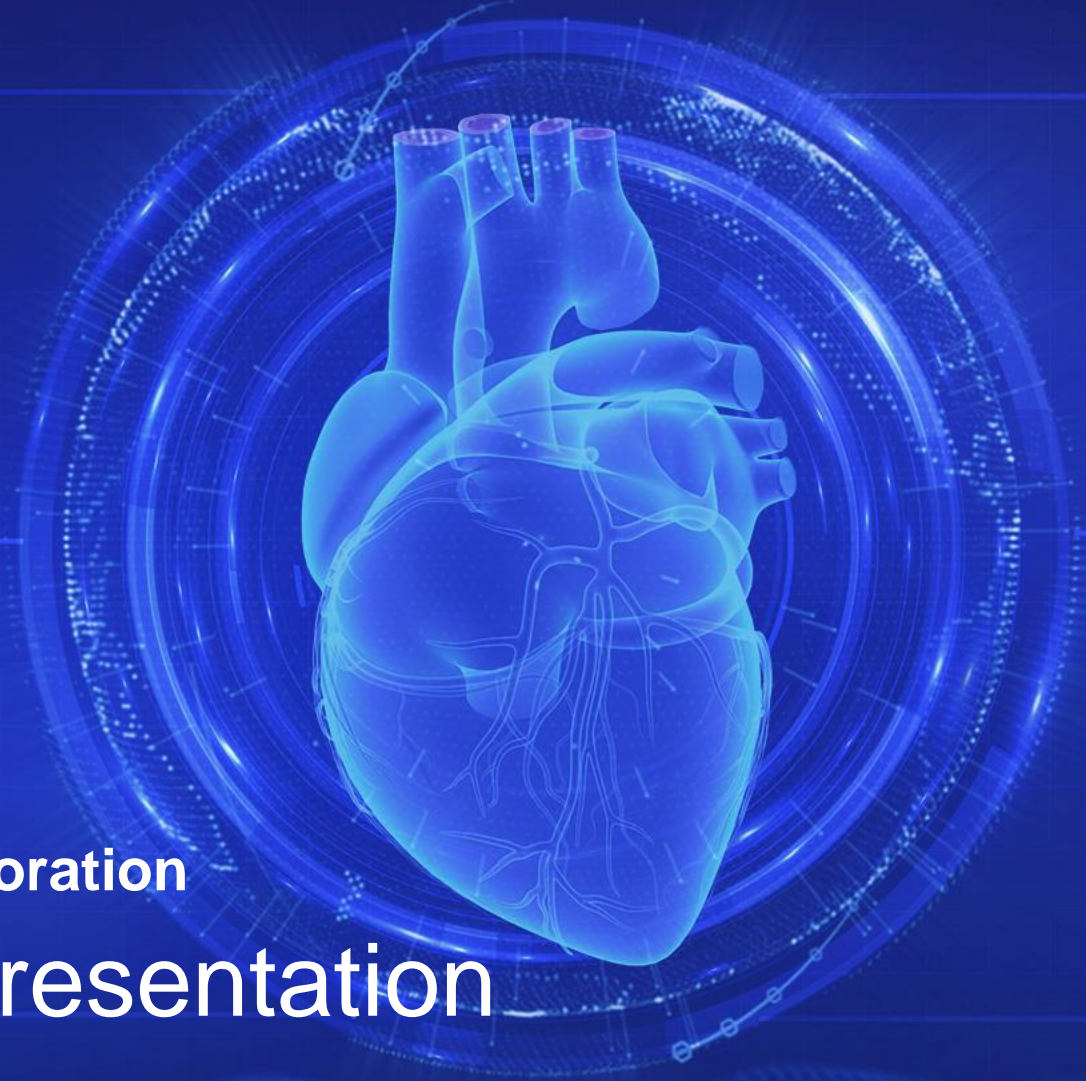




MicroPort
心通医疗

(2160.HK)



MicroPort CardioFlow Medtech Corporation
2021 Annual Results Presentation

March 2021

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◆ Agenda



Company Highlights





A year of accumulating strength while achieving robust growth



**Significant
implantation growth
outperforming China
market growth**



**Improving gross
profit margin for
healthy
profitability**



**To provide
trustworthy and
universal access to
state-of-the-art total
solutions to treat
structural heart
diseases**



**Extensive product
pipeline with
multiple R&D
progress and new
products launch**



**Solid steps forward
for international
roadmap**

Outstanding performance



2021 Highlights with Figures

Global Revenue

RMB200.8 mn 93%YOY

Implantation volume*

1959 163%YOY

Gross Profit Margin

59.1% 15.4 PPTS^{YOY}

Hospital Coverage

308 86%YOY

Net Loss

RMB183.2 mn 54%YOY

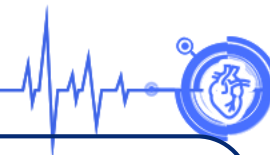
Number of Sales Reps

130 195%YOY

Commercialization Achievements

- ◆ **163%** in implantation, outperformed China market growth rate **88%** in 2021
- ◆ **VitaFlow Liberty™** launched in Sept., accounting for **~50%** of the Company's implantation in Q4
- ◆ **VitaFlow®** & **VitaFlow Liberty™** covered **308** hospitals with **86%** (newly penetrated **142** hospitals in 2021), including **180** hospitals which never performed TAVI procedures before
- ◆ **Better** leveraged talents and resources of **MicroPort® Group** to facilitate patient referral and product promotion, implantation volume raised significantly in Q4
- ◆ **Record high** weekly and monthly implantation in Mar. 2022 amid recurring breakthrough of COVID-19
- ◆ Continues overseas implantation, especially 5 in Mar. 2022, including 3 **VitaFlow Liberty™**

* Refer to number of procedures performed using VitaFlow® or VitaFlow Liberty™ rather than the number of products implanted



