

Annual Earnings Release

2018



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This document is for information purposes only and does not constitute or form part of any offer or invitation to sell or the solicitation of an offer or

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 "believe", "intend", "expect", "anticipate", "project", "estimate", "predict", "forecast", "intend", "anticipate" and similar expressions are intended to identify forward-looking statements. Such statements are based upon the current beliefs and expectations of MicroPort's management and are subject to significant risks and uncertainties. MicroPort Scientific Corporation undertakes no obligation to update

MicroPort Scientific Corporation

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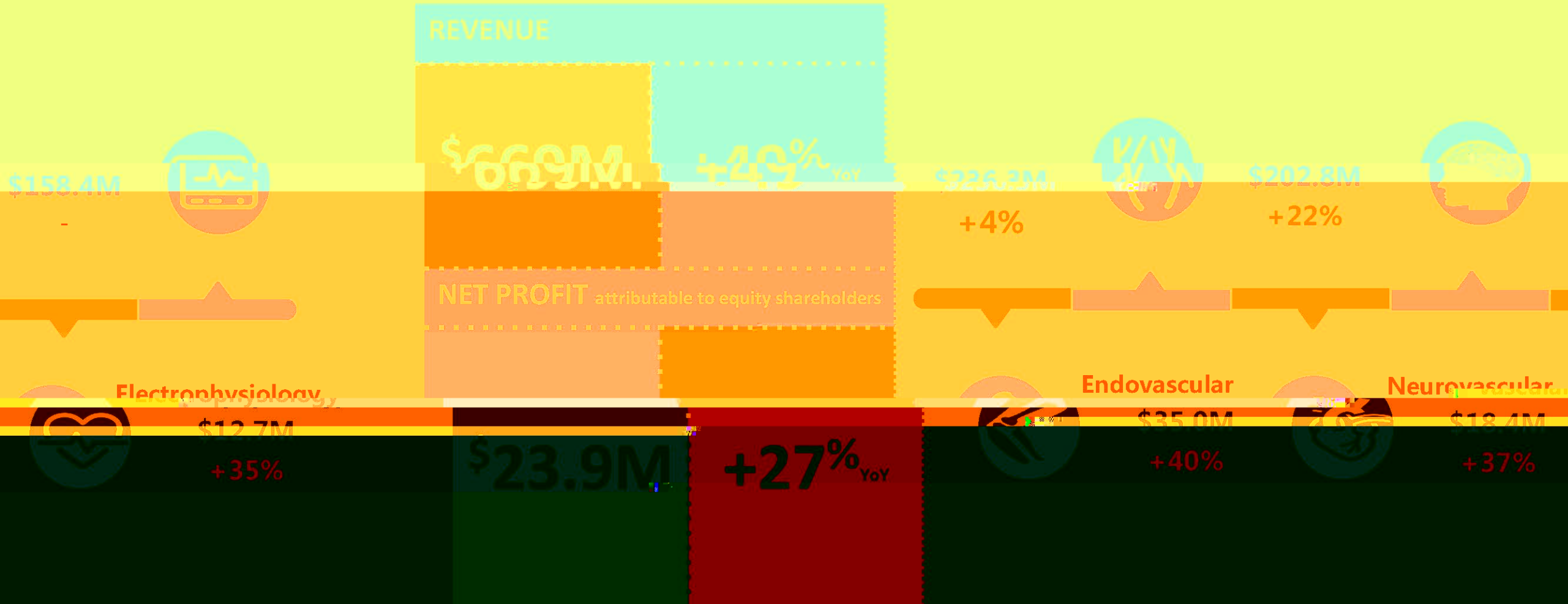
MicroPort Scientific Corporation



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- FINANCIAL REVIEW
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- OUTLOOK
- APPENDIX – FINANCIAL STATEMENTS

ANNUAL RESULT HIGHLIGHTS



2018 Revenue Adjusted to Exclude Foreign Exchange: \$217.4M

ANNUAL RESULT HIGHLIGHTS (cont'd)

FINANCIAL HIGHLIGHTS

Revenue of \$1.1 billion, up 12% YOY, primarily driven by the continued growth of our Neuro and CCR segments, and a 40% increase in our CCR segment

