa 		Clinical trial stage in China Obtained CE & FDA in 2017 	
	Automated Needle Targeting 		Design stage in China Obtained CE ¹ in 2020 	

 Product admitted in NMPA Green Path

Non-China Business Highlights



- ◆ 21A revenue \$193.3mn, up 11.8% YOY
- ◆ Sales in EMEA +27.6%, US +6.7%, Japan +6.7%
- ◆ Achieved **Q4 breakeven** in P&L with **positive free cashflow**

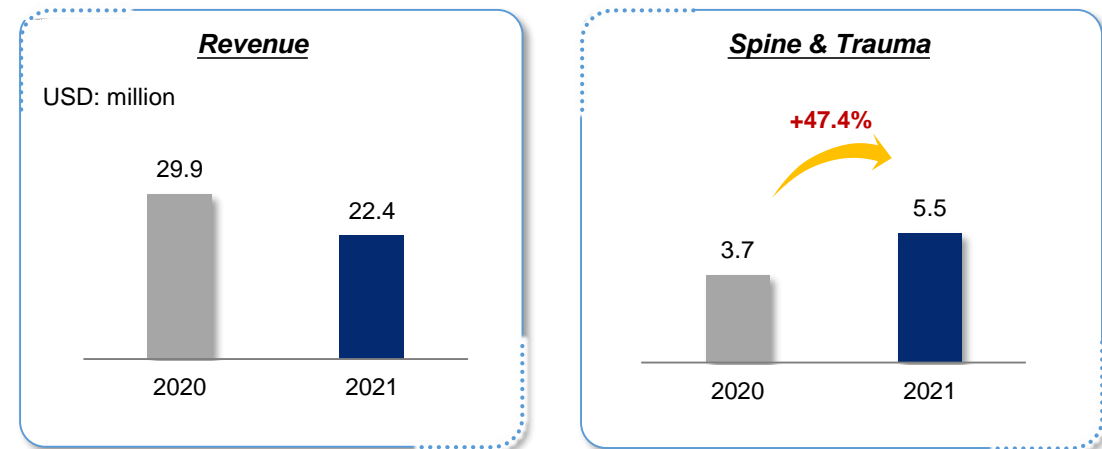
Cost Savings

- ◆ Achieved over **\$4.6mn cost savings** with completion of **40+** cost improvement projects, including cross-border manufacturing collaboration and streamlining of operation teams
- ◆ Transferred partial manufacturing process to China to leverage global **capabilities**

R&D Progress

- ◆ **5 CE & 5 FDA** key product approvals
- ◆ Cooperated with various partners for development of surgical imaging and planning