Registration & R&D

- ◆ **VitaFlow Liberty™** and **Angelguide®** tip pre-shaped super stiff guidewire obtained **NMPA approval** in Aug.
- ◆ **Alwide® Plus** Balloon Catheter obtained **NMPA approval** in July
- ◆ **TAVI**: Steady and well-planned upgrading TAVI pipeline realizing all-round performance promotion
- ◆ **TMV**: Complete tool-box for TMV diseases: replacement, E2E, repairment, ring contraction...
- ◆ **TTV, Surgical and accessories**: Global leading design concepts and technologies, offering differentiated product features



Steps forward globalization

- ◆ Full product portfolio globalization strategy, first step from Argentina:
 - **Continuous** sales and implantation of **VitaFlow®** in Argentina since Aug.
 - **VitaFlow Liberty™** and **Angelguide®** approved in Argentina in Dec.
 - **Alwide® Plus** approved in Argentina in Feb. 2022
- ◆ **VitaFlow Liberty™** submitted CE application in Dec.
- ◆ Registration application **VitaFlow Liberty™** and **Alwide® Plus** submitted for various countries
- ◆ Leverage on **MicroPort® brand** recognition worldwide and overseas sales network



Company Excellence

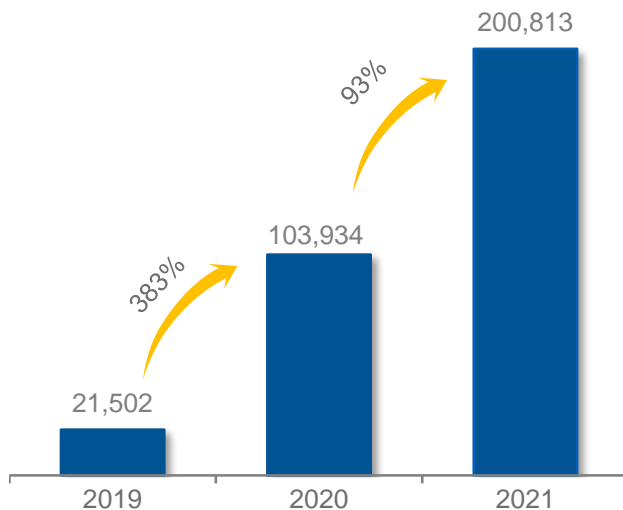
- ◆ New plant of 13,000sqm ready for capacity expansion
- ◆ The **National** Specialized Rising Star Enterprise (国家级专精特新“小巨人”企业)
- ◆ Shanghai Talent Award (上海产业精英)
- ◆ Shanghai **1st** Quality Award (上海质量攻关一等奖)
- ◆ VitaFlow Liberty™ won **Red Dot Design Award**: Product Design

Financial Highlights



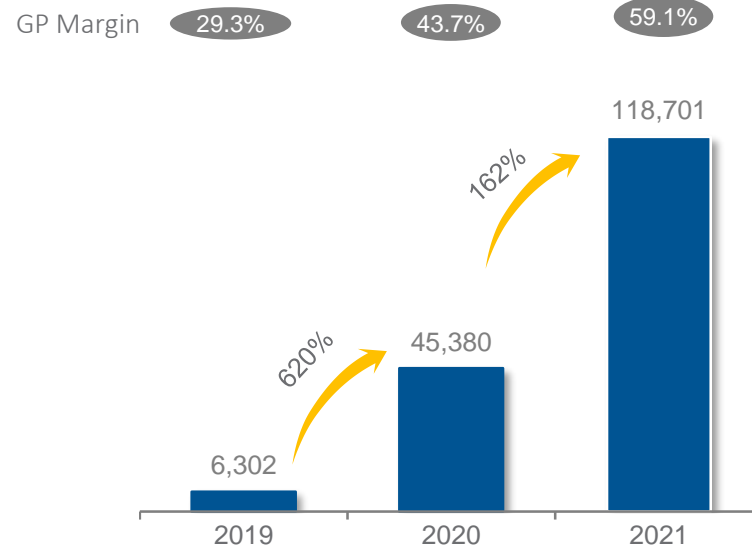
Revenue

Unit: (RMB'000)



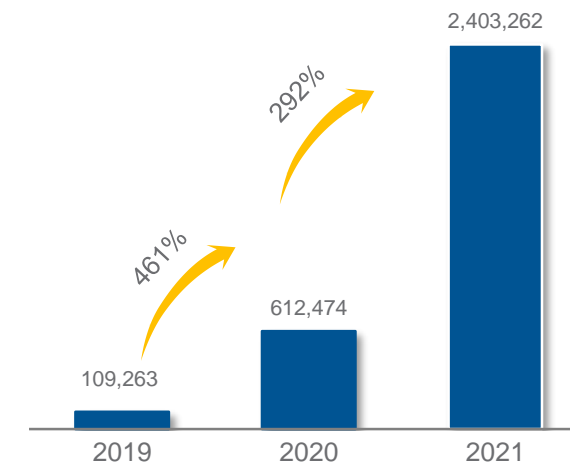
Gross Profit and GP margin

Unit: (RMB'000)



Cash and cash equivalents

Unit: (RMB'000) Including term deposits



Annual Results Highlights

- ✓ Strong revenue growth: **+93%** ↑ to RMB200.8mn, mainly driven by sales volume growth
- ✓ First year overseas revenue: launch of VitaFlow® in overseas market recorded revenue of RMB **1mn**
- ✓ Sharp gross margin expansion: **+15.4 pts** ↑ to **59.1%**, thanks to price cut on raw materials, improved manufacturing efficiency
- ✓ Sufficient cash balance: cash and cash equivalent balance of RMB2,403.3mn as of end 2021.

Joining of new management to facilitate strategic development



Mr. Zhao Liang

First Vice President of Total Solutions

- ◆ **16+ years of experience** in promotion and sales management of cardiovascular medical devices
- ◆ Expertise in promotion strategy, market and channel expansion, team management, etc.



