Investor Newsletter

Issue 09 2024

MicroPort®

MicroPort Scientific Corporation: Significant Improvement in 2024 First Half Performance by 63.1%

MicroPort Scientific Corporation (00853.HK, "MicroPort®" or "the Group") has released its interim results for 2024. For the six months ended June 30, 2024 (the "reporting period"), the Group achieved revenue of US$558.7 million, representing an increase of 17.0% excluding the foreign exchange impact as compared to the six months ended 30 June 2023, and significantly narrowed its losses by 63.1% year-on-year.

Due to the strengthened market position of leading products, incremental revenue contributions from new products, and rapid growth in international sales, the Group achieved a steady year-on-year business revenue growth of approximately 17.0% excluding the foreign exchange impact. Leveraging the Group's going abroad platform's extensive and in-depth global distribution layout, resulting in a steady increase in revenue of the Group's going abroad business by 44.0% over the corresponding period of the last year excluding the foreign exchange impact.

Adhered to its focus on improving profitability, the Group has consistently executed and implemented resource concentration and cost-optimization measures, resulting in a drop in the operating expense ratio from 94% for the corresponding period of last year to 64% (in which the research and development expense ratio declined from 39% to 21%), which significantly improved operational efficiency. The Group strategically discontinued several early-stage R&D projects to optimize resources.

During the reporting period and as at the date of this announcement, the Group and its associates had a total of 31 Class III medical devices initial registration certificates from the NMPA, and 4 innovative medical devices were admitted in the National Innovative Medical Device Special Review and Approval Procedure (the "Green Path"), reaching a total of 34, ranking first in the medical device industry for nine consecutive years. In terms of overseas business, the Group and its associates obtained 102 initial registration certificates in 25 overseas markets (countries and regions). Among them, 11 products have obtained the CE Mark, and 4 products have obtained FDA registration license.

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MicroPort® CRM celebrates 60 Years of Innovation: The Legacy of Our First Implantation

Sixty years ago, our company embarked on a mission to transform medical technology with the implantation of our first product. This device, the “SCI-4” pacemaker, where “SCI” stands for “Stimulateur Cardiaque Intracorporel” in French, meaning “Intracorporal Pacemaker”, was implanted in Europe, in a patient during the summer of 1964.

Benoît Clinchamps, President of MicroPort® CRM, says: “I am very proud of the long history of the company, and our capacity to innovate over 60 years. To date, millions of MicroPort® CRM devices have improved the lives of patients worldwide. As part of our ongoing commitment to advancing patient care and supporting healthcare professionals, we will continue to drive innovation and expand our technology across the globe."

Over the past six decades, our initial product has undergone numerous enhancements, adapting to changing medical practices and incorporating cutting-edge technologies. Each iteration has aimed to provide better performance, increased reliability, longevity and greater patient comfort. Today, our product continues to save lives and enhance the quality of life for millions of people around the globe.

Thank you for being a part of our journey!

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ENO™ 3T MRI-Compatible Pacemaker Completes First Clinical Implantations in China, Featuring Innovative AutoMRI™ Technology

The ENO™ 3T MR-conditional pacemaker system (ENO™), developed for patients with bradycardia who may require 3T and 1.5T full-body MRI scans, has successfully completed its first batch of clinical implantations in China, in locations including Shanghai, Inner Mongolia, and Hebei Provinces. The ENO™ system has received positive feedback from several experts, marking its successful introduction into clinical practice in China.

Professor Ruogu Li from Shanghai Chest Hospital, who led one of the first ENO™ implantations, emphasized the increasing need for 3T MRI-compatible pacemakers, particularly among elderly patients who may require imaging for other conditions. ENO™'s AutoMRI™ technology simplifies the MRI process, allowing patients to undergo multiple scans within 10 days without needing repeated adjustments. This not only ensures patient safety but also reduces the workload on healthcare providers, improving efficiency for both patients and clinicians.