Operating Profit of \$170 million, up 12% YOY, primarily driven by the continued growth of our Neuro and CCR segments, and a 40% increase in our CCR segment

Operating Profit Margin of 15%, up 1 percentage point from 14% in 2023, primarily driven by the continued growth of our Neuro and CCR segments, and a 40% increase in our CCR segment

Endo: 40% YOY↑; Neuro: 37% YOY↑; CCR: 35% YOY↑
 Gross Profit: \$470m, 48% YOY↑ and GB Margin of 5%

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NEW CATALYSTS FOR FUTURE GROWTH

Our pipeline of 15+ molecules, including our lead product, is well diversified across our Neuro, CCR, and CCR segments, providing a strong foundation for future growth

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2018 FINANCIAL RESULTS HIGHLIGHTS - Product and Pipeline Progress

2018	2017	2016	2015
<ul style="list-style-type: none"> Completed Ranamycin Phase I/IIa Completed Ranamycin Phase I/IIa 	<ul style="list-style-type: none"> Completed Ranamycin Phase I/IIa Completed Ranamycin Phase I/IIa 	<ul style="list-style-type: none"> Completed Ranamycin Phase I/IIa Completed Ranamycin Phase I/IIa 	<ul style="list-style-type: none"> Completed Ranamycin Phase I/IIa Completed Ranamycin Phase I/IIa
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<p>Ranamycin Target Eluting Vertebral Artery</p>	<p>Patrumbler - Steerable introducer expected to gained NMPA approval in 2019 Q2</p>	<p>Ireland and entered NMPA Green Path</p>	<p>Overseas Approval</p>
<p>Coil embolization has completed all patient enrollment</p>	<p>Patrumbler - Steerable introducer expected to gained NMPA approval in 2019 Q2</p>	<p>Ireland and entered NMPA Green Path</p>	<p>Overseas Approval</p>



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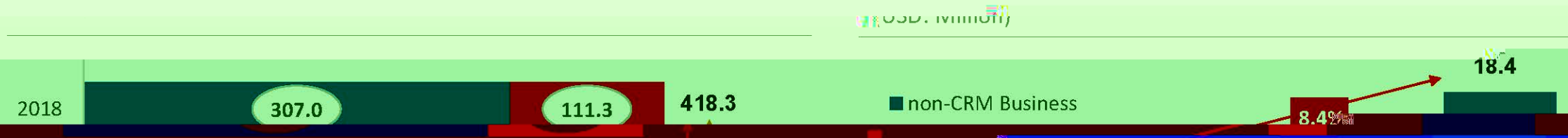
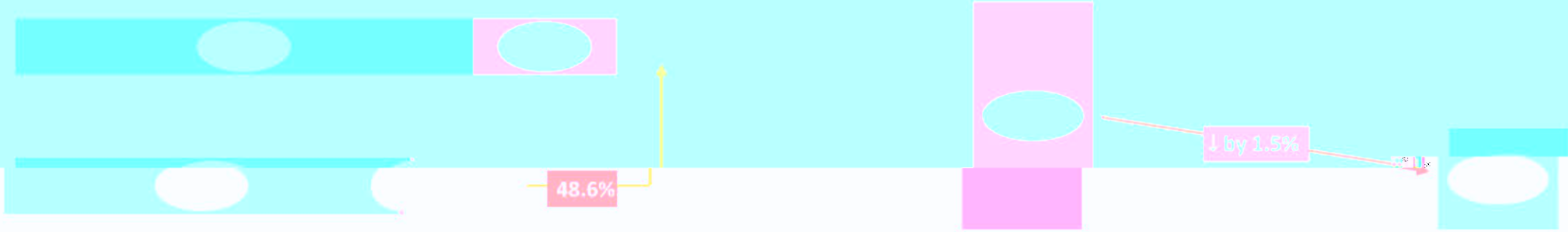
■ FINANCIAL REVIEW