Mr. Jeff Linderstrom

Vice President of R&D

- ◆ **20+ years R&D experience** in minimally invasive interventional medical device industry
- ◆ Served as senior R&D head in leading global medical device companies



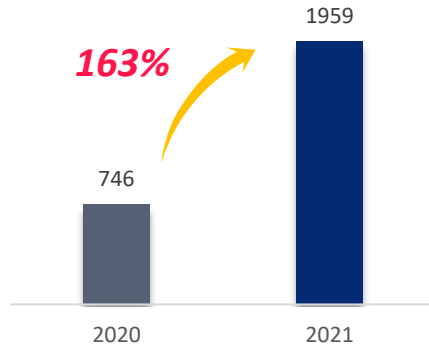
Total Solutions Promotion



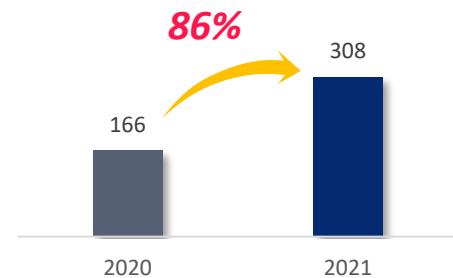
Strategic initiatives of total solutions promotion facilitated strong growth



Implantation volume*



Hospital coverage



total solutions promotion achievements

- ◆ **163%** ↑ YOY in implantation, outperformed China market growth rate **88%**
- ◆ **Record high** monthly implantation and overwhelming weekly implantation in Mar. 2022
- ◆ Covered **308** hospitals with **86%** ↑ YOY

strategic initiatives of total solutions promotion

- ◆ **Total solutions for patients:** disease evaluation, medical education, affordability improvement, postoperative follow-ups
- ◆ **Total solutions for physicians:** diagnosis assistance, treatment options recommendation, surgery and surgical devices training, devices recommendation and supply, intraoperative support
- ◆ **Demand-driven strategic regions** more focused sales team organization, number of sales reps nearly tripled to 130, achieving rapid, high efficient hospital coverage expansion
- ◆ Continued integrating resources & advantages of **MicroPort® cardiovascular team** and **Feiyan team**, fully leveraging synergies
- ◆ Built up **cross-disciplinary and cross-hospital long term referral network** to increase penetration rate by multiple approaches

* Refer to number of procedures performed using VitaFlow® or VitaFlow Liberty™ rather than the number of products implanted

Extensive academic promotion for physician training



Therapy penetration

- ◆ Built up a physician training system to develop more training centers for **180+** hospitals
- ◆ Tailor-made training programs for physicians at different levels
- ◆ Trained **61** new physicians that can perform TAVI procedures independently in 2021 (total **111** since product launch)
- ◆ Follow up and long-term relationship for future implantation



Brand recognition

- ◆ Strong marketing & training team to expand brand recognition among doctors from department of structural heart disease, cardiology, and cardiac surgery, etc.
- ◆ Initiated **100+** activities, including in-hospital training, academic symposiums, etc.
- ◆ Attended **200+** multiple activities, including national conferences, training seminars
- ◆ Product recommended by **3000+** person-time KOLs



Physicians contest

- ◆ Hosted a contest for physicians performing TAVI procedures with VitaFlow®, providing a platform for academic discussion and communication
- ◆ Attracted participation of **28** professional teams of TAVI physicians nationwide, and **100,000+** votings from all walks of life
- ◆ Increased awareness of TAVI procedures, and VitaFlow® family

Leverage on MicroPort's overseas resources for global expansion



VitaFlow®

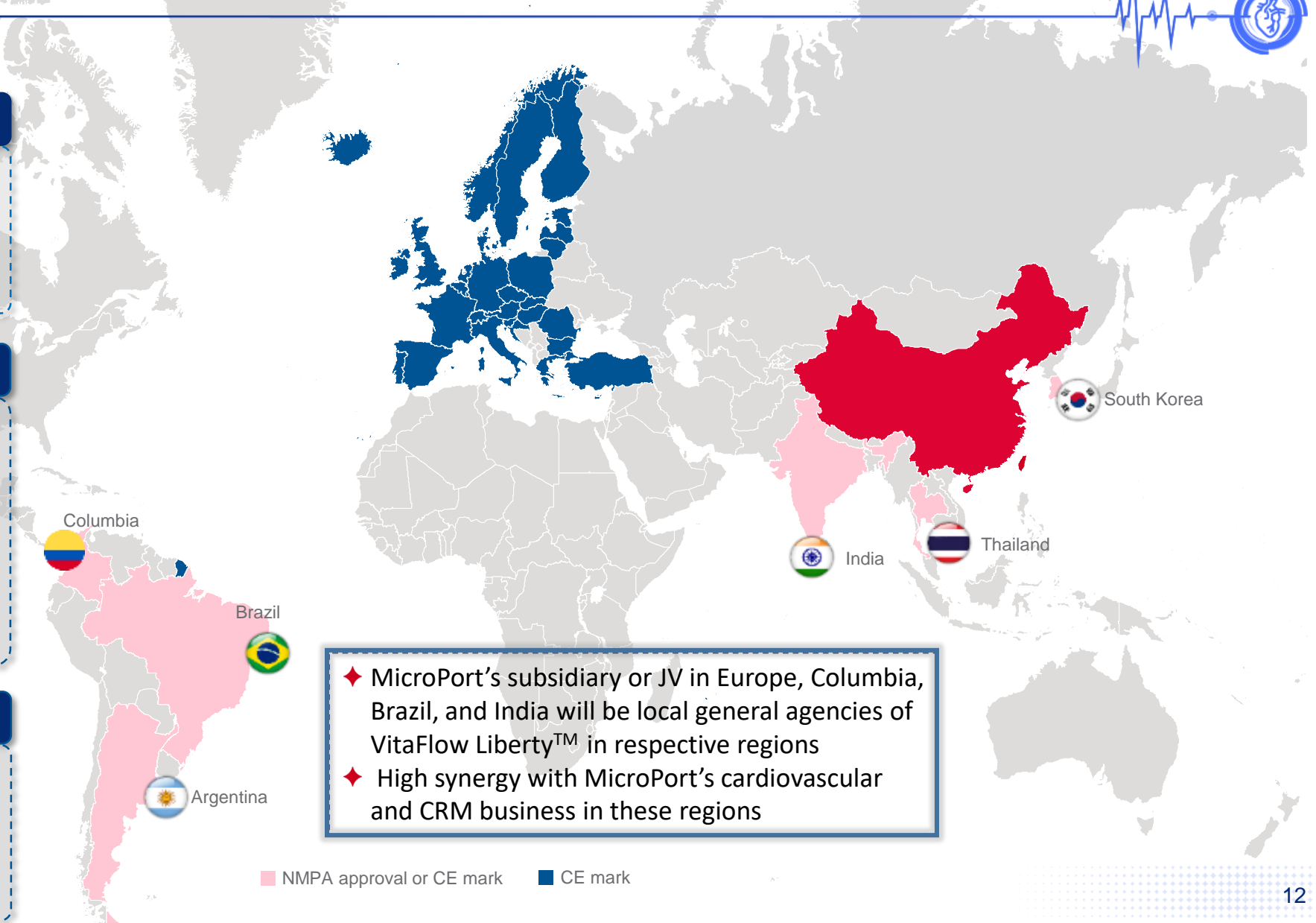
- ◆ Continuous overseas implantation in Argentina since Aug.
- ◆ Contributed overseas revenue of 1m RMB

