



**MicroPort Scientific Corporation**

**2022 Interim Results**



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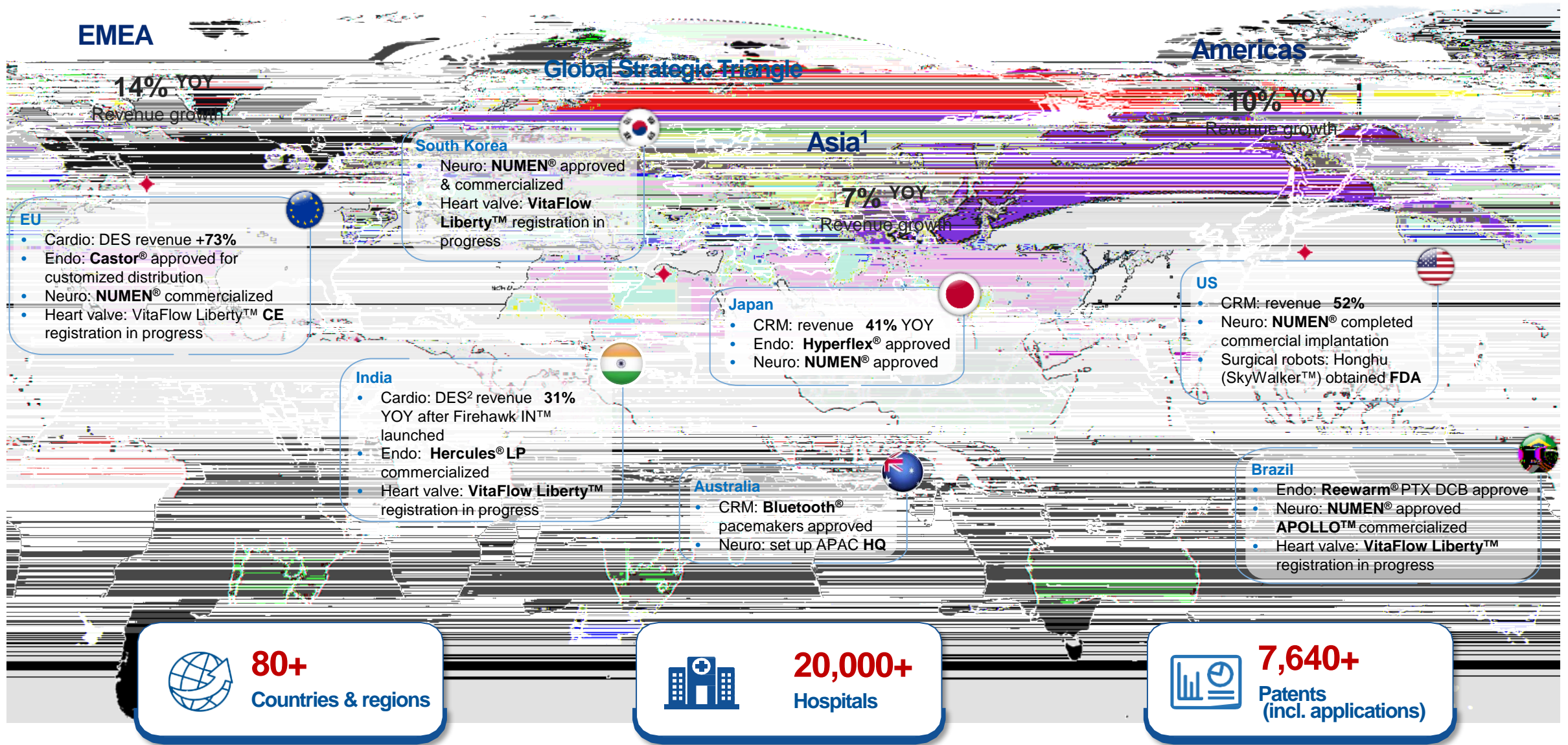
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- 3 **Financial Review**
- 4 **Outlook**
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 China

