Investor Newsletter

Issue 01 2024

MicroPort®

MicroPort® NeuroTech™ Issues Positive Profit Alert for 2023 Performance

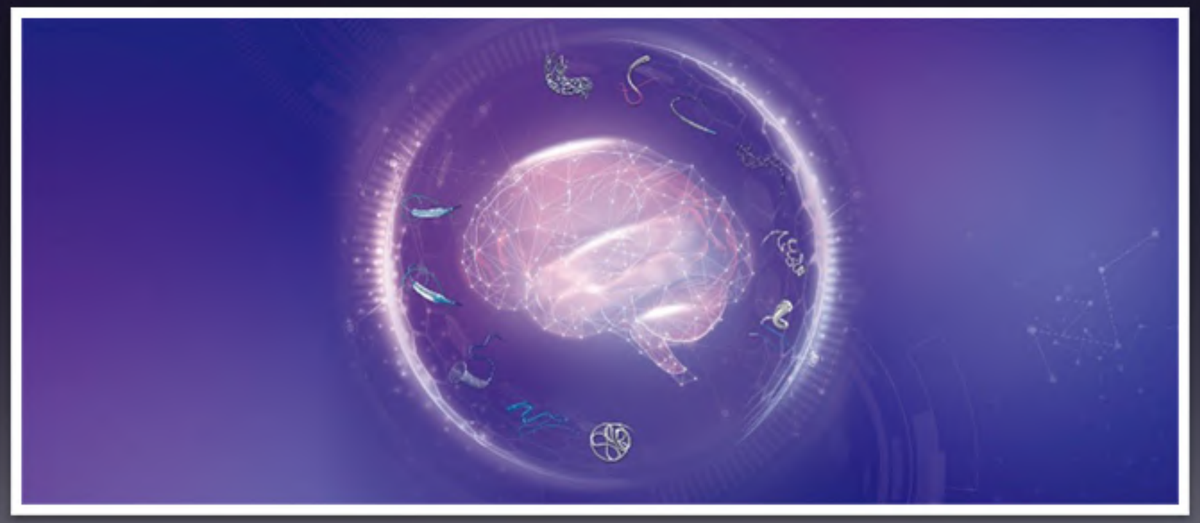
MicroPort® NeuroTech™ has issued a positive profit alert regarding its 2023 annual performance on the Hong Kong Stock Exchange. Benefiting from the continued success of its innovative products, MicroPort® NeuroTech™ is expected to record an adjusted net profit* of no less than RMB 178 million, representing an increase of at least 36% compared to that of the previous year. With the net loss of RMB 24.68 million recorded in 2022, MicroPort® NeuroTech™ is expected to achieve a turnaround, as well as a strong growth expansion, during the reporting period.

The expected growth in profitability is primarily attributed to:

1. Multiple market-share leading products - including, but not limited to, Tubridge® Flow-Diverting Stent, Bridge® Rapamycin Target Eluting Vertebral Stent System, and NUMEN® Coil Embolization System – which continue to expand globally, further solidifying the competitive advantages and achievement of significant growth in revenue;

2. The newly approved products in 2022 - including, but not limited to, Neurohawk® Stent Thrombectomy Device, as well as Diveer® Intracranial Balloon Dilatation Catheter - accelerated hospital admission and contributed to the growth of the Group's revenue;

3. The Group's continued improvement of its gross profit margin and operating efficiency through the implementation of supply chain improvement and cost saving measures, resulting in a significant increase in profitability.



** The company employs "adjusted net profit" as non-Hong Kong Financial Reporting Standards ("HKFRS") measures, eliminating impacts of profit/loss of associates and certain non-cyclical or one-time expense items (including accrued interest expenses on preferred shares, listing expenses, share-based payment expenses, and potential impairment losses on assets, etc.).*

MicroPort

Multiple MicroPort® Products Receive Approvals in the International Market

Recently, MicroPort® received approvals for several products in the global market, benefiting more patients around the world.

MicroPort® Endovastec™'s products have received consecutive approvals for markets in two Central Asian countries. Notably, the Minos® Abdominal Aortic Stent-Graft and Delivery System has been registered and approved in Kazakhstan. Furthermore, in Uzbekistan, a total of three products, including the Hercules™ Thoracic Stent Graft with Low Profile Delivery System and the Hercules® Balloon Inflation Catheter, have also gained approval. This marks a significant milestone as it represents the inaugural approval of MicroPort® Endovastec™ products in both Kazakhstan and Uzbekistan.