VitaFlow Liberty™

- ◆ Successfully submitted CE application in Dec.
- ◆ Obtained approval in Argentina in Dec.
- ◆ First overseas implantation in Argentina in Mar. 2022
- ◆ Registration preparation in South Korea, Mexico, Columbia, Brazil, Thailand, and India

Alwide® Plus

- ◆ Obtained approval in Argentina in Dec.
- ◆ Registration preparation in South Korea, Mexico, Columbia, Brazil, Thailand, and India



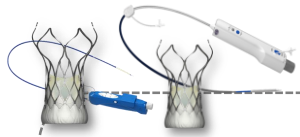
◆ MicroPort's subsidiary or JV in Europe, Columbia, Brazil, and India will be local general agencies of VitaFlow Liberty™ in respective regions

◆ High synergy with MicroPort's cardiovascular and CRM business in these regions

Product Pipeline Update



Innovative and high-quality total solutions for structural heart diseases

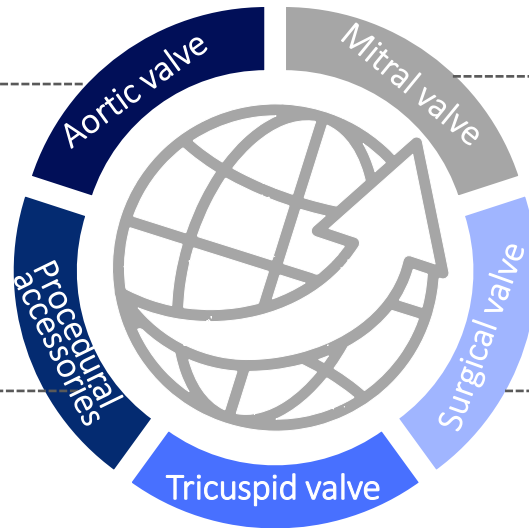


TAVI

- ◆ Steady and well-planned upgrading with unique and innovative technology worldwide to realize all-round promotion of performance
- ◆ 2 products launched, 3 under R&D

Procedural Accessories

- ◆ The only company in China with comprehensive in-house developed procedural accessories
- ◆ Lower challenges and shorten learning curve for physicians
- ◆ 4 products launched; 4 under R&D



TMV

- ◆ Complete tool-box for TMV diseases, including replacement, edge to edge repairment, annuloplasty, etc.
- ◆ 5 products in pipeline with unique competitiveness or positive clinical data

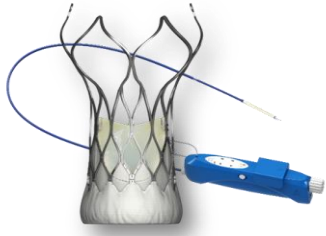
Surgical Valve

- ◆ Global leading products with optimized design and comparable features
- ◆ All-round biotechnological material

TTV

- ◆ In-house developed edge-to-edge repair product based on R&D capacity of TMV
- ◆ Valcare: Trivid repair product, at design stage
- ◆ Newly acquired China rights of 4C Medical's TTV product

VitaFlow®: Excellent long-term results demonstrated superiority



1-year follow-up period
0 moderate or severe PVL

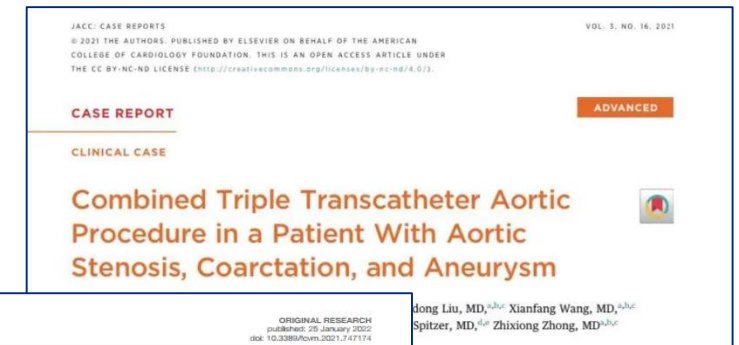
2-year follow-up period
0 major (disabling) stroke