■ BUSINESS REVIEW

■ OUTLOOK

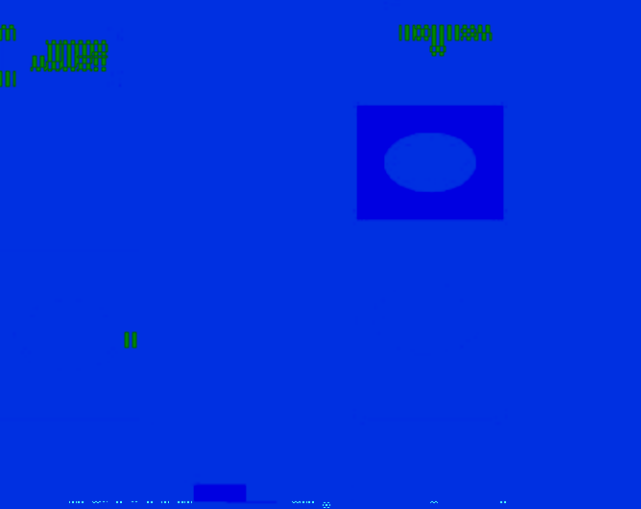
■ APPENDIX – FINANCIAL STATEMENTS

FINANCIAL REVIEW – Consolidated Financial Performance

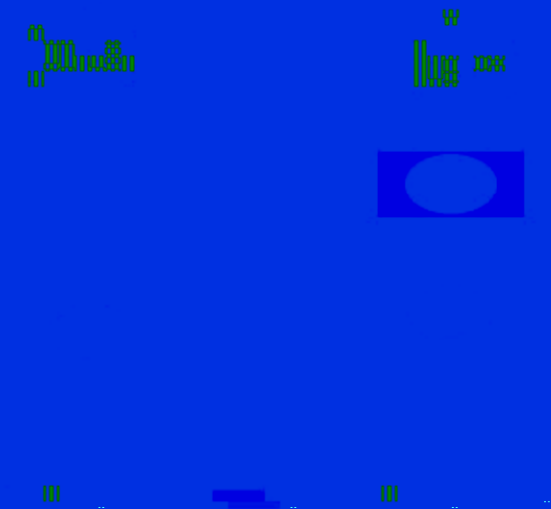


FINANCIAL REVIEW – Operating Expenses

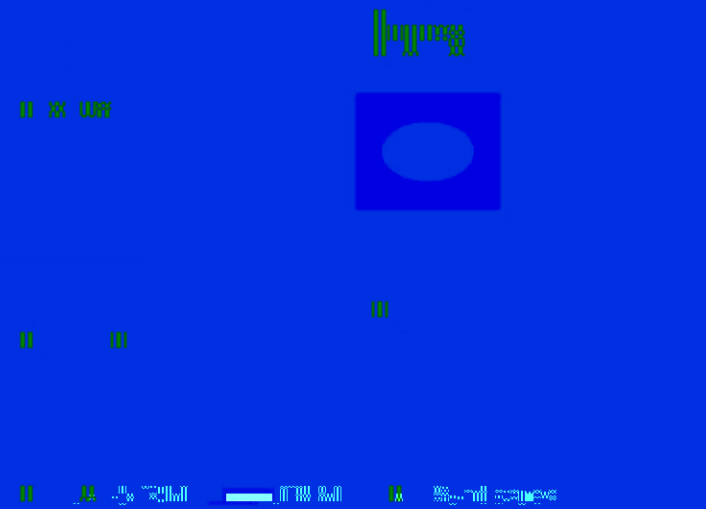
Sales and Marketing Expenses



Administrative Expenses



Research and Development Expense



2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100

- Sales and Marketing Expenses
- Administrative Expenses
- Research and Development Expense

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- Administrative Expenses
- Research and Development Expense

- Sales and Marketing Expenses
- Administrative Expenses
- Research and Development Expense



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BUSINESS REVIEW – Orthopedics Non-China

2018 Revenue by geographic areas



North America revenue increased by 10% with rate slowed down by. Europe revenue increased by 10% led by Cup System, Biologics and Options System. Asia revenue increased by 72% due to successful new product campaigns.