MicroPort® CardioFlow's second-generation balloon catheter, the Alwide® Plus Balloon Catheter (Alwide® Plus), has recently been approved by the Saudi Food & Drug Authority. Both the Alwide® and Alwide® Plus have been adopted in over 580 hospitals worldwide since their approvals. Additionally, progress is underway for the registration of MicroPort® CardioFlow's VitaFlow Liberty® Transcatheter Aortic Valve and Retrievable Delivery System in Saudi Arabia.

MicroPort

MicroPort® CRM receives CE mark for TALENTIA™ and ENERGYA™, ICDs and CRT-Ds, featuring Bluetooth connectivity alongside an advanced programmer user interface

MicroPort® CRM, a pioneering company in the field of Cardiac Rhythm Management, headquartered in France, recently received dual CE mark approvals under the new Medical Device Regulation (MDR – 2017/745) for TALENTIA™ and ENERGYA™, their new range of Implantable Cardiac Defibrillators (ICDs) and Cardiac Resynchronization Therapy and Defibrillation devices (CRT-Ds) and their programmer user interface.

"The latest technology in ICDs and CRT-Ds combined with a modern and intuitive programmer user interface make MicroPort® CRM a strong driver on the market" stated Benoît Clinchamps, President of MicroPort® CRM, "the integration of Bluetooth Low Energy technology for wireless and remote monitoring in both pacemakers and defibrillators devices reinforce our commitment to advancing connectivity and enhancing user experience".

Combined with the release of TALENTIA™ and ENERGYA™ ranges, MicroPort® CRM launches a new user interface dedicated to their ICDs and CRT-Ds. The very modern "look and feel" interface perfectly suits to their SMARTTOUCH™ tablet programmer.

In addition, MicroPort® CRM ICDs and CRT-Ds devices incorporate advanced technology with low current consumption, resulting in no compromise on the device longevity. TALENTIA™ and ENERGYA™ with the world's greatest projected longevity make them the longest-lasting defibrillators on the market.

