



至善尽心 敬畏生命

TAVR Commercialization Management Update

April 2021

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Our Recent Updates

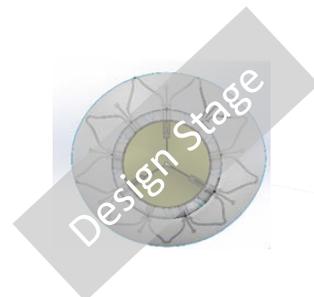
- On April 20th 2021, we received the National Medical Products Administration of the PRC (國家藥品監督管理局) (“NMPA”) approval for our core product TaurusOne[®]. The less than 7 months’ application process is unprecedentedly fast.
- The commercialization team will switch to full force mode to promote TaurusOne[®] and TaurusElite[®], our second generation TAVR for which we expect to obtain NMPA approval soon.
- 2021 will be a fruitful year for Peijia’s pipeline. We have 5 highly innovative products that may enter into human trial stage by the end of this year or early next year.



**3rd Gen TAVR
TaurusNXT[®]**



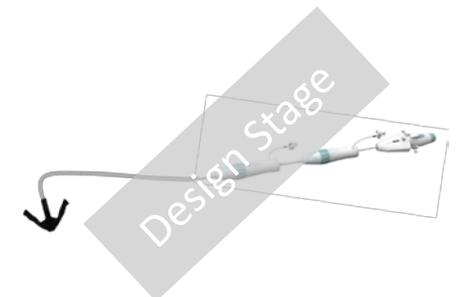
TaurusWave[®]



**Peijia TMVR
SpiderOne[®]**



HighLife TMVR

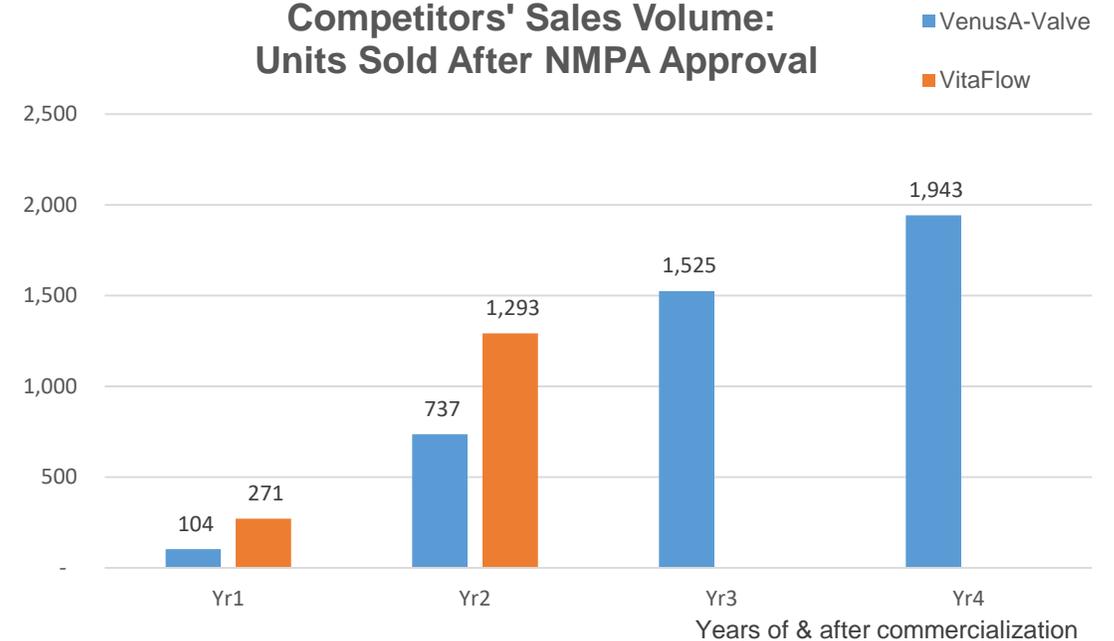


Peijia TMV repair

TAVR Commercialization at a Glance – the Taurus Family

- We expect to sell more units (TaurusOne+TaurusElite) than the two other competitive products combined in their first commercialization year
- Peijia will employ platform + regional distributor model but will keep most of the direct sales function in-house, such as marketing / promotions, physician training etc.
- We expect the actual operation versus unit sales ratio in 2021 to be no lower than 70%
- Our provincial tender price will be between RMB220k and 240k, while the actual in-hospital end price will be around 200k.
- TaurusElite's approval schedule is unchanged and it will be a high-performance product in the Taurus Family

**Competitors' Sales Volume:
Units Sold After NMPA Approval**



The yr1 of VenusA-Valve is 2017, as it obtained NMPA in April 2017, and started to sell in August 2017;

The yr1 of VitaFlow is 2019, as it obtained NMPA in July 2019, and started to sell in August 2019.