5-year follow-up period
2.1% major (disabling) stroke

All-cause mortality rate: relatively lower

	VitaFlow®	Peer
30 days	0.9%	5%
1-year	2.7%	6.0%
2-year	4.5%	11.6%
3-year	10.9%	17.4%
4-year	12.7%	26.7%
5-year	18.2%	34.1%






- ◆ **Frontiers in Cardiovascular Medicine** published a paper named *Comparative Quantitative Aortographic Assessment of Regurgitation in Patients Treated with VitaFlow Transcatheter Heart Valve vs. Other Self-Expanding Systems*
- ◆ **The Journal of the American College of Cardiology** (“JACC”) reported the world’s first combined single-session transcatheter aortic procedure, using **VitaFlow®** has been successfully completed



Jong Liu, MD,^{1,2*} Xianfang Wang, MD,^{1,2*} Spitzer, MD,^{1,2*} Zhixiong Zhong, MD^{1,2*}

TAVI Products - Clinical Data Comparison

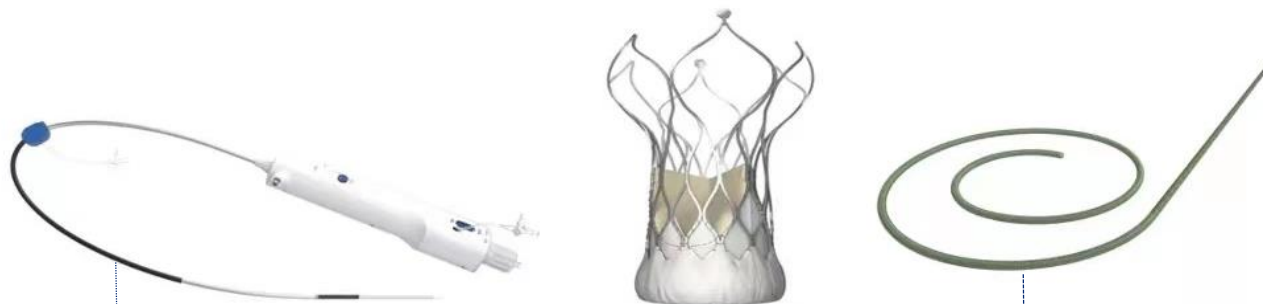


Company	Product	30-days mortality rate ¹	30-days major (disabling) stroke ¹	1-year mortality rate ¹	1-year major (disabling) stroke ¹	1-year moderate to severe PVL rate	1-year major vascular complications	2-year mortality rate ¹	2-year major (disabling) stroke ¹	3-year mortality rate ¹	3-year major (disabling) stroke ¹	4-year mortality rate	4-year major (disabling) stroke	5-year mortality rate	5-year major (disabling) stroke
 MicroPort 心通医疗	VitaFlow®	0.9%	0.0%	2.7%	0.0%	0.0%	2.7%	4.5%	0.0%	10.9%	1.8%	12.7%	2.0%	18.2%	2.1%
	VitaFlow Liberty™	5.0%	0.0%*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
 启明医疗 VENUSMEDTECH	VenusA-Valve	5.0%	1.0%	6.0%	1.0%	4.2%	6.1%	11.6%	N/A	17.4%	N/A	26.7%	N/A	34.1%	N/A
	VenusA-Plus	4.8%	1.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
 Medtronic	CoreValve (CoreValve U.S Pivotal)	3.3%	3.9%	14.2%	5.8%	6.1%	6.2%	22.2%	6.8%	32.9%	8.1%	N/A	N/A	55.3%	12.3%
 Edwards	SAPIEN (PARTNER 1A)	3.4%	3.8%	24.2%	5.1%	6.8%	11.3%	33.9%	N/A	N/A	N/A	N/A	N/A	67.8%	N/A
 苏州杰成医疗 Suzhou Jiecheng Medical	J-Valve	4.7%	0.0%	5.6%	2.0%	1.1%	N/A	9.1%	2.0%	10.8%	N/A	N/A	N/A	N/A	N/A

Note: ¹ The data is from pivotal clinical trial of corresponding products and not head-to-head clinical results. VitaFlow® (N=110), VitaFlow Liberty™ (N=60) VenusA-Valve (N=101), VenusA-Plus (N=62), J-Valve (N=107), TaurusOne (N=120), SAPIEN 3 China trial (N=50), U.S. trial (N=583)

*: The data marked with * represent the incidences of disabling stroke

◆ VitaFlow Liberty™: opening the era of motorization and retrieval



◆ Motorized retrievable delivery system:

- **retrieval** of the PAV with **optimized pass performance**, helping to pass the anatomical abnormalities.
- stable, accurate and fast deployment and retrieval
- PAV can be retrieved for **3 times**
- **innovative design of interior catheter sheaths** makes it suitable for patients with different blood vessel characteristics.

◆ Tip-preshaped super stiff guidewire Angelguide:

- high guidewire rail support and smooth transition
- reducing risks of vascular damage
- enhancing accuracy of deployment

◆ Same PAV with VitaFlow®:

- bovine pericardium, double-layer PET skirt, hybrid cells design
- same superiorities in durability, PAV prevention, and flexibility

Highly acknowledged by KOLs and physicians

Steady and well-planned upgrading TAVI pipeline realizing all-round performance promotion