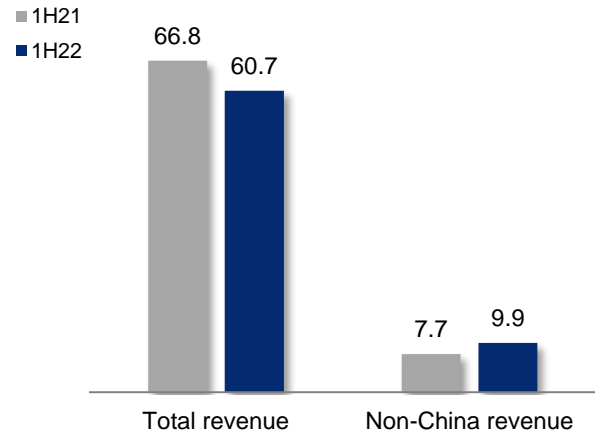




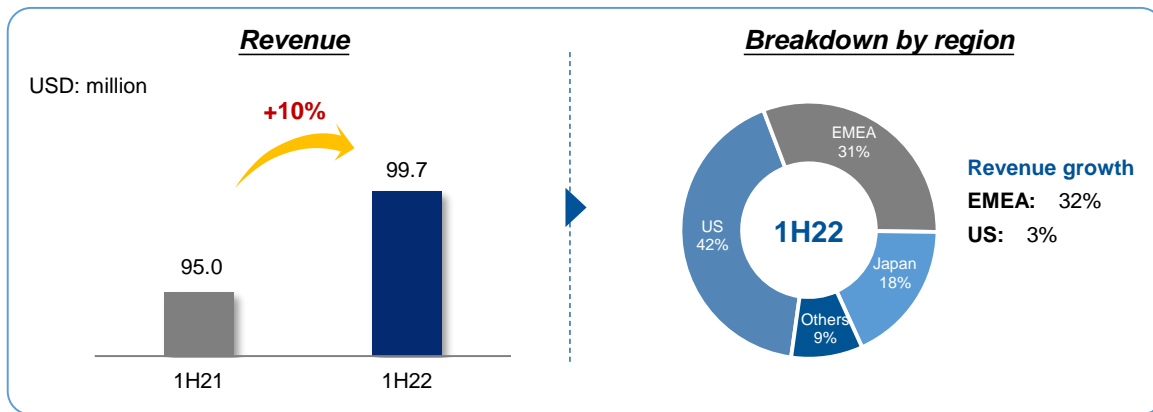
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USD: million



## Non-China business



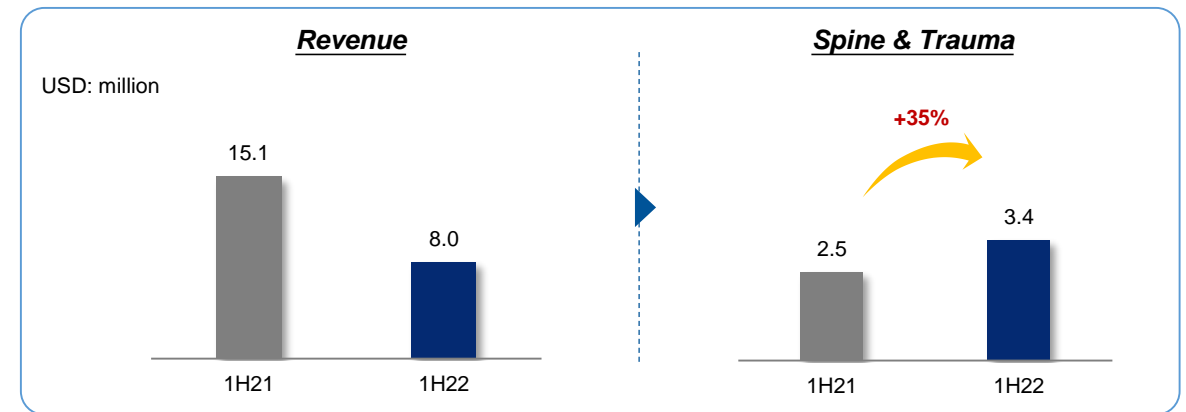
### Business highlights

- ◆ 1H22 revenue **\$99.7mn**, up **10%** YOY (EMEA +32%, US +3%)
- ◆ Gross profit margin continued to grow through improving sales mix, specifically for knee products
- ◆ With great success in EU, **Procotyl P Cup** launched testing for **FDA** (510k) assessment, planning to expand towards global use
- ◆ Hinge knee joint system & classic Profemur® Cemented XM® Femoral Stem launched testing for **FDA** (510k)
- ◆ Cooperated with various partners for development of surgical imaging and planning

### Cost savings

- ◆ Achieved **~\$5mn cost savings** through continued focus on expense management, incl. cross-border manufacturing collaboration and streamlining of operation teams
- ◆ Transferred partial manufacturing process to China to leverage global capabilities, partially offset the inflationary impacts

## China business



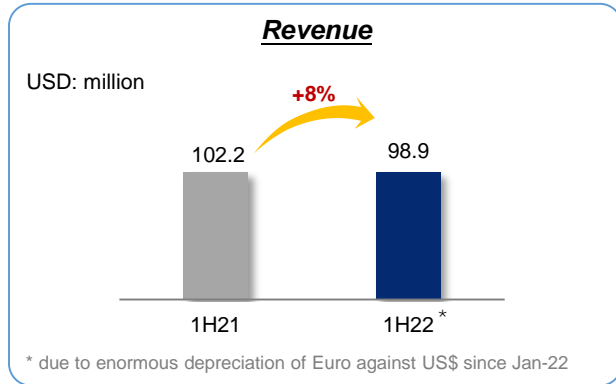
### Joints

- ◆ 1H22 revenue **\$8.0mn**, down 44%; mainly impacted by VBP & Covid in China
- ◆ Implantations of China-made joints increased by **>20%** YOY after VBP
- ◆ Newly Penetrated **>140** hospitals with total coverage of **1,500+** hospitals
- ◆ **Three NMPA** approvals: new generation of China-made medial-pivot knee system, total knee prosthesis & joint guides
- ◆ **Six** products submitted for **NMPA** review, incl. zirconium niobium alloy femoral head (NMPA Green Path) & VenusOne Eco Bio-acetabular System