China Business Highlights

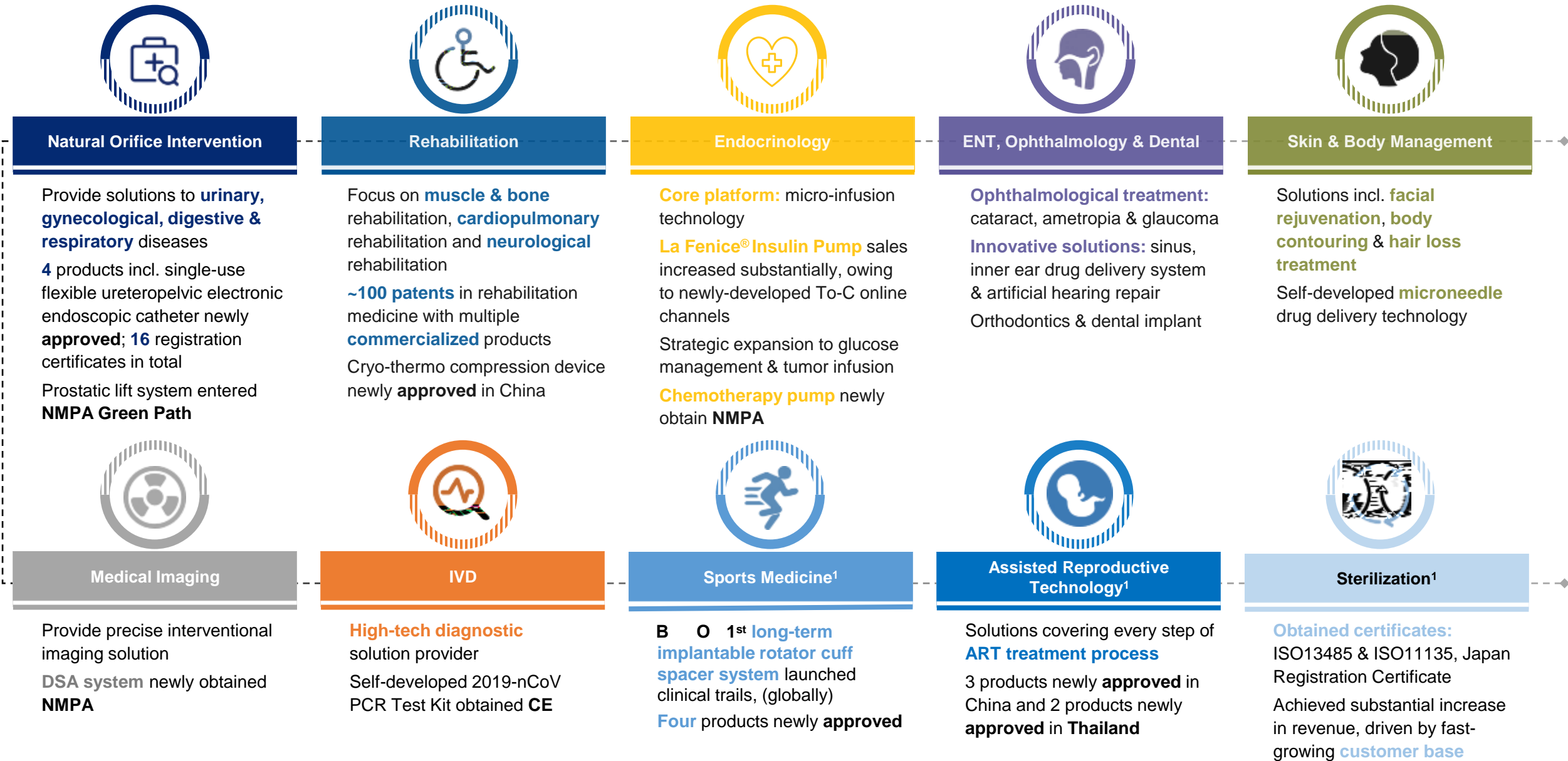


Joints

- ◆ **21A revenue \$14.6mn**; decrease caused by reduced orders due to VBP policy
- ◆ Hip and knee products won national **VBP tenders**, with guaranteed volume of **~15,000** units (~3% of total procurement volume)
- ◆ Penetrated 700+ hospitals with total coverage of 1,400+ hospitals
- ◆ **Advance®** Medial-Pivot Knee System received **15, ODEP** (Orthopedic Data Evaluation Panel) **1st Chinese company** to receive the **highest** ODEP rating
- ◆ **5** products newly **approved by NMPA**; self-developed Zirconium niobium alloy femoral head (new material) entered **NMPA Green Path**

Spine & Trauma

- ◆ **21A revenue \$5.5mn, up 47.4% YOY**
- ◆ Robust sales growth driven by **markets expansion & new product launches**
- ◆ Won tender of trauma volume-based procurement of 12 provinces league