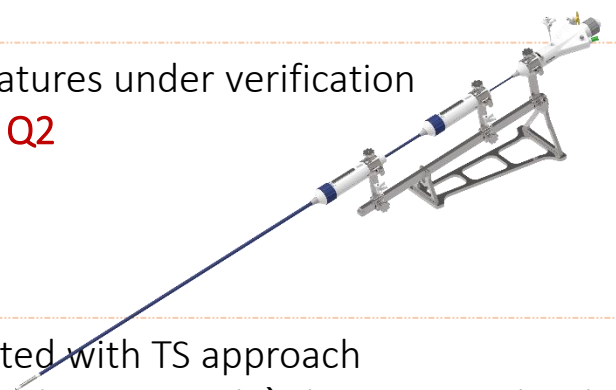
Category	Product	Features	Progress and next milestones
TAVI	VitaFlow [®] III Self-Expanding	<ul style="list-style-type: none"> ◆ New delivery system enabling steerable ◆ All-round upgrading: arch passing, valve crossing, coaxial performance, accurate positioning 	<ul style="list-style-type: none"> ◆ Prototype received with positive feedback ◆ Fine tuning and animal study scheduled in Q2 ◆ Expected to be approved in 2024
	VitaFlow [®] Novo Generation	<ul style="list-style-type: none"> ◆ Innovative deployment mechanism for accurate positioning ◆ Fully retrievable ◆ Steerable catheter for better coaxial performance ◆ Dry tissue 	<ul style="list-style-type: none"> ◆ Bench Test on going ◆ Prototyping ◆ Acute Animal test ongoing
	VitaFlow [®] Balloon Expandable	<ul style="list-style-type: none"> ◆ Large cells consistent with VitaFlow[®] family ◆ Low profile ◆ Dry tissue 	<ul style="list-style-type: none"> ◆ Prototype positive feedback from KOLs ◆ Key designing features under verification ◆ Animal study scheduled in Q2



Complete tool-box for TMV diseases: replacement, E2E, repairment, ring contraction...



Category	Product	Features	Progress and next milestones
TMVR*	TMV replacement product (In-house development)	<ul style="list-style-type: none"> ◆ Short stent design to reduce LVOTO risks ◆ Low profile ◆ Dry tissue 	<ul style="list-style-type: none"> ◆ Positive results on chronic animal study (6M follow up) ◆ EC approval for FIH trial-Zhongshan Hosp. ◆ FIH scheduled in Q2
	AltaValve (Partnership with 4C)	<ul style="list-style-type: none"> ◆ Supra-annular fit and atrial-only fixation ◆ Reduce risks of LVOTO and damage ◆ Trans-septal approach and retrievable 	<ul style="list-style-type: none"> ◆ EC/Human Genetic office approval for FIH Trial - Zhongshan Hosp. ◆ China FIH scheduled in Q2
	 HELIOS (Partnership with Valcare)	<ul style="list-style-type: none"> ◆ Ring + Valve fixation 	<ul style="list-style-type: none"> ◆ Design stage
TMVr**	Edge to Edge (In-house development)	<ul style="list-style-type: none"> ◆ Differentiated deployment for ease of use ◆ Unique lock mechanism for stable leaflet capture ◆ Low profile 	<ul style="list-style-type: none"> ◆ Key designing features under verification ◆ Design frozen by Q2
	AMEND (Partnership with Valcare)	 <ul style="list-style-type: none"> ◆ Unique anchoring capabilities ◆ Trans-septal approach ◆ Ease-of-use design ◆ Mainstream of surgical mitral repair 	<ul style="list-style-type: none"> ◆ 11 cases conducted with TS approach ◆ 100% stand alone (AMEND only) have surgical style results <2+ MR reduction ◆ China FIH scheduled in Q3



Note: * refers to TMV replacement ; ** refers to TMV repairment.

Global leading design concepts and technologies, offering differentiated product features



Category	Product	Features	Progress and next milestones
TTVR*	TTVR product (Partnership with 4C)	<ul style="list-style-type: none"> ◆ Supra-annular fit and atrial-only fixation 	<ul style="list-style-type: none"> ◆ In design stage
TTVr**	TRIVID (Partnership with Valcare)	<ul style="list-style-type: none"> ◆ Unique anchoring capabilities ◆ Ease-of-use design ◆ Mainstream of surgical mitral repair 	<ul style="list-style-type: none"> ◆ In design stage
	Edge to Edge (In-house development)	<ul style="list-style-type: none"> ◆ Differentiated deployment for ease of use ◆ Unique lock mechanism for stable leaflet capture ◆ Low profile 	<ul style="list-style-type: none"> ◆ Key designing features under verification ◆ Design frozen by Q2
Surgical	Mitral Valve	<ul style="list-style-type: none"> ◆ Outstanding durability ◆ Low profile to reduce risk of LVOTO ◆ Dry tissue 	<ul style="list-style-type: none"> ◆ In design stage ◆ Positive feedback from KOLs on prototype
	Aortic Valve	<ul style="list-style-type: none"> ◆ Outstanding durability ◆ Expandable design for future TAVI ◆ Dry tissue 	<ul style="list-style-type: none"> ◆ In design stage
Procedural accessories	Embolic Protection Device	<ul style="list-style-type: none"> ◆ Ease-of-use design ◆ All-round protection ◆ Better vascular suitability and stability 	<ul style="list-style-type: none"> ◆ Animal study by KOLs in Q1 ◆ FIH trial scheduled in Q2 ◆ FIM study enrollment by Q4
	Alwide® balloon catheter III	<ul style="list-style-type: none"> ◆ Stabler position during inflation ◆ High burst pressure suits for severe calcification 	<ul style="list-style-type: none"> ◆ Received KOLs' positive feedback ◆ NMPA submission scheduled in Q2