### Spine & Trauma

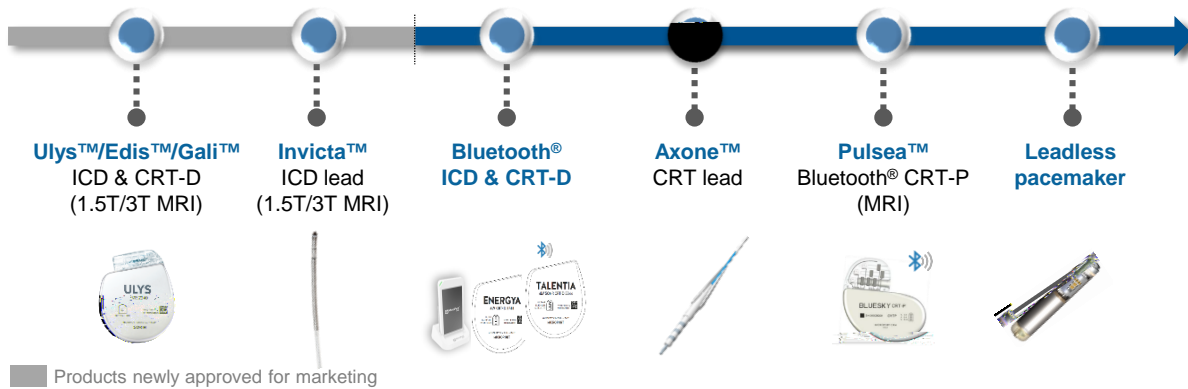
- ◆ 1H22 revenue **\$3.4mn**, up **35%** YOY
- ◆ Covering **~500** hospitals in total, newly entered **~200** hospitals
- ◆ Three **NMPA** approvals: spinal plate fixation system kit, vertebroplasty tools & non-locked metal hollow bone screws
- ◆ Takin spinal posterior fixation system & arbores balloon dilatation system newly launched to market in **Argentina**
- ◆ Trauma products have submitted registration application in **Colombia**

## Non-China business

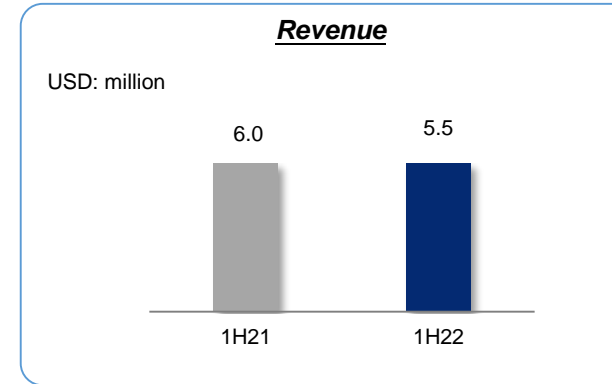


- ◆ 1H22 revenue **\$98.9mn, up 8% YOY**
- ◆ Substantial sales growth in major markets: EMEA (our no. 1 market) **+5%**, Japan **+41%**, US **+52%**
- ◆ The strongest revenue growth was achieved with pacemakers, driven by launch of Bluetooth® pacemakers in **EU & Japan**, which were also approved in **Australia**
- ◆ Invicta™ ICD lead (MRI) certified by **CE** (Jul-22), enabling **1.5T/3T MRI compatible** systems for our ICD & CRT-D portfolio

### Product pipeline

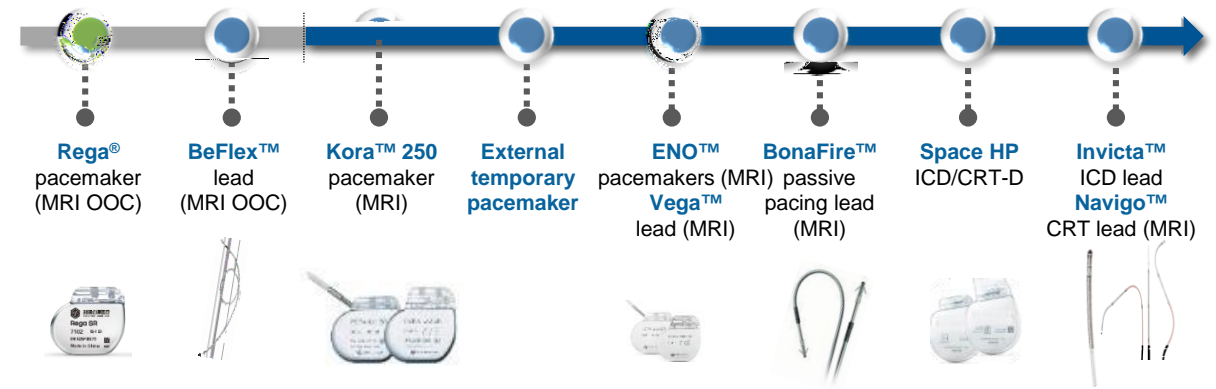


## China business



- ◆ 1H22 revenue **\$5.5mn**, down 7% YOY, mainly impacted by Covid
- ◆ Thanks to multiple brands of pacemakers winning bids in provincial/provincial-league VBP, products newly penetrated **~100** hospitals, covering **1,000+** in total
- ◆ **First** China-made MRI compatible pacemaker Rega® obtained **NMPA**<sup>1</sup> & completed clinical implantations
- ◆ BeFlex™ pacing lead (MRI) obtained **NMPA**<sup>1</sup>; Kora™ 250 pacemaker (MRI) submitted for **NMPA** (Aug-22); BonaFire™ passive pacing lead completed clinical trails