- Sources: Venus Medtech's prospectus, 2019 annual report, 2020 annual report; CardioFlow's prospectus, 2020 annual report.
- Sales Volume of VenusA-Valve in 2019 and 2020 are estimated numbers.

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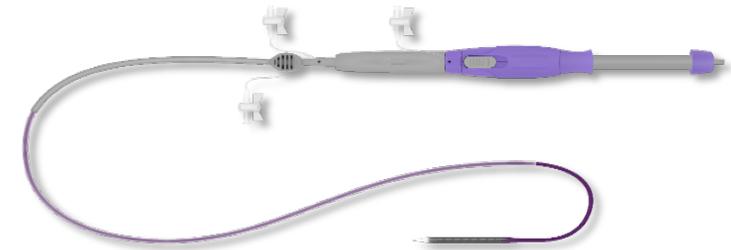
1 Commercial Sales Target

TaurusOne[®]
经导管主动脉瓣系统



- We expect to sell more units (TaurusOne+TaurusElite) than the two other competitive products combined in their first commercialization year, with >70% in-hospital implantation rate;
- TaurusElite[®]: target NMPA approval in 2021 Q3; domestic TAVR market will step into the retrievable era;
- By Q4 2021 we will have two generations of Taurus valves on the market, with TaurusElite[®] being the mainstream;
- Provincial Tender Price for TaurusOne[®]: RMB 220k-240k
- In-hospital sales price: around RMB 200k for fast hospital listing

TaurusElite[®]
经导管主动脉瓣系统



2

Tendering & Hospital Listing

Provincial Tendering Plan

Tendering in >15 Provinces by 2022 H1 for Taurus Family



Hospital listing Plan

Implantation in ~100 hospitals by 2021 H2

Hospital Tier	2020	2021E	2021 H2 PJ
TOP Global influence and KOL	4	4	4
Key Account >50 TAVR cases per year	20	~40	29
STAR >20 TAVR case per year with high potential	30	~60	29
Others	190	~200	36

North China	
TOP	1
KA	10
STAR	15
Others	16

South China	
TOP	3
KA	19
STAR	14
Others	20

3

Sales Team Recruiting Updates

Sales Manager - 9	Sales - 22	Regional CS - 6
<p>First line Cardiology device company background</p> <p>Rich Sales experience for high technical products</p> <p>Rich regional management experience</p>	<p>Front line MNC company background</p> <p>Rich experience in sales of intracardiac and extracardiac interventional products</p>	<p>All clinical support background</p> <p>First line Cardiology intervention company</p> <p>Clinical support experience of complex technology products</p>

Bidding Manager	Business Manager
<p>~10 year experience in coronary device bidding</p> <p>Team management experience</p>	<p>Experienced in managing large platform and multi-channels</p> <p>Experience with large data platform</p>



DSM	Age	Sales Experience(year)
JHY	30	6
ZKH	32	9
WLM	33	10
SCZ	30	6
LWB	30	9
WXC	32	10
XWJ	36	9.5
ZK	32	9
CS	30	9
average	32	8.5

Product line coverage:

- Structural heart
- Coronary intervention
- Coronary imaging
- Cardiac Pacing and Electrophysiology
- Surgical valve

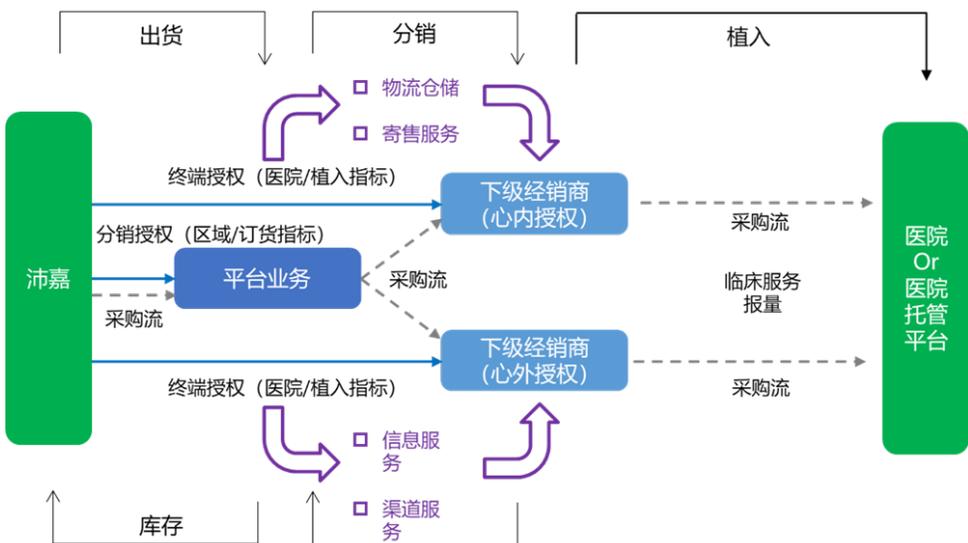
Note: Sales team update-by 4.26



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Professional Distributor Channel