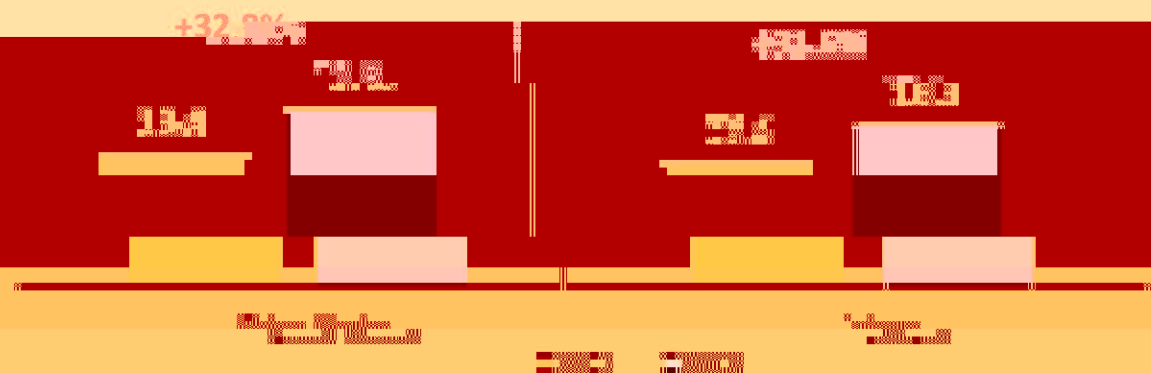
Operating Profit of \$3.7m for the 1st time under the new product portfolio. Net Profit of \$7.6m for the 1st time under the new product portfolio. Net Profit of \$7.6m for the 1st time under the new product portfolio.

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Revenue and Growth

(USD: Million)

USD: million



China Business Highlights

- Revenue: \$17.8m, 32.8% YOY ↑
- Revenue of joints: \$16.3m, 31.6% YOY ↑, driven by:

- Increased sales in major hospitals in China
- Expanded sales in spine and joint in 2020, 30% increase in joint sales
- New placements in 10 provinces, 20% increase in sales
- Improved overall sales team and utilization of industry resources

Revenue Breakdown

- Revenue of joints: \$16.3m, 31.6% YOY ↑
- Revenue of spine: \$1.5m, 100% YOY ↑

Revenue of joints: \$16.3m, 31.6% YOY ↑

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Revenue of other: \$0.0m, 0% YOY ↑

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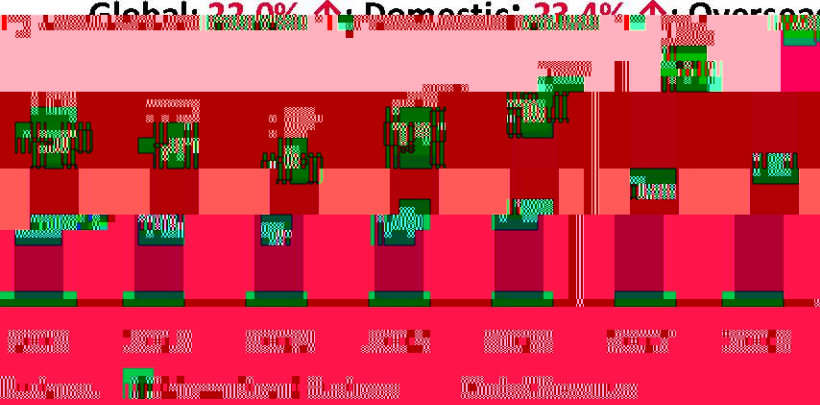
Revenue of spine: \$1.5m, 100% YOY ↑