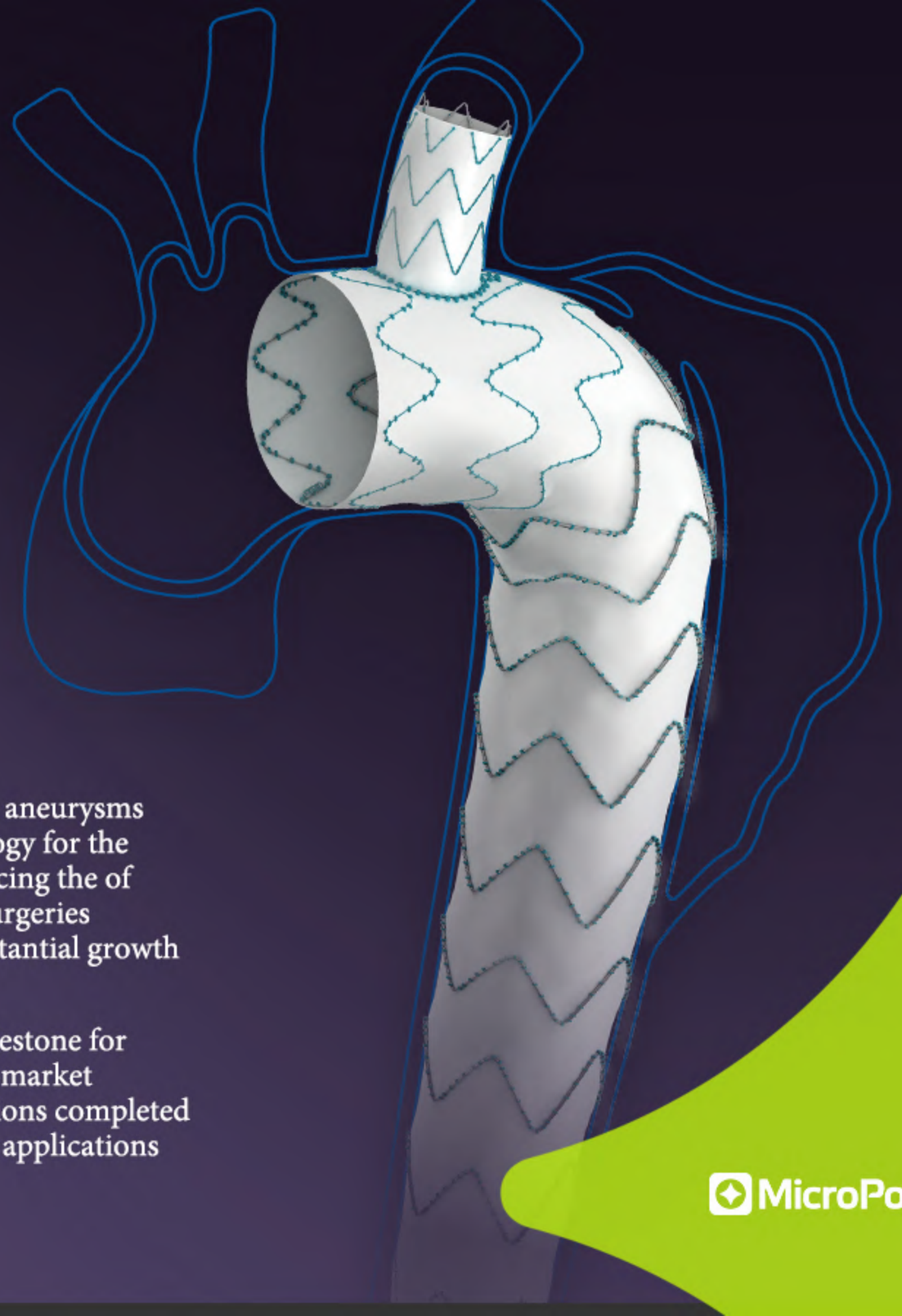
Previously, the MR-conditional pacemaker system, comprising the ENO™ pacemaker and Vega™ pacing leads, was studied in a global CAPRI trial, which spanned 29 clinical centers worldwide, including sites in China. Professor Meixiang Xiang from the Second Affiliated Hospital Zhejiang University School of Medicine led the Chinese part of the study, confirming the system's safety and effectiveness for Chinese patients. This research provided critical data that supported the system's approval and market launch in China. The findings were published in 2023 in European Radiology, a leading journal in medical imaging research.

MicroPort® Endovastec™'s Cratos™ Qualifies as EU Custom-Made Device

Recently, the Cratos™ Thoracic Branch Stent Graft System (Cratos™), developed by MicroPort® Endovastec™, has achieved certification as a Custom-Made Device (CMD) in the EU. Cratos™ is an advanced version of Castor™, MicroPort® Endovastec™'s flagship stent graft. Castor™ was the world's first branched aortic stent graft designed specifically for endovascular treatment of thoracic aortic dissections involving the left subclavian artery.

Cratos™ also delivers significant advancements for treating thoracic aortic aneurysms compared to Castor™. The device introduces a unique tip capture technology for the lesser curvature of the aorta, as well as active proximal stent control, reducing the of Type I endoleak cause by inaccurate positioning. As thoracic aneurysm surgeries outnumber aortic dissections in Europe, Cratos™ is expected to drive substantial growth in the regional market for branched stents.

Certification as a Custom-Made Device in the EU represents a pivotal milestone for Cratos™, enabling earlier patients access to this cutting-edge product. Pre-market clinical trials for Cratos™ are already underway, with successful implantations completed in Switzerland and Spain. The outcomes of these trials will support future applications for CE certification in the EU and PMDA approval in Japan.



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MicroPort® CardioFlow's AnchorMan™ Left Atrial Appendage Closure System Accelerates Its Commercial Rollout

MicroPort® CardioFlow Medtech Corporation ("the Company") recently announced that its subsidiary, MicroPort® CardioAdvent, has expedited the initial clinical applications of its independently developed AnchorMan™ Left Atrial Appendage （the "LAA") Closure System （the "AnchorMan™ LAAC System") following its market launch.

Approved for market release by the National Medical Products Administration (NMPA) in January 2024, AnchorMan™ is currently the only semi-closed LAAC device available in China. To date, it has been successfully implanted in 41 cases across 12 provinces, demonstrating its growing adoption in clinical practice. Initial clinical applications have shown outstanding outcomes, with postoperative imaging for all patients indicating complete occlusion and remarkable effectiveness.

Since its launch, the AnchorMan™ LAAC System has received significant recognition at various authoritative academic conferences in the cardiovascular field, garnering high praise for its robust performance, exceptional clinical data, and positive feedback from both physicians and patients. The rapid adoption of the first batch of implants highlights the system's accelerated domestic commercialization, which will further contribute to increasing the Company's revenue and boosting its profitability. Concurrently, the global strategy for the AnchorMan™ LAAC System is progressing steadily. The CE registration application was officially submitted in December 2023, with EU CE certification anticipated by 2025.

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