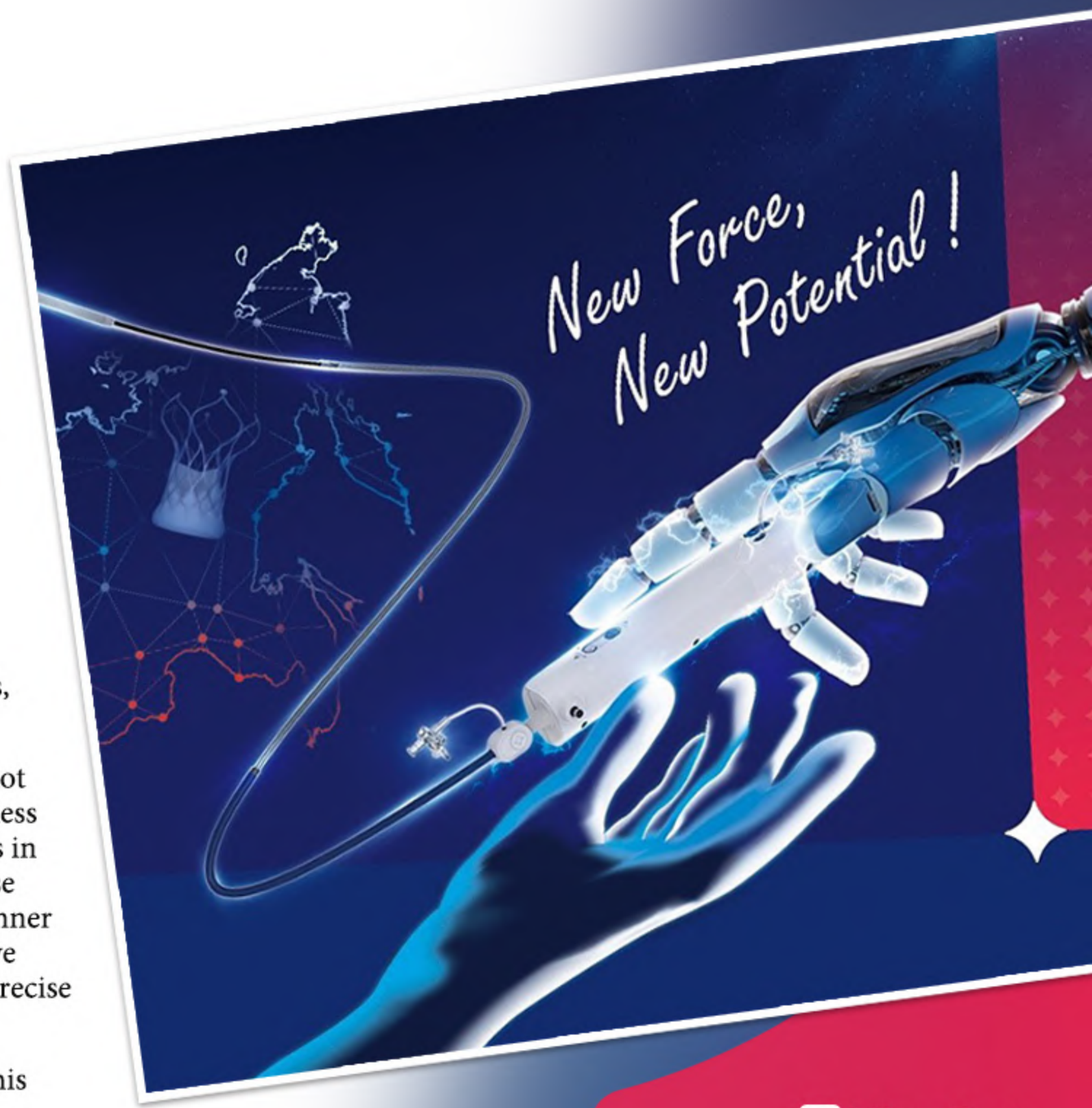
MicroPort

MicroPort® CardioFlow Completes the First Implantation of VitaFlow Liberty® in Russia

On December 18, 2023, MicroPort® CardioFlow completed the first implantation of its VitaFlow Liberty® Transcatheter Aortic Valve and Retrievable Delivery System (VitaFlow Liberty®) in Russia. This marked the completion of a highly complex Type 0 bicuspid aortic valve implantation with an extremely horizontally positioned heart via Transcatheter Aortic Valve Implantation (TAVI). Led by Professor Imaev Timur of the Russian National Medical Research Center for Cardiovascular Surgery, with guidance from experts, the team achieved precise delivery and successful release of the valve without the need for post-dilation. Post-operative echocardiography showed good valve shape and position, with no paravalvular leakage or conduction abnormalities, confirming the success of the procedure.

Professor Imaev Timur stated that the success of this surgery was not only due to the surgical team's exceptional medical skills and seamless collaboration but also benefited from the groundbreaking upgrades in the VitaFlow Liberty®'s electrically retrievable delivery system. These upgrades include a unique dual-wire spiral design and reinforced inner and outer tubes, which achieved a 1:1 response throughout the valve release process, ensuring stable release without displacement and precise anchoring at the optimal implantation depth.

In October 2023, VitaFlow Liberty® obtained approval in Russia. This successful implantation in Russia marks a new phase in the commercialization process of VitaFlow Liberty®.



MicroPort® CardioFlow Completes First Clinical Application of TMVR System Under Compassionate Use in France

Recently, MicroPort® CardioFlow's Transcatheter Mitral Valve Replacement System (TMVR System) completed its first clinical application under compassionate use at the Lille University Hospital Center in France. The procedure, led by Professor Thomas Modine's team, resulted in a stable recovery for the patient, with good hemodynamic improvement, and the patient was discharged after recovery. The 30-day follow-up results showed complete disappearance of mitral regurgitation, no paravalvular leak, with the valve functioning well and stable in position.

The procedure involved a minimally invasive incision at the left fifth intercostal space for apical access, placement of the delivery system under fluoroscopy, and gradual release of the valve after adjusting for circumferential alignment. The valve position was confirmed satisfactory through fluoroscopy and TEE before removing the delivery system. The entire procedure, from insertion to removal of the surgical instruments, took only 20 minutes. Postoperatively, the mitral valve showed good morphology and function, with significant improvement.

Previously, MicroPort® CardioFlow has completed several implantations of TMVR system under compassionate use. The immediate surgical outcomes, as well as follow-up results at 30 days, 6 months, and 1 year, have been outstanding. Key patient indicators have shown significant improvement compared to preoperative conditions.

MicroPort

SkyWalker™ Robot Exceeds 20 Units in Global Orders

Recently, MicroPort® NaviBot™, an associated company of MicroPort® MedBot™, is celebrating a surge in orders for its SkyWalker™ Surgical Robot (SkyWalker™) from both Europe and America. Additionally, the company has secured bids in several hospitals in China, with a cumulative delivery of over 20 units.

Currently, SkyWalker™ has obtained approval in China, the United States, the European Union, Brazil, and Australia. It has achieved commercial breakthroughs in multiple countries and regions, performing nearly a hundred robotic procedures globally, including multiple back-to-back operations.