Revenue of other: \$0.0m, 0% YOY ↑

2018 Revenue

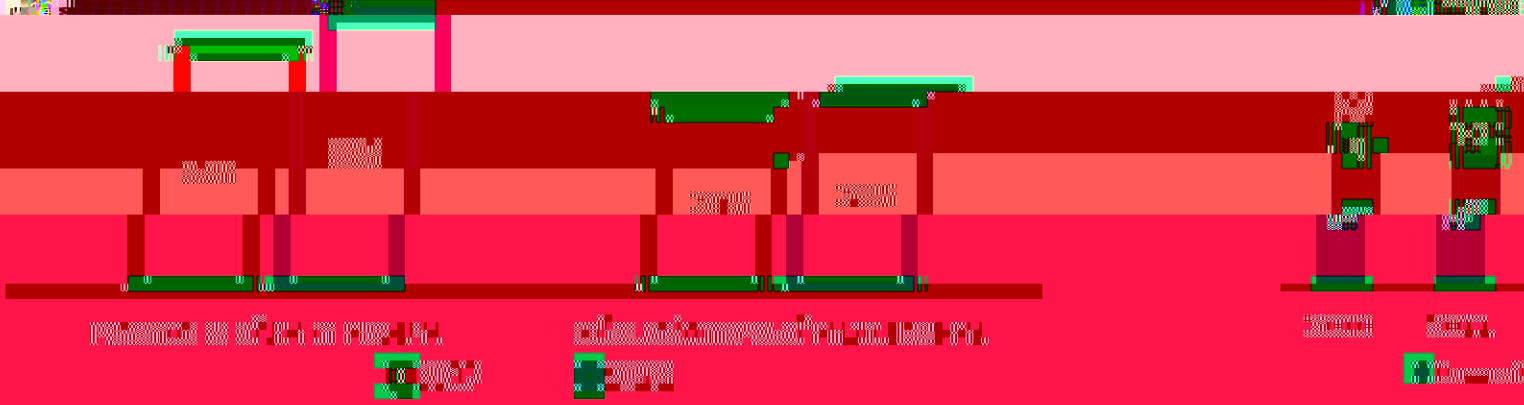
(USD: Million)

Global: 22.0% ↑ Domestic: 22.4% ↑ Overseas: 2.6% ↑



Percentage of Firehawk™ in DES Sales

203



Highlights in 2018

- Firehawk™ stent achieved the largest market share in the domestic market, followed by the overseas market.
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China hospital coverage 10% (FY17)
Project Penetration 27.4%

Domestic revenue: \$11.7m 2.6% YOY ↑

Overseas revenue: \$1.7m 15.0% YOY ↑

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2018 China Business Revenue

(USD: Million)

New Products Launch



2018 China Business Revenue

2018 China Business Revenue increased 10% year-over-year to \$1.1 billion, driven by strong performance in the U.S. and Europe, and the launch of new products in the U.S. and Europe.

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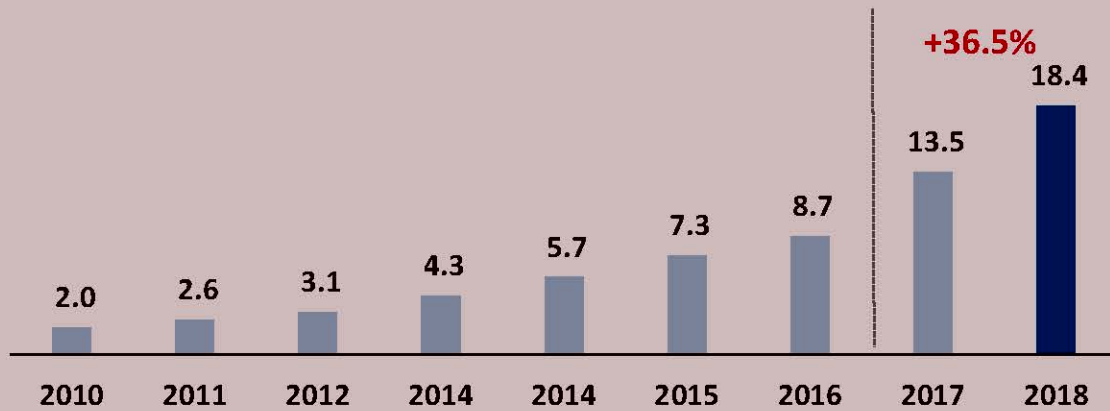
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BUSINESS REVIEW – Neurovascular