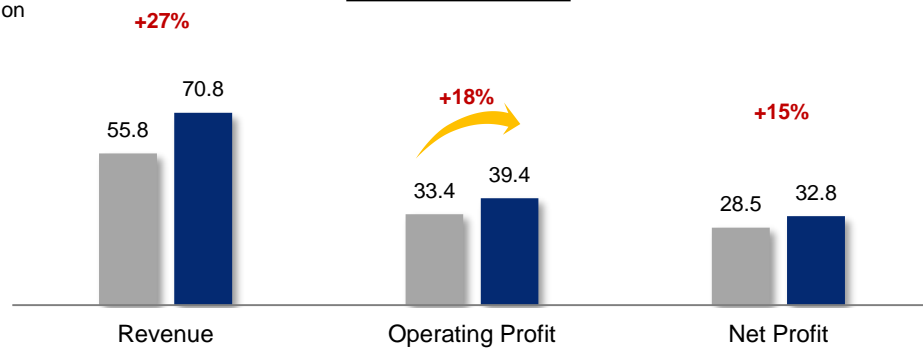
### Product pipeline



## Key Financials

USD: million

■ 1H21  
■ 1H22



## Global

Talos® Thoracic Stent Graft System

✓ **NMPA approved**

Cratos® Branched Aortics Stent Graft System

• In preparation for clinical trials

Aegis® II Abdominal Aortic Stent Graft System

• In preparation for clinical trials

Iliac Venous Stent System

• Completed all patients enrollment

Fishhawk™ Mechanical Thrombectomy Catheter

• Launched clinical trials  
• **Submitted NMPA Green Path application**

Vena Cava Filter

• Completed type testing

TIPS Stent Graft System

• Completed type testing

Product admitted to NMPA Green Path



NUMEN Silk™ 3D Electro-  
nically Detachable Coil

✓ **NMPA approved**

Comaneci® Embolization  
Assist Device\*

- CE marked & FDA cleared
- **FDA Breakthrough Device Designation**

Rebridge® Intracranial  
Visualized Stent

- First patient enrolled in Jan-22

Diveer™ Intracranial  
Balloon Dilatation Catheter

✓ **NMPA approved**

Intracranial Drug-Coated  
Balloon Catheter System

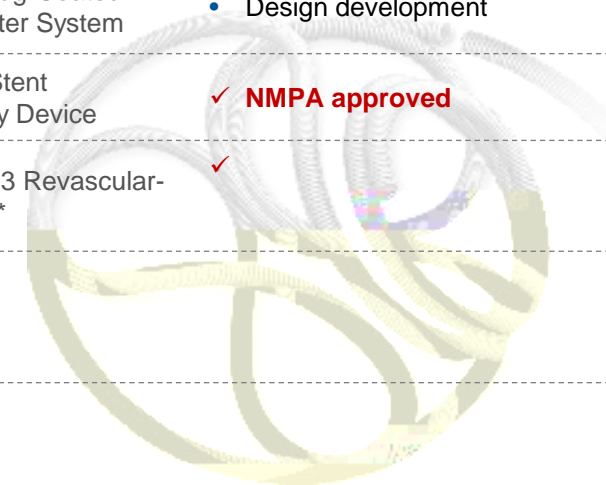
- Design development

Neurohawk® Stent  
Thrombectomy Device

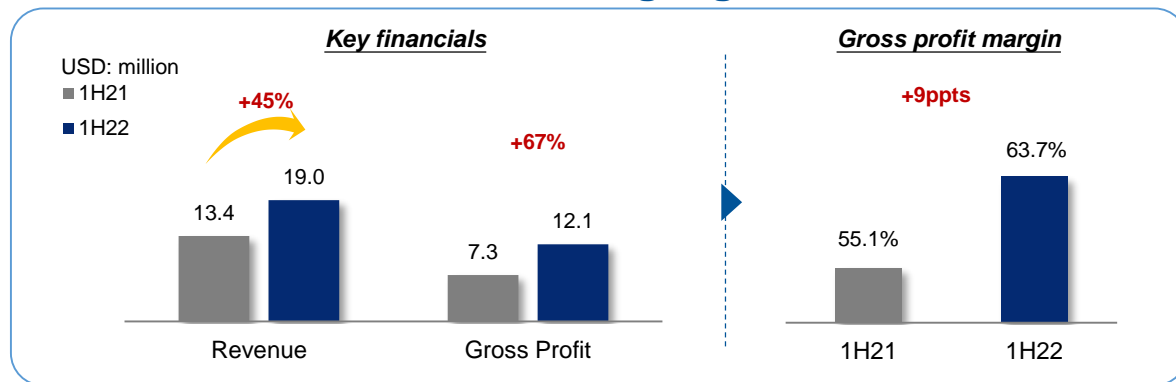
✓ **NMPA approved**

Tigertriever® 13 Revascular-  
ization Device\*

✓



## Business highlights



### China

- Revenue up **45%** YOY with implantations up **60%** YOY (**1,300+** procedures)
- TAVI** newly penetrated **80+** hospitals, covering **390+** hospitals, with leading market share in **230+** hospitals
- Updates in the integrated total-solution promotion program: larger sales teams from Heart Valve & Cardiovascular business, enhanced discovery and referral schemes and full-process health management support, etc.