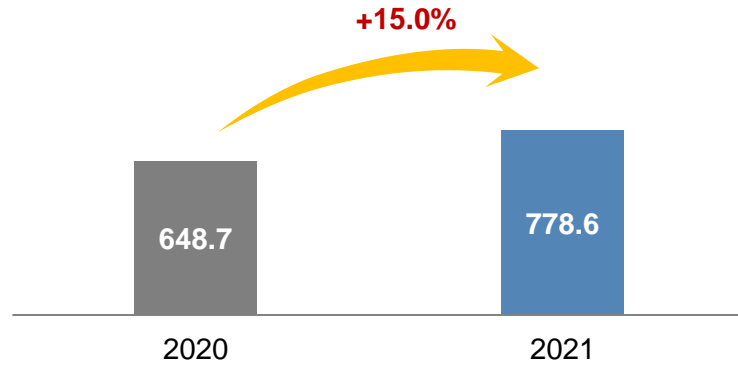


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Revenue

USD: million

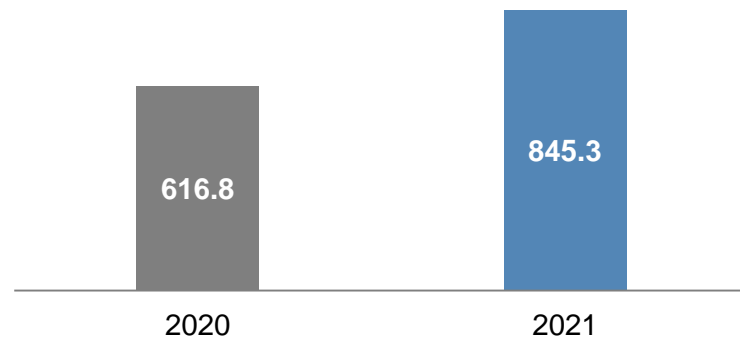


Gross Profit Margin



Operating Expenses

USD: million



Net (Loss)/Profit Attributable to Equity Shareholders

USD: million



Sales & Marketing Expenses

USD: million

Sales & marketing expenses increased by 17.1%^{YOY}

- ◆ Increase in marketing activities as Covid-19 pandemic came under control

Administrative Expenses

USD: million

Administrative expenses increased by 47.0%^{YOY}

- ◆ Increase in staff costs including share based payment

R&D Expenses

USD: million

R&D expenses increased by 54.6%^{YOY}

- ◆ Due to increased investments in R&D projects

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Innovative product pipeline fueling long-term growth

Cardio-vascular	Firehawk® Plus NMPA&CE	Firesorb® Bioresorbable Scaffolds NMPA&CE	Coronary Stent Graft System NMPA	1 Pro/NC Pro NMPA	Rapamycin Drug-coated Balloon NMPA&CE	Coronary Rotational Atherectomy System NMPA&CE	Firehawk® FDA	Intravascular Lithotripsy Balloon NMPA&CE	
Orthopedics	VenusOne Acetabular System NMPA		Evolution Medial Pivot Knee® Localization NMPA			2D-to-3D Imaging Technology FDA			
CRM	Rega® Pacemaker & BeFlex 7PLO (MRI OOC) NMPA		Ulys Edis Gali ICD/CRT-D (MRI) CE	Invicta 4 / 7PLO 9L Lead CE		09: Pacemaker & BonaFire Passive Lead (MRI) NMPA	Platinum ICD/CRT-D NMPA	Leadless Pacemaker NMPA&CE	
Endo-vascular	Vflower® Venous Stent System NMPA		Vena Cava Filter NMPA	Thrombectomy Catheter NMPA		Drug Balloon Catheter NMPA	Branched Aortics Stent Graft System NMPA	TIPS Stent Graft System NMPA	
Neuro-vascular	Tigertriever Revascularization Device NMPA		X- LN Intracranial Distal Access Catheter NMPA	Comaneci® Embolization Assist Device NMPA		Rebridge® Intracranial Visualized Stent NMPA	M O P 1 - diverting Stent NMPA	Balloon Protection Guiding Catheter NMPA	
Heart Valve	VitaFlow® III NMPA	VitaFlow® Balloon Expandable NMPA	Mitral Replacement: AltaValve Helios In-house Developed Replacement Product	Mitral Repair: In-house Developed Edge to Edge Repair Product		Tricuspid Repair: Trivid Repair Product Edge to Edge Repair Product	Surgical Valve NMPA	Embolic Protection Device NMPA	
Surgical Robot	Honghu Orthopedic Surgical Robot NMPA & FDA		Toumai® Single-arm Laparoscopic Surgical Robot NMPA	R-: P AL N L Interventional Surgical Robot NMPA		> M 8 L 7 L Robotic Transperineal Prostate Biopsy System NMPA	Trans-bronchial Surgical Robot NMPA	TAVR Surgical Robot NMPA	Spine Surgical Robot NMPA
Surgical Devices	VitaSprings Membrane Oxygenator NMPA		Femoral Arterial & Venous Cannula NMPA	Arterial Micro-Embolic Filter (new type) NMPA		ECMO NMPA	MOBYBOX System NMPA		
Electro-physiology¹	High Density Mapping Catheter NMPA		Contact Force-Sensing Catheter NMPA	Cryoablation Catheter NMPA		IceMagic® Cardiac Cryoablation System NMPA	Renal RF Ablation System NMPA	Flashpoint® Renal Artery Ablation Catheter NMPA	