Note: * refers to TTV replacement; ** refers to TTV repairment



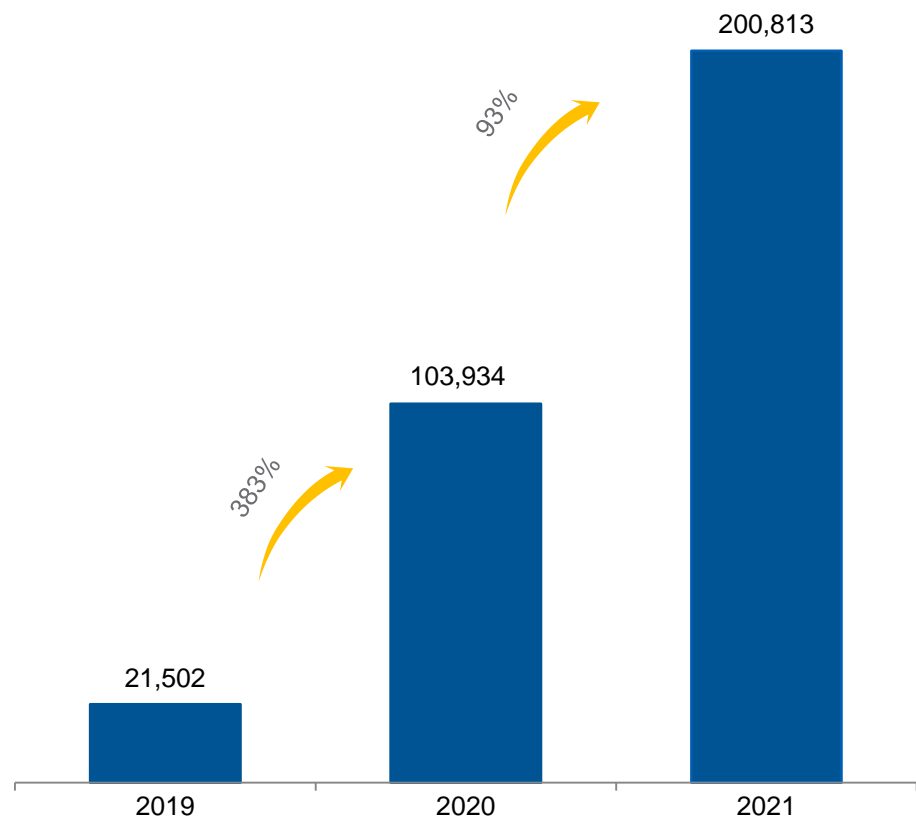
Financial Review

Strong revenue and gross profit margin growth



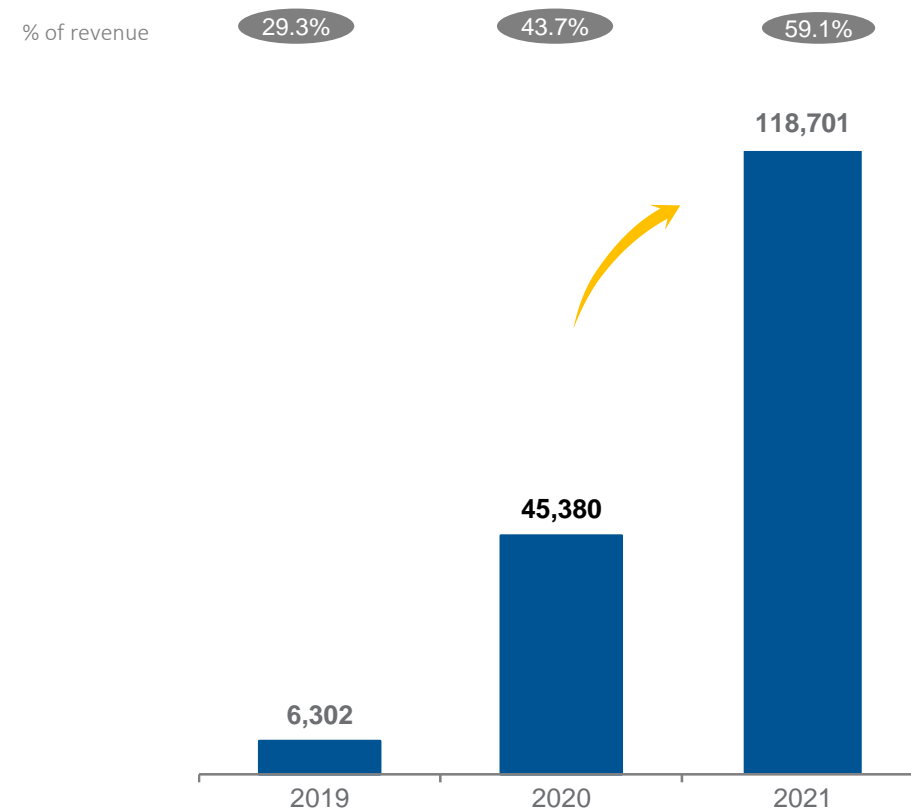
The Company's revenue increased by 93% in 2021 mainly from the increase on sales volume

Revenue
(RMB'000)



The Company's gross profit margin expanded sharply in 2021 by 15.4 ppt due to strengthened bargaining power, domestic supplier exploration and improved manufacturing efficiency.