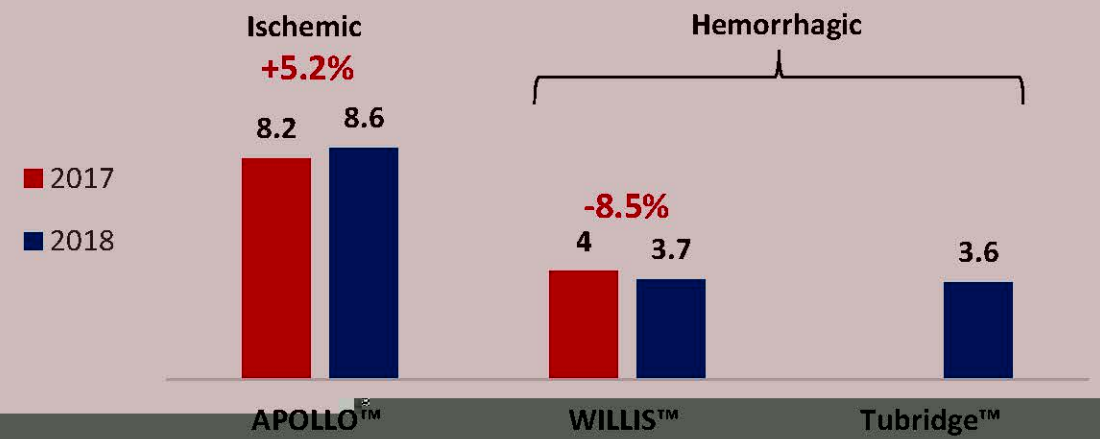
2018 Revenue

(USD: Million)



Sales Growth by Products

(USD: Million)



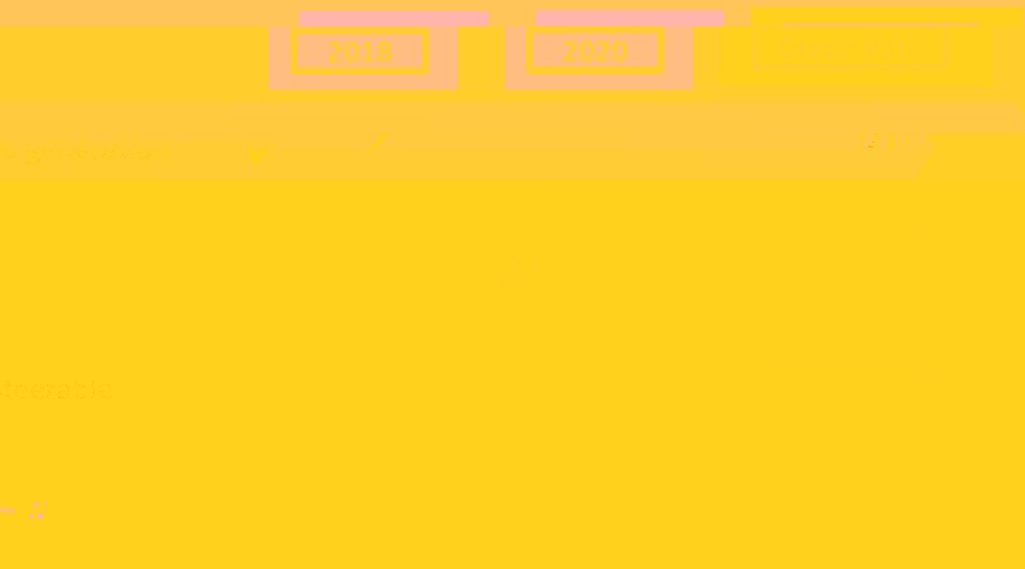
Extensive Product Pipeline



BUSINESS REVIEW – Electrophysiology



Product Pipeline



Highlights

Revenue: 12.7m, 34.5% YOY↑, driven by rapid market development

Substitution effect of 3D products

3D product sales: 1.7m, 785% YOY↑

External

Market trends

Competitive landscape

Regulatory updates

Partnerships

Acquisitions

Investment

ESG

Other

Summary

Appendix

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Highlights on Products

VitaFlow®

- VitaFlow® is designed to provide solution for aortic valve stenosis and has demonstrated safety and effectiveness in treating severe calcified aortic stenosis
 - Low all-cause mortality of 2.7% and no major stroke in 1-year

VitaFlow® composition

VitaFlow® is consisted of the following:

- Transcatheter aortic valve
- Deliver system
- Balloon catheter and introducer set

VitaFlow® II

- VitaFlow® II is designed to provide solution for aortic valve stenosis and has demonstrated safety and effectiveness in treating severe calcified aortic stenosis
 - Low all-cause mortality of 2.7% and no major stroke in 1-year