### Globalization

- VitaFlow Liberty™: continued **CE** marking progress under MDR regulations
- Alwide® Plus: submitted application for **CE**
- Continuous sales and implantations in **Argentina**
- VitaFlow Liberty™ & Angelguide® newly approved in **Columbia**

### R&D progress

- Self-developed TMVR system successfully launched clinical trials (FIM), becoming the **world's first dry-tissue** TMVR system entering clinical phase
- VitaFlow®**'s five-year follow-up clinical results showed great safety & efficacy
- AltaValve completed **10+** transseptal cases – **the only known** TMVR device that offers full implant retrievability even after its

## Product pipeline

	Product	Pre-clinical	Clinical	Registration
TAVI (aortic valve)	VitaFlow Liberty™ 		• CE marking in progress	
	VitaFlow™ III		• Design fixing stage	
	VitaFlow™ Novo Generation		• Design stage	
	VitaFlow™ Balloon Expandable		• Design stage	
TMV (mitral valve)	Self-developed replacement product		• <b>Successful FIM application in Jul-22</b>	
	AltaValve - replacement product 		• <b>Early feasibility studies</b>	
	Helios - replacement product 		• Animal studies	
	Self-developed edge to edge repair product		• Design fixing stage	
	Amend™ - repair product 		• <b>Early feasibility studies</b>	
TTV (tricuspid valve)	Self-developed edge to edge repair product		• Design stage	
	Trivid - repair product		• Animal studies	
	Replacement product - partnership with 4C		• Design stage	
Surgical	Aortic valve replacement product		• Design stage	
	Mitral valve replacement product		• Design fixing stage	
Procedural Accessories	VitaGuardian™ Embolic Protection Device		• <b>Submitted NMPA Green Path</b>	
	Expandable Sheath		• Design stage	

100

100

100



## Urinary, gynecological, digestive & respiratory

- Provide innovative total solutions in endoscope and disposal devices to **urological, gastrointestinal, gynecological & respiratory** diseases
- **16** registration certificates in total
- Single-use flexible digital ureteroscope catheter & single-use hemostatic clip device approved in **china**; prostatic urethral lift system admitted in **NMPA Green Path** & completed **FIM**
- **5** products approved in **Brazil** and **Thailand**, **2** products at **CE** registration stage, marking debut in international market



## Pharmaceuticals (API)

- Engaged in **characteristic microbial fermentation APIs** incl. rapamycin, cyclosporine, tacrolimus and mycophenolate mofetil, with sales scope already covering **US, Japan & EU**
- **19-21 CAGR** of revenue & profit both reached **~50%**



## Medical imaging

- Provide **total precise interventional imaging** solution
- **OCT** successfully commercialized, achieving a rapid market introduction by leveraging on our existing channel resources
- New generation OCT (high-speed) under registration in China
- **IVUS** completed preliminary animal study



## Ophthalmology, ENT & dental



- **Ophthalmology: Ortho-k lenses** completed type validation
- **ENT:** provide solutions incl. sinus drug delivery & artificial hearing repair
- **Dental:** artificial tooth implant and orthodontic solutions under R&D

### Business highlights

- ◆ **TOP 1** Chinese 3D catheter RF ablation player with **30,000+** 3D navigation cases performed
- ◆ Successful **IPO on SSE STAR** board (Aug 31, 2022)
- ◆ 1H22 revenue increased by **~35% YOY** with profitability
- ◆ **24 NMPA** certificates & **5 NMPA green path** products accumulatively
- ◆ Contact force-sensing catheter (green path) & high density mapping catheter submitted for **NMPA** review

### Globalization

- ◆ **One** of few global players with all-around EP solutions
- ◆ Products entered **22** overseas countries
- ◆ **4 CE** markings with **3 FDA** clearances newly obtained

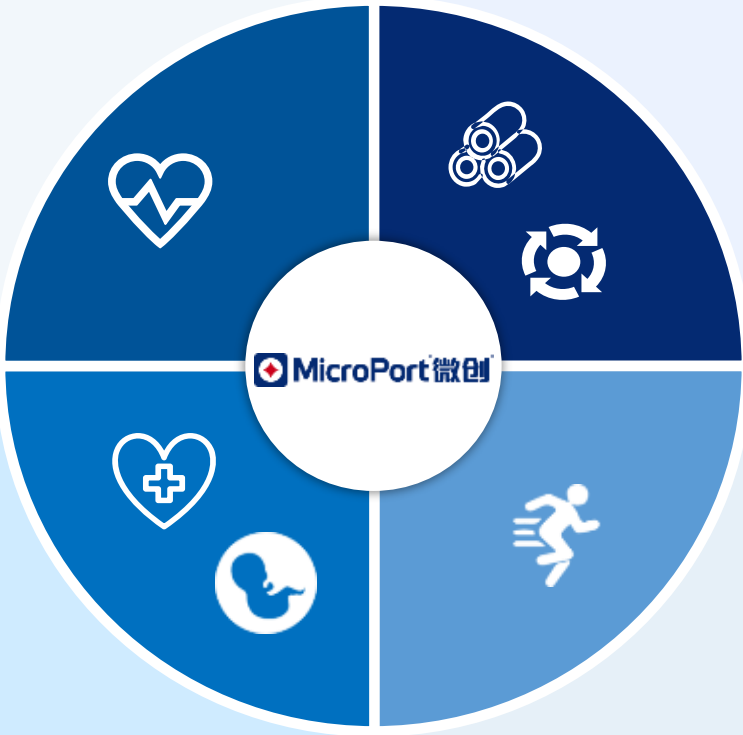



### Materials & intelligent manufacturing service

- ◆ Provide world's leading comprehensive solutions incl. **upstream raw material, CDMO** and **testing**
- ◆ Excellent supply chain & quality management capabilities, serving **100+** customers
- ◆ Fast revenue growth with strong profitability