Platform Distributor + District Distributor



Two platform distributors nationwide

Functions of platform distributors:

- Professional storage and transportation;
- short-term consignment for downstream distributors

District Distributors

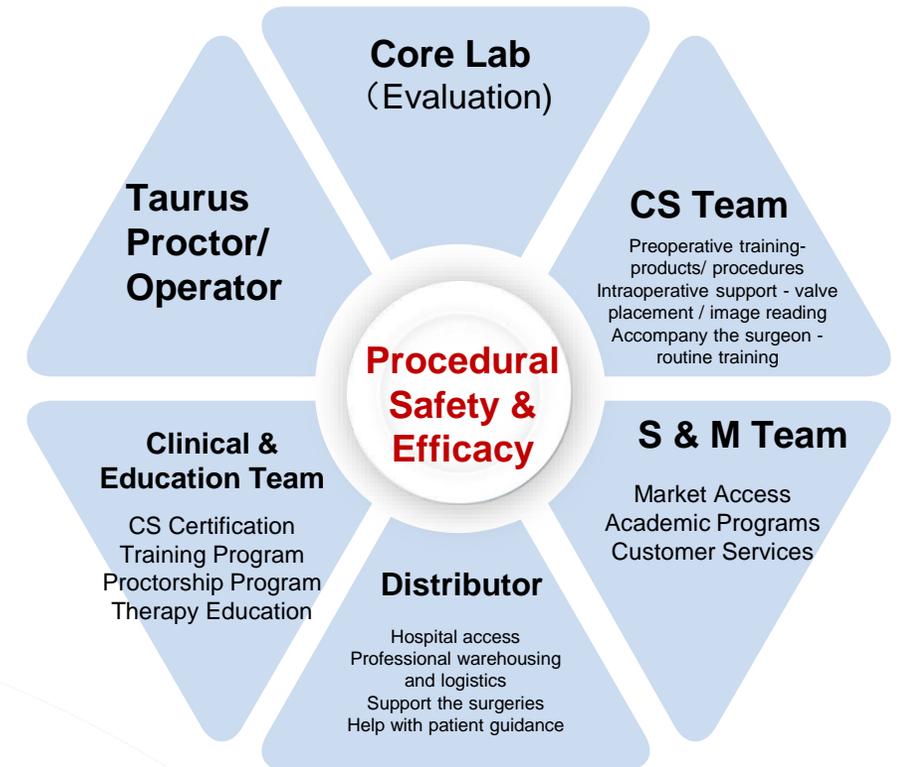
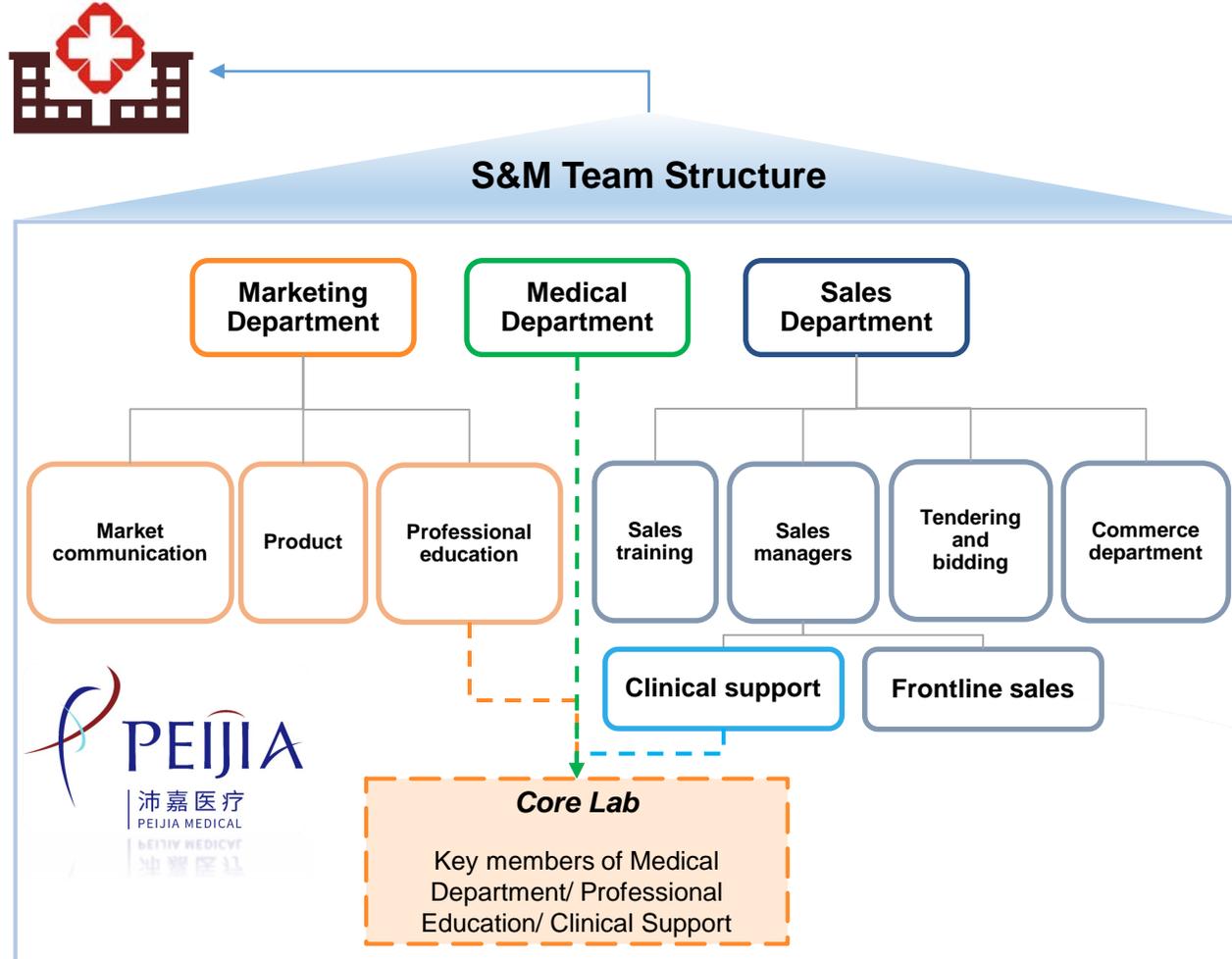
Hospital Tier	2021E	2021 PJ Distributors
TOP Global influence and KOL	4	4
Key Account >50 TAVR cases per year	~40	30-35
STAR >20 TAVR case per year with high potential	~60	40-50
Others	~200	80-100