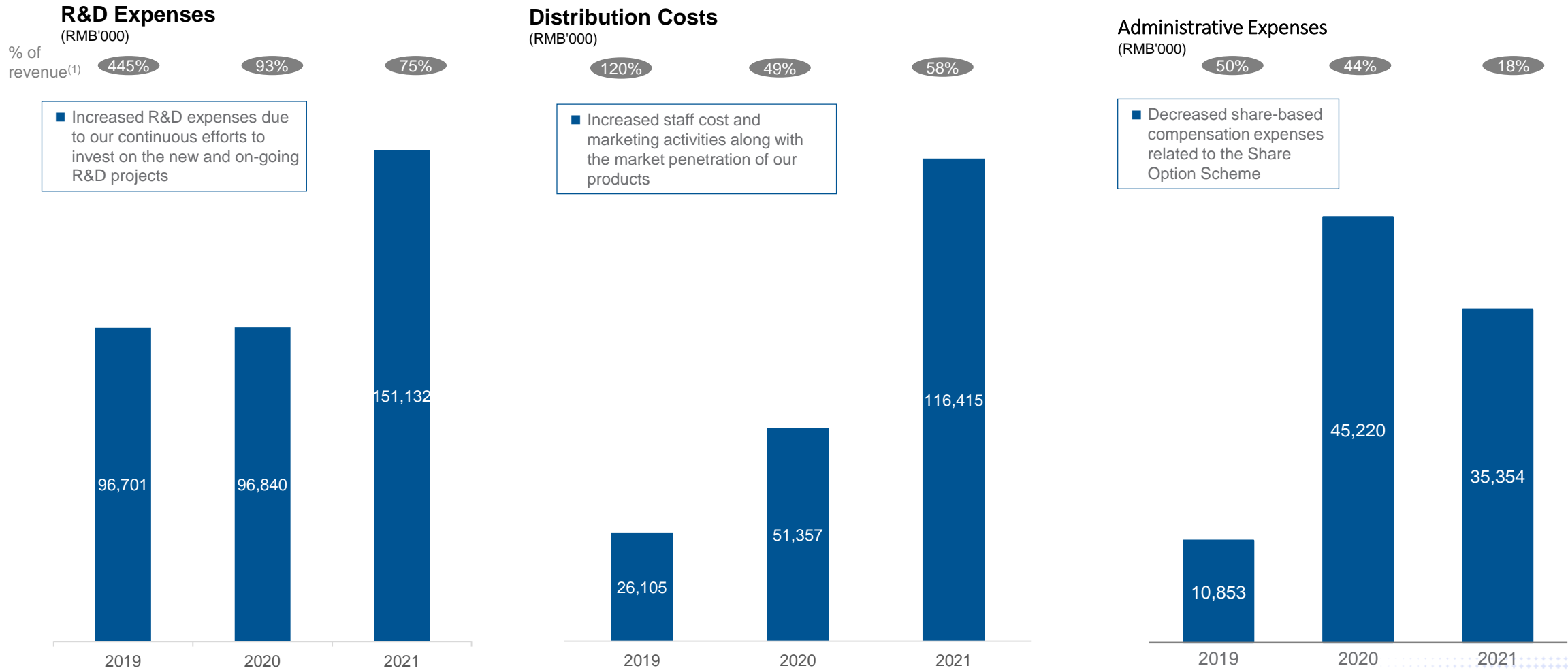
Gross profit and gross profit margin
(RMB'000/%)



Improved operating profitability



We have seen **significant improvement in the operating profitability** with the percentage of operating expense as of revenue reduced from 186% in 2020 and to 151% in 2021 as illustrated below.



Appendix



Consolidated Income Statement



Unit: RMB'000	2021	2020	Var.
Revenue	200,813	103,934	93%
Cost of sales	(82,112)	(58,554)	40%
Gross profit	118,701	45,380	162%
Other net income	23,857	14,310	67%
Research and development costs	(151,132)	(96,840)	56%
Distribution costs	(116,415)	(51,357)	127%
Administrative expenses	(35,354)	(45,220)	-22%
Fair value changes in financial instruments	23,419	(64,743)	-136%
Other operating costs	(22,314)	(54,026)	-59%
Loss from operations	(159,238)	(252,496)	-37%
Finance costs	(19,901)	(146,307)	-86%
Share of losses of associates	(3,502)		
Share of profits of a joint venture	(10)	716	-101%
Loss before taxation	(182,651)	(398,087)	-54%
Income tax	(613)	-	-
Loss for the year	(183,264)	(398,087)	-54%
Attributable to equity shareholders of the Company	(183,264)	(398,087)	-54%

Consolidated Balance Sheet



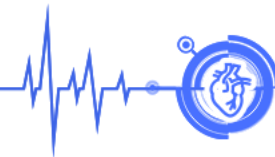
Unit: RMB'000	31 Dec. 2021	31 Dec. 2020	Var.
Non-current assets			
Property, plant and equipment	267,166	68,122	292%
Intangible assets	238,752	234,168	2%
Interest in a joint venture	33,219	34,007	-2%
Interests in associates	176,738		
Other financial assets	21,052	49,508	-57%
Other non-current assets	25,266	6,408	294%
Total Non-current assets	762,193	392,213	94%
Current assets			
Inventories	82,732	67,769	22%
Trade and other receivables	113,480	39,400	188%
Pledged and time deposits	192,027	325	58985%
Cash and cash equivalents	2,211,560	612,474	261%
Total current assets	2,599,799	719,968	261%
Current liabilities			
Trade and other payables	126,778	86,059	47%
Contract liabilities	2,957	-	-
Lease liabilities	34,699	7,202	382%
Derivative financial liabilities	-	60,371	-
Other financial liabilities	-	1,278,062	-
Total current liabilities	164,434	1,431,694	-89%
Net current liabilities	2,435,365	(711,726)	-442%

Consolidated Balance Sheet



Unit: RMB'000	31 Dec. 2021	31 Dec. 2020	Var.
Non-current liabilities			
Lease liabilities	90,936	8,625	954%
Deferred income	2,250	3,390	-34%
Derivative financial liabilities	7,898	13,656	-42%
Total non-current liabilities	101,084	25,671	294%
CAPITAL AND RESERVES			
Share capital	83	60	38%
Reserves	3,096,391	(345,244)	-997%
TOTAL (DEFICIT)/EQUITY	3,096,474	(345,184)	-997%

Consolidated Cash Flow Statement



Unit: RMB'000	2021	2020	Var.
Net cash used in operating activities	(160,888)	(109,751)	47%
Net cash used in investing activities	(437,475)	(56,422)	675%
Net cash generated from financing activities	2,226,425	676,421	229%
Net cash increase in cash and cash equivalents	1,627,449	510,248	219%
Cash and cash equivalents at 1 January	612,474	109,263	461%
Effect of foreign exchange rate changes	(28,363)	(7,037)	303%
Cash and cash equivalents at 31 December	2,211,560	612,474	261%



Our Mission

To improve the lives of valvular heart disease patients by providing optimal and affordable medical solutions through continuous innovation