### Contract Sterilization

- ◆ Obtained multiple certificates: CNAS(ISO17025:2017); ISO13485:2016; ISO11135:2014; Japan MHLW Registration No.; U.S. FDA Registration No. (contract sterilizer)
- ◆ Substantial 1H22 revenue growth due to **fast-growing external customers** and increasing orders of epidemic prevention supplies



**MicroPort 微创**

### Blood glucose, tumor chemotherapy & pain management

- ◆ Strategic layout with the core platform of **micro-infusion** technology
- ◆ Chemotherapy pump obtained **NMPA**
- ◆ Patient-controlled analgesia (PCA) pump submitted for **NMPA**
- ◆ CGM in type fixing stage

### Assisted reproductive technology (ART)

- ◆ Provide solutions covering every step of **ART** treatment process
- ◆ **6** launched products cumulatively
- ◆ **Vitrification device** newly approved in China

### Sports medicine

- ◆ **World's 1st** long-term implantable rotator cuff spacer system Archimedes®'s multi-center registrational clinical trial is close to completion, with accomplishment of its **FDA** pre-submission
- ◆ 4K high-resolution arthroscope system, suture anchor series & suspension device system under registration process in China
- ◆ **4** approved products in total

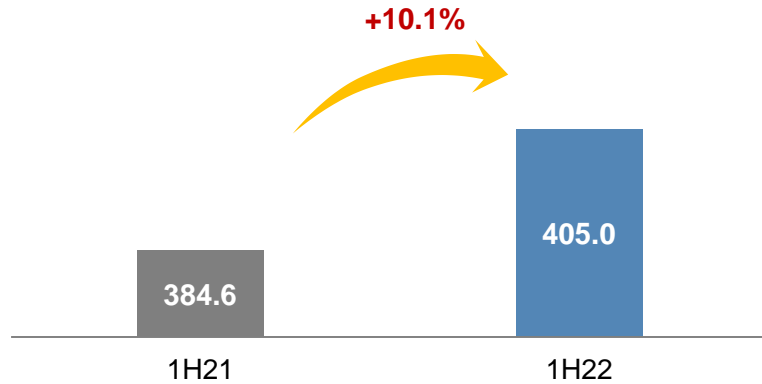


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## Revenue

USD: million

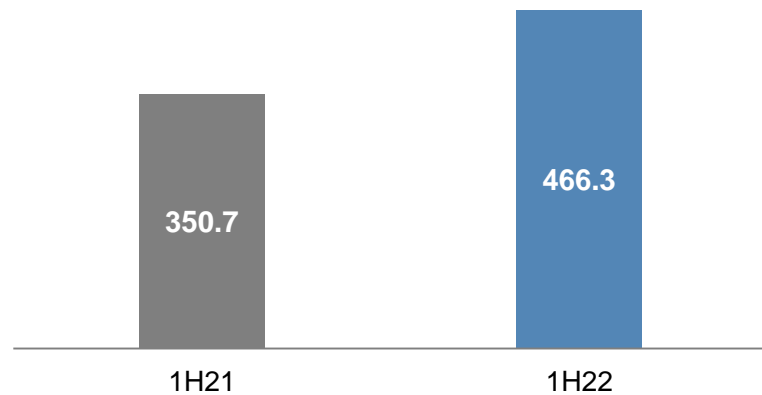


## Gross profit margin



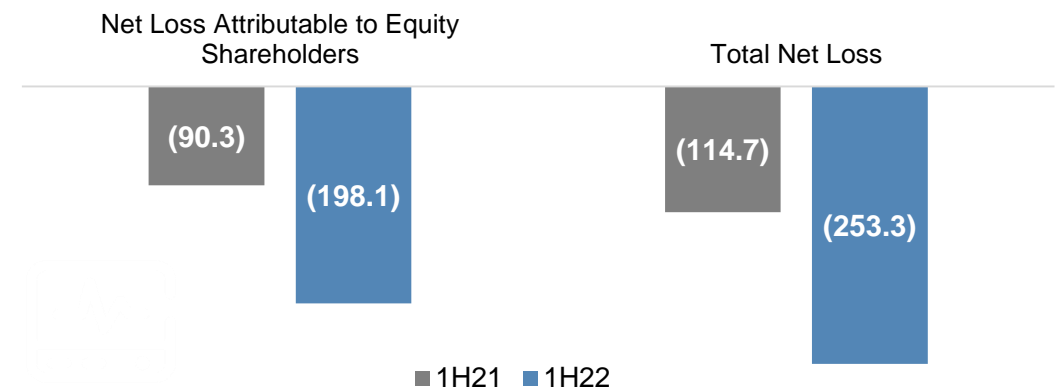
## Operating expenses

USD: million



## Total net loss & net loss attributable to equity shareholders

USD: million



## Sales & marketing expenses

USD: million



**Sales & marketing expenses increased by 12.2%<sup>YOY</sup>**

- ◆ Increase in marketing activities and product promotion

## Administrative expenses

USD: million

**Administrative expenses increased by 29.4%<sup>YOY</sup>**

- ◆ Increase in the cost related to new office premises and facilities
- ◆ Additional administrative expenses of subsidiaries newly acquired in the second half of 2021