80-120 distributors in total

- KA distributors all ready
- 400+ distributor database in China

5

Building a Team with Professional Capabilities



6 Professional Education and Promotion

COE Training Center



Doctor+ College



Simulator Operation

Imaging Investigation

Operation Techniques

Case Review

Live Case Learning

Animal trials operation

Other PE Events

A series of activities of the "Youth's Talk on Valve"

- Nearly 40 well-known young experts in the TAVR industry participated
- Talking topics cover hotspots, new guidelines or new technologies in structural heart disease.

A series of activities of Imaging Evaluation

- A scientific competition of imaging evaluation among all TAVR centers for the junior operators
- Build up good foundation of TAVR techniques from the preoperation evaluation

2021 Academic Events

- New Product Launch**
 - TaurusOne
 - TaurusElite
- Live Case/Relay**
- Operation Skills, Experience Analysis and Case Sharing**
- TAVR Symposium/Satellite Conference**
- New Technology Presentation**
 - Pre-Clinical application experience of innovative TMVR
 - Non implantable TAVR, etc.
- Clinical Data Release**
- Platforms and Media Propaganda**
- Training Workshop of Doctor+ College**



*Not limited to above congresses

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Operation Preparation for TAVR Commercialization

- **Capacity:** Our current base case annual production capacity is at **2,500** units. We could expand the capacity to **4,000** units per year quickly with the current manufacturing team. A bottleneck process optimization plan is already completed in April, which enables a short term, stage 2 capacity expansion to **6,000** units per year.
- **Yield Rate:** The yield rate of our products exceeds **90%** and continues to improve. We expect further improvement after we enter into mass production.
- **Vender (Bovine Tissue):** We currently have two qualified bovine tissue vendors, and we now have the capacity to process bovine raw materials in-house. We have already used our internally processed bovine materials in the production. We will continue to look for potential domestic vendors as well as vendors from Australia and New Zealand.
- **Unit Production Cost & Margin:** We currently expect that after we enter into mass production in Q3/Q4, our manufacturing cost, i.e. raw material plus labor, will not exceed 25% of our ex-factory price. Future enhancement of our manufacturing process will create room for further reduction of manufacturing cost.