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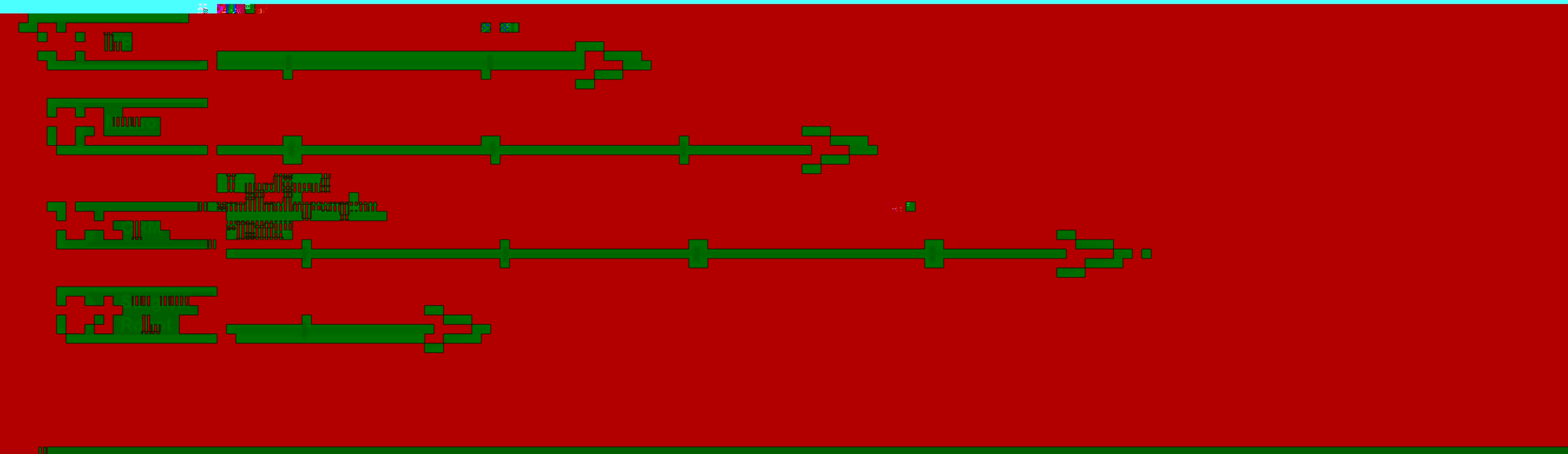
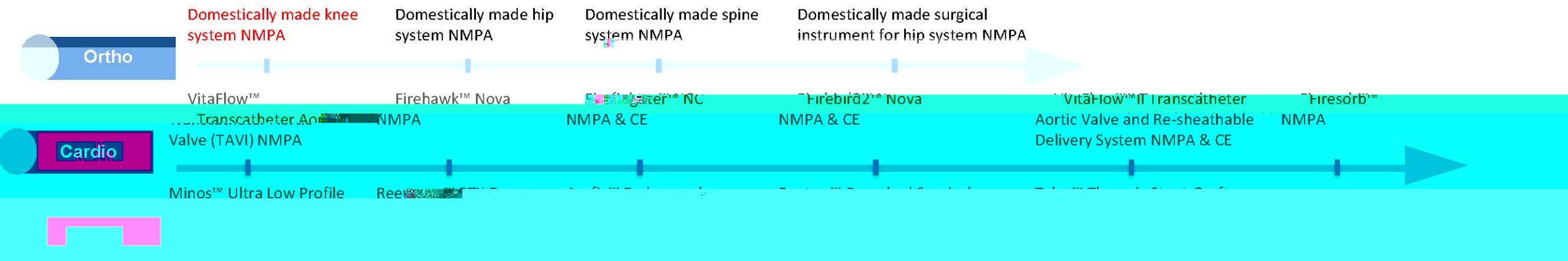
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OUTLOOK

Continuous Product Pipeline Fueling Long-term Growth





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APPENDIX I – Consolidated Income Statement

Unit: USD'000

FY2018

Y=

9=

USD'000

Profit/(Loss) attributable to equity shareholders of the Company

2018

2017

2016

2015

18,833

25,956

APPENDIX II - Consolidated Balance Sheet (2)

Unit: USD'000	31 Dec. 2018	31 Dec. 2017	Var.
Non-current liabilities			
Interest-bearing borrowings	137,829	28,235	388%
Deferred tax			

Non-current liabilities

31 Dec. 2018

31 Dec. 2017

Var.

137,829

137,829

28,235

388%

137,829

137,829

28,235

388%

137,829

137,829



MicroPortTM

The Patient Always Comes First