## R&D expenses

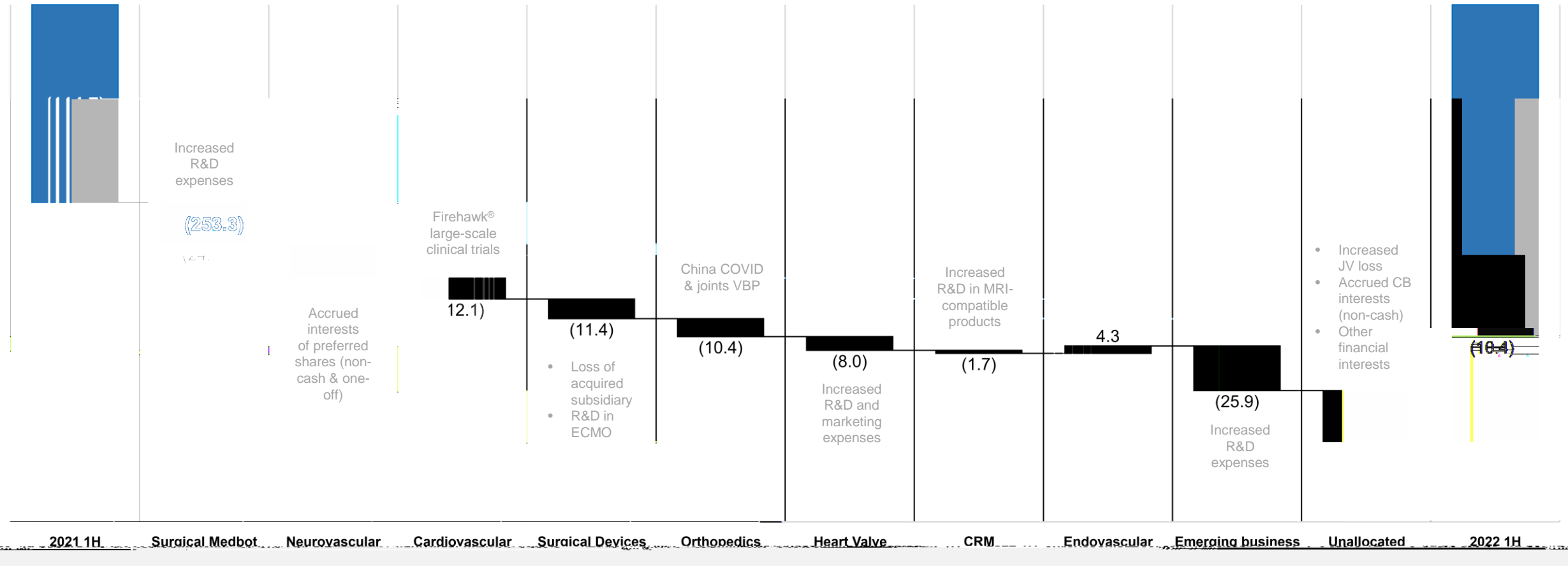
USD: million

**R&D expenses increased by 59.3%<sup>YOY</sup>**

- ◆ Due to increased investments in R&D projects

# Net loss analysis by segment

USD: million




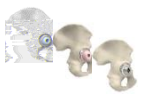
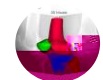





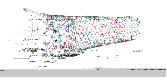












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# Innovative product pipeline fueling long-term growth

<b>Cardio-vascular</b>	<b>Firefighter™ Pro/NC Pro</b> NMPA	<b>Anchor Balloon</b> NMPA	<b>Firesorb® Bioresorbable Scaffolds</b> NMPA&CE		<b>Firehawk®</b> FDA	<b>Coronary Stent Graft System</b> NMPA	<b>Coronary Rotational Atherectomy System</b> NMPA&CE		<b>Intravascular Lithotripsy Balloon</b> NMPA&CE		<b>Coronary Rapamycin Drug-coated Balloon (DCB)</b> NMPA	
<b>Orthopedics</b>	<b>VenusOne ECO Bio-acetabular System</b> NMPA		<b>Classic Profemur® Cemented XM® Femoral Stem</b> FDA		<b>Zirconium Niobium Alloy Femoral Head</b> NMPA		<b>Hinged Knee Joint System</b> FDA		<b>2D-to-3D Imaging Technology</b> FDA		<b>Wrist Joint Prosthesis System</b> NMPA	
<b>CRM</b>	<b>Kora™ 250 Pacemaker (MRI)</b> NMPA		<b>Bluetooth® ICD &amp; CRT-D</b> CE		<b>ENO™ Pacemaker &amp; BonaFire™ Passive Lead (MRI)</b> NMPA		<b>Space HP ICD/CRT-D</b> NMPA		<b>Invicta™ ICD Lead &amp; Navigo™ CRT Lead (MRI)</b> NMPA		<b>Leadless Pacemaker</b> NMPA&CE	
<b>Endo-vascular</b>	<b>Iliac Venous Stent System</b> NMPA		<b>Fishhawk™ Mechanical Thrombectomy Catheter</b> NMPA		<b>Vena Cava Filter</b> NMPA		<b>Cratos Branched Aortics Stent Graft System</b> NMPA		<b>Aegis® II Abdominal Aortic Stent Graft System</b> NMPA		<b>TIPS Stent Graft System</b> NMPA	
<b>Neuro-vascular</b>	<b>Tigertriever™ Revascularization Device</b> NMPA		<b>X-track™ Intracranial Distal Access Catheter</b> NMPA		<b>Comaneci® Embolization Assist Device</b> NMPA		<b>Rebridge® Intracranial Visualized Stent</b> NMPA		<b>Tubridge Plus™ Flow-diverting Stent</b> NMPA		<b>Balloon Protection Guiding Catheter</b> NMPA	
<b>Heart Valve</b>	<b>VitaFlow® III</b> NMPA	<b>VitaFlow™ Novo Generation</b> NMPA	<b>VitaFlow® Balloon Expandable</b> NMPA		<b>Mitral Replacement: Self-developed replacement product</b> <b>AltaValve™ Helios™</b>		<b>Mitral Repair: Self-developed edge to edge repair product</b> <b>Amend™</b>		<b>Tricuspid Repair: Self-developed edge to edge repair product</b> <b>Trivid</b>		<b>Embolic Protection Device</b> NMPA	
<b>Surgical Robot</b>	<b>Toumai® 2nd Gen Laparoscopic Surgical Robot</b> NMPA		<b>Toumai® Single-arm Laparoscopic Surgical Robot</b> NMPA		<b>R-ONE® Panvascular Surgical Robot</b> NMPA		<b>iSR'obot™ Mona Lisa Robotic Transperineal Prostate Biopsy System</b> NMPA		<b>Trans-bronchial Surgical Robot</b> NMPA	<b>TAVR Surgical Robot</b> NMPA	<b>Spine Surgical Robot</b> NMPA	
<b>Surgical Devices</b>	<b>VitaSprings™ Membrane Oxygenator</b> NMPA		<b>Femoral Arterial &amp; Venous Cannula</b> NMPA		<b>Arterial Micro-Embolic Filter (new type)</b> NMPA		<b>ECMO</b> NMPA		<b>MOBYBOX System</b> NMPA			
<b>Electro-physiology<sup>1</sup></b>	<b>High Density Mapping Catheter</b> NMPA		<b>Contact Force-Sensing Catheter</b> NMPA		<b>Cryoablation Catheter</b> NMPA		<b>IceMagic® Cardiac Cryoablation System</b> NMPA		<b>Renal RF Ablation System</b> NMPA		<b>Flashpoint® Renal Artery Ablation Catheter</b> NMPA	



