



MEDIA RELEASE

QT VASCULAR'S 2Q2017 REVENUE INCREASES 47.8% TO US\$3.5 MILLION

Highlights:

- Number of units sold continues to rise each quarter
- Commencement of FDA approved pivotal trial for Chocolate Touch®, its drug-coated peripheral balloon

SINGAPORE, 8 August 2017 – QT Vascular Ltd. (the “**Company**” or “**QT Vascular**”, and together with its subsidiaries, the “**Group**”), a global company engaged in the design, assembly and distribution of advanced therapeutic solutions for the minimally invasive treatment of vascular disease, announced today that it achieved revenue growth of 47.8% to US\$3.5 million for the three months ended 30 June 2017 (“**2Q2017**”).

The Group recorded a net loss attributable to owners of the Company of US\$5.6 million in 2Q2017, compared with the net loss attributable to owners of the Company of US\$9.0 million in 2Q2016 after excluding the reversal of the provision for legal liability in relation to the litigation with AngioScore, Inc. of US\$24.2 million.

Eitan Konstantino, Ph.D., Chief Executive Officer of QT Vascular said, “***The Group has started distribution of the non-drug coated Chocolate® PTA with Medtronic. Coupled with our direct sales force optimization in the US, we believe that we are on a positive trajectory. In addition, the drug coated balloons market in the US is growing rapidly and both our coronary and peripheral programs continue to attract industry interest.***”

The Group sold 7,416 units of its products in 2Q2017, compared with 5,932 units in 1Q2017 and 4,028 in 2Q2016. This was mainly attributable to the commencement of the exclusive worldwide distribution of Chocolate® PTA with Medtronic, Inc. (“**Medtronic**”). With a decrease in headcount and optimized sales organization, sales and marketing expenses decreased 49.2% to US\$1.4 million in 2Q2017, while research and development costs decreased 38.6% to US\$1.3 million due to lower development cost incurred on Chocolate Touch®. Net finance costs was also lower,

by 47.9% to US\$1.7 million mainly due to a decrease in interest expenses owing to the accretion of the costs of the convertible and exchangeable notes, and a lower foreign exchange loss during the quarter. As a result, the Group recorded net loss attributable to owners of the Company amounting to US\$5.6 million in 2Q2017.

The Group had negative working capital of US\$23.1 million as at 30 June 2017. This is mainly due to the convertible and exchangeable notes and loans amounting to US\$14.9 million and current trade and other payables amounting to US\$13.1 million. Since 1 January 2017, the Group had issued an aggregate of 555,345,180 shares to a third party and various bondholders to settle amounts outstanding of approximately US\$13.7 million, which would have otherwise been settled in cash and this has reduced the Group's loan and bond obligations to approximately US\$10.3 million.

Outlook

Mergers and acquisitions activity in the medical technology sector continues to ramp up in 2017, with major deals announced by Abbott, Phillips, Spectranetics, Medtronic and Cardinal. This trend is expected to continue into 2018. Peripheral arterial disease continues to be under-treated, and the rapid adoption of drug-coated balloons continues in the peripheral space. Sales of drug-coated balloons in the global market is expected to surpass US\$1 billion by the year 2020¹. The Group is well-positioned to benefit from the increased adoption of drug-coated balloons.

The Group's drug-coated peripheral balloon, Chocolate Touch®, had its first enrolment in the FDA approved pivotal trial. Upon completion of the trial and subsequent approval, Chocolate Touch® will be the fourth such device to be approved in the United States and the first with a differentiated platform and a clinical trial versus a commercially available drug coated balloon.

The Group also recently received shareholders' approval for the potential disposal of the Group's non-drug coated peripheral balloon, Chocolate® PTA to Medtronic for a sum of US\$28.0 million. It is also in preliminary discussions with interested parties in relation to potential transaction(s) for its assets. The Group will update shareholders as and when there are any material developments.

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 8 August 2017.

¹ Jason Mills & Cecilia Furlong, Canaccord Genuity Inc. Spectranetics flash update report, 24 January 2017

For more information, please visit the Company's website at www.qtvvascular.com

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*This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this press release.*

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