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Appendix I - Consolidated Income Statement

USD'000	2021	2020	Var.
Revenue	778,639	648,732	20.0%
Cost of sales	(286,866)	(212,700)	34.9%
Gross profit	491,773	436,032	12.8%
Other net income	76,475	32,924	132.3%
Research and development costs	(297,778)	(192,629)	54.6%
Distribution cost	(297,532)	(254,105)	17.1%
Administrative expenses	(250,010)	(170,105)	47.0%
Other operating costs	(16,547)	(19,678)	-15.9%
Loss from operations	(293,619)	(167,561)	75.2%
Finance cost	(47,883)	(39,712)	20.6%
Gain on deemed disposal of a subsidiary	8,218	-	N/A
Gain on deemed disposal of interest in equity-accounted investees	9,215	1,062	767.7%
Share of losses of equity-accounted investees	(13,255)	(6,730)	97.0%
Loss before taxation	(337,324)	(212,941)	58.4%
Income tax	(13,971)	(10,407)	34.2%
Loss for the period	(351,295)	(223,348)	57.3%
Attributable to: Equity shareholders of the Company	(276,484)	(191,252)	44.6%

Appendix II - Consolidated Balance Sheet

USD'000	31 Dec 2021	31 Dec 2020	Var.
Non-current assets			
Investment properties	7,407	5,284	40%
Other property, plant and equipment	922,874	481,203	92%
Intangible assets	256,609	138,397	85%
Prepayments for non-current assets	18,159	7,724	135%
Goodwill	290,565	159,483	82%
Equity-accounted investees	363,103	87,063	317%
Other financial assets	30,184	19,605	54%
Deferred tax assets	20,368	15,502	31%
Other non-current assets	84,493	75,009	13%
Total non-current assets	1,993,762	989,270	102%
Current assets			
Inventories	289,931	240,187	21%
Trade and other receivables	308,126	236,976	30%
Pledged deposits and time deposits	32,890	623	5179%
Cash and cash equivalents	1,754,414	1,002,077	75%
Derivative financial assets	1,406	-	N/A
Total current assets	2,386,767	1,479,863	61%
Current liabilities			
Trade and other payables	358,792	372,472	-4%
Contract liabilities	23,590	62,008	-62%
Lease liabilities	50,505	12,074	318%
Interest-bearing borrowings	94,746	10,891	770%
Income tax payable	19,124	52,682	-64%
Derivative financial liabilities	-	9,252	-100%
Total current liabilities	546,757	519,379	5%
Net current assets	1,840,010	960,484	92%

Appendix II - Consolidated Balance Sheet

USD'000	31 Dec 2021	31 Dec 2020	Var.
Non-current liabilities			
Interest-bearing borrowings	269,637	181,988	48%
Lease liabilities	168,437	42,774	294%
Deferred income	35,098	37,844	-7%
Convertible bonds	660,369	48,583	1259%
Contract liabilities	26,243	29,855	-12%
Other payables	425,914	203,023	110%
Deferred tax liabilities	27,692	4,122	572%
Derivative financial liabilities	2,890	13,619	-79%
Total non-current liabilities	1,616,280	561,808	188%
CAPITAL AND RESERVE			
Share capital	18	18	-
Reserves	1,490,732	1,127,945	32%
Total equity attributable to equity shareholders of the Company	1,490,750	1,127,963	32%
Non-controlling interests	726,742	259,983	180%
Total equity	2,217,492	1,387,946	60%

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FORWARD-LOOKING STATEMENTS

Some information contained in this presentation contains forward-looking statements. These forward-looking statements include, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words

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