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USD'000	2022 1H	2021 1H	Var.
<b>Revenue</b>	404,984	384,611	5.3%
Cost of sales	(157,282)	(137,003)	14.8%
<b>Gross profit</b>	<b>247,702</b>	<b>247,608</b>	<b>0.0%</b>
Other net income	41,356	24,622	68.0%
Research and development costs	(186,430)	(117,064)	59.3%
Distribution cost	(146,610)	(130,689)	12.2%
Administrative expenses	(133,259)	(102,987)	29.4%
Other operating costs	(8,328)	(5,466)	52.4%
<b>Loss from operations</b>	<b>(185,569)</b>	<b>(83,976)</b>	<b>121.0%</b>
Fs 0			

USD'000	30 June 2022	31 Dec 2021	Var.
<b>Non-current assets</b>			
Investment properties	7,003	7,407	-5%
Other property, plant and equipment	921,380	922,874	0%
Intangible assets	238,458	256,609	-7%
Goodwill	280,194	290,565	-4%
Equity-accounted investees	406,087	363,103	12%
Other financial assets	30,711	30,184	2%
Deferred tax assets	21,305	20,368	5%
Other non-current assets	89,996	102,652	-12%
<b>Total non-current assets</b>	<b>1,995,134</b>	<b>1,993,762</b>	<b>0%</b>
<b>Current assets</b>			
Inventories	320,878	289,931	11%
Trade and other receivables	292,879	308,126	-5%
Pledged deposits and time deposits	63,221	32,890	92%
Cash and cash equivalents	1,380,798	1,754,414	-21%
Derivative financial assets	-	1,406	N/A
<b>Total current assets</b>	<b>2,057,776</b>	<b>2,386,767</b>	<b>-14%</b>
<b>Current liabilities</b>			
Trade and other payables	336,843	358,792	-6%
Contract liabilities	21,153	23,590	-10%
Lease liabilities	65,520	50,505	30%
Interest-bearing borrowings	112,890	94,746	19%
Income tax payable	16,696	19,124	-13%
Derivative financial liabilities	871	-	N/A
<b>Total current liabilities</b>	<b>553,973</b>	<b>546,757</b>	<b>1%</b>
<b>Net current assets</b>	<b>1,503,803</b>	<b>1,840,010</b>	<b>-18%</b>

USD'000	30 June 2022	31 Dec 2021	Var.
<b>Non-current liabilities</b>			
Interest-bearing borrowings	308,720	269,637	14%
Lease liabilities	137,454	168,437	-18%
Deferred income	32,885	35,098	-6%
Convertible bonds	668,380	660,369	1%
Contract liabilities	24,238	26,243	-8%
Other payables	434,361	425,914	2%
Deferred tax liabilities	24,720	27,692	-11%
Derivative financial liabilities	611	2,890	-79%
<b>Total non-current liabilities</b>	<b>1,631,369</b>	<b>1,616,280</b>	<b>1%</b>
<b>CAPITAL AND RESERVE</b>			
Share capital	18	18	-
Reserves	1,234,675	1,490,732	-17%
<b>Total equity attributable to equity shareholders of the Company</b>	<b>1,234,693</b>	<b>1,490,750</b>	<b>-17%</b>
Non-controlling interests	632,875	726,742	-13%
<b>Total equity</b>	<b>1,867,568</b>	<b>2,217,492</b>	<b>-16%</b>

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## **FORWARD-LOOKING STATEMENTS**

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