The global recognition of SkyWalker™ stems from its exceptional clinical performance. In November 2023, International Orthopaedics, a renowned journal, published the first large-scale clinical comparative study and related clinical data of SkyWalker™ head-to-head against a leading international surgical robot. The study showed that SkyWalker™ performed comparably to the field's leading robot in terms of the accuracy of lower limb alignment, operation time, estimated blood loss, and results of postoperative clinical and functional knee assessment at six-month and one-year follow-ups. These findings highlight that SkyWalker™, in assisting the TKA procedure, achieves a world-class level of surgical precision and clinical efficacy.

MicroPort® MedBot™'s Toumai® Completes 100 Successful 5G Tele-surgeries, Becoming a Global Pioneer with Multiple Firsts

MicroPort® MedBot™ recently announced that its Toumai® Laparoscopic Surgical Robot (Toumai®) has become the global pioneer in achieving 100 cases of 5G tele-surgeries, with a success rate of 100%.

Of the 100 5G tele-surgeries, urological surgeries accounted for 30% of the total surgeries, with general surgeries (including hepato-biliary-pancreatic and gastrointestinal surgeries) making up more than 60%. These surgeries were conducted across nearly 30 cities, linking over 30 hospitals, with the farthest transmission distance reaching 5000 kilometers.

Mr. Yu Liu (Executive Vice President and Chief Business Officer of MicroPort® MedBot™) stated: "This advancement greatly expands the possibilities of full-process aerial medical services from outpatient to surgery, making it no longer a distant dream for the same doctor to perform aerial surgeries in a single day at the same location for patients spread across different locations.".

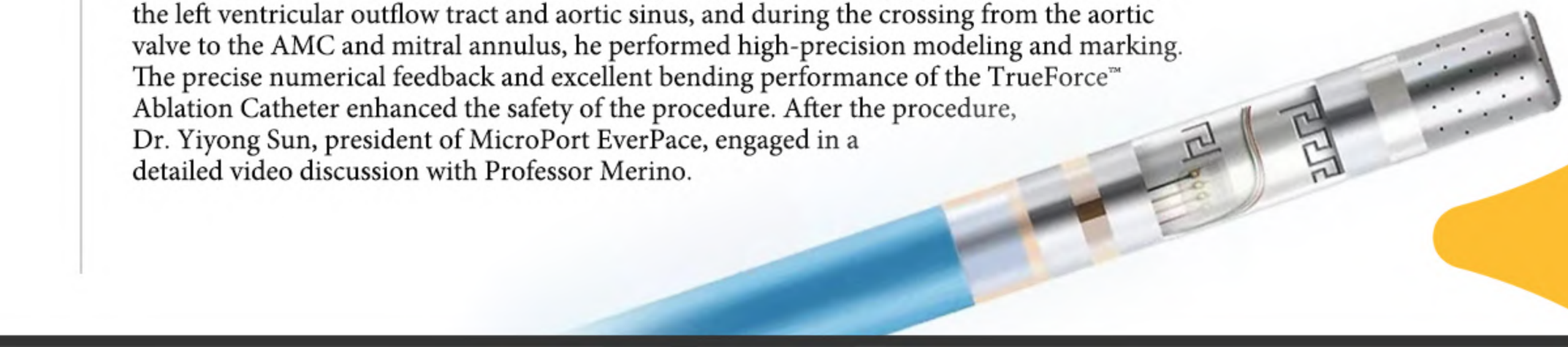
MicroPort

MicroPort EverPace Completes the First Batch of Clinical Applications of FireMagic™ TrueForce™ Ablation Catheter in Europe

Recently, FireMagic™ TrueForce™ Ablation Catheter (TrueForce™ Ablation Catheter), developed by MicroPort EverPace, successfully completed its first batch of procedures in Europe. It demonstrated its leading technology and superior performance in the treatment of arrhythmias in EU countries, including Spain, Poland, and Greece.

Dr. José Luis Merino Llorens, president of the European Heart Rhythm Association and an eminent electrophysiology expert at La Paz University Hospital in Spain, led his team in the successful treatments for Aortomitral Continuity (AMC) origin ventricular premature beats and a case of recurrent atrial fibrillation, using the Columbus™ 3D EP Navigation System V3 (Columbus™ System V3), TrueForce™ Ablation Catheter, and other products in the series.

In the AMC origin ventricular premature beats procedure, Professor Merino used the TrueForce™ Ablation Catheter, skillfully navigating the aortic retrograde path to position in the left ventricular outflow tract and aortic sinus, and during the crossing from the aortic valve to the AMC and mitral annulus, he performed high-precision modeling and marking. The precise numerical feedback and excellent bending performance of the TrueForce™ Ablation Catheter enhanced the safety of the procedure. After the procedure, Dr. Yiyong Sun, president of MicroPort EverPace, engaged in a detailed video discussion with Professor Merino.



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