



MEDIA RELEASE

QT VASCULAR'S REVENUE GROWS 9% TO US\$6.6M IN 1H2015

Highlights:

- **Gross profit margin improved to 32% in 1H2015 from 9% in 1H2014**
- **Net loss attributable to shareholders narrowed by 47% to US\$12.0 million**
- **Chocolate® Touch expected to receive regulatory approval in Europe later this year**

SINGAPORE, 12 August 2015 – QT Vascular Ltd., together with its subsidiaries (“**QT Vascular**” or the “**Group**”), a global company engaged in the design, assembly and distribution of advanced therapeutic solutions for the minimally invasive treatment of vascular disease, reported a 8.9% increase in revenue to US\$6.6 million for the first six months ended 30 June 2015 (“**1H2015**”), from US\$6.1 million a year ago with net loss attributable to shareholders narrowing 47.2% to US\$12.0 million from US\$22.7 million. Gross profit margin for 1H2015 improved to 32.3% from 8.6% previously.

For the three months ended 30 June 2015 (“**2Q2015**”), the group reported revenue of US\$3.3 million, a 2.7% increase compared to the corresponding quarter and with net loss attributable to shareholders decreasing more than half to US\$6.4 million in 2Q2015 from US\$13.2 million.

The increase in revenue was mainly due to growth in sales to our Asia distributors for our Chocolate® PTA Balloon Catheter (“**Chocolate PTA**”) and Glider PTCA Balloon Catheter (“**Glider PTCA**”) products as well as by our direct sales team for our Chocolate® PTCA Balloon Catheter (“**Chocolate PTCA**”) and Glider PTCA following a 241.1% increase in average sales per sales representative of US\$31,761 in 2Q2015 as compared to US\$9,311 in 2Q2014. For 2Q2015, 87.4% of sales came from the US, 9.8% from Asia and 2.8% from Europe.

The Group achieved a gross profit of US\$0.4 million in 2Q2015 compared with US\$0.2 million in 2Q2014. Gross margin improved to 13.0% in 2Q2015, a marked improvement from 5.6% a year ago.

In terms of financial position, the Group had net assets of US\$19.2 million as at 30 June 2015, which translates into a net asset value per share of approximately 3 US cents.

Dr. Eitan Konstantino, Ph.D., Chief Executive Officer of QT Vascular said, ***“We are glad to have made progress in terms of profitability through higher sales and productivity improvements. As the commercialisation of our products gain traction, we are hopeful that our financial position will strengthen.”***

Corporate Developments

This month, the Group announced the establishment of its drug coating development centre in Singapore, with the support of the Singapore Economic Development Board. The drug coating development centre will help to boost the Group's R&D efforts in its Chocolate Touch™ drug-coated angioplasty balloon program.

With the addition of the proven drug, paclitaxel, to the low trauma Chocolate® platform, Chocolate Touch™ offers the potential to address one of the major limitations of current drug-coated balloons, which is acute trauma in the form of vessel dissections. The Group believes this would allow its Chocolate Touch™ to stand out from the competition.

With two DBCs by other companies approved by the FDA and a third one in the regulatory process, the Group is optimistic that the highly differentiated Chocolate Touch™ may be the fourth DCB to be approved. Chocolate Touch™ is expected to receive regulatory approval in Europe later this year and the initial clinical trial for Chocolate Touch™ (ENDURE study) is on track to release its six-month follow up data this fall.

On 24 July 2015, the Company announced the issuance of US\$13.14 million convertible bonds to a group of investors. The first tranche of approximately US\$5.475 million bonds was drawn down on 6 August 2015. The funding will strengthen the Group's working capital and support the Group's growth plans.

Earlier in July 2015, the Company announced that it has received four key patents allowances, of which three cover the Group's flagship platform, Chocolate[®], while the fourth covers the Group's Glider[™] family of products.

On 6 August 2015, the Company announced the appointment of Mr Gary Ng Sin Tong, its Director of Strategy & Capital Markets as Executive Director and Mr Toe Teow Heng as Non-Independent Director and Non-Executive Director to QT Vascular's Board of Directors. The Company has also announced the cessation of Mr Hoon Ching Sing as its Independent Director and Non-Executive Director who resigned with effect from 7 August 2015 to devote more time for personal matters.

Business Update and Outlook

The rapid adoption of drug-coated balloons (DCBs) continues, especially in the United States, where two products in this category have been approved by the FDA since late last year. This adoption is supported by strong clinical data from multi-center clinical trials and has now been recognized by the granting of supplemental reimbursement by the US governmental insurance program known as Medicare.

In the United States alone, some analysts are now estimating that DCBs are already reaching US\$140 million to US\$160 million on an annualized basis. Conversely, other existing product lines have experienced a flattening of growth or actual sales decline due to the introduction of DCBs.

We expect other peripheral stent makers and specialty balloons to reflect similar market trends. As such, the Group may experience some softening of Chocolate PTA sales through its US distributor, Cordis. While this may slow down overall sales growth for the Group in the near-term, this is expected to be counterbalanced by expected approval of the Group's peripheral DCB, Chocolate Touch[™], in Europe and Chocolate PTA in Japan later this year. In the longer-term, the continued growth of the DCB market increases the potential held by Chocolate Touch as it progresses toward United States' FDA approval.

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 12 August 2015.

ABOUT QT VASCULAR LTD. (SGX Stock code: 510 | Bloomberg: QTVC:SP | Reuters: QTVA:SI)

QT Vascular Ltd. together with its subsidiaries (“**QT Vascular**” or the “**Group**”), is a global company engaged in the design, assembly and distribution of advanced therapeutic solutions for the minimally invasive treatment of vascular disease.

QT Vascular is based in Singapore with a US subsidiary, TriReme Medical LLC (“**TriReme Medical**”), based in Pleasanton, California. TriReme Medical’s range of percutaneous transluminal angioplasty (“**PTA**”) and percutaneous transluminal coronary angioplasty (“**PTCA**”) products include (i) Chocolate® PTA Balloon Catheter, (ii) Chocolate® PTCA Balloon Catheter, (iii) GliderXtreme™ PTA Balloon Catheter, (iv) GliderfleX® PTA Balloon Catheter and (v) Glider™ PTCA Balloon Catheter, all of which have the CE Mark that allows them to be sold in Europe, and FDA clearance to be sold in the United States. Additionally, the GliderXtreme™ PTA Balloon Catheter has the regulatory clearance in China and Japan, while the Glider™ PTCA Balloon Catheter has the regulatory clearance in Japan. These products are sold through its main distributors: (i) Cordis Corporation (a wholly-owned subsidiary of Johnson & Johnson), (ii) Shandong Weigao Group Medical Polymer Co Ltd and (iii) Century Medical, Inc.

The Group is also applying for CE marking approval with respect to the Chocolate® Touch, its advanced drug-coated peripheral balloon.

In October 2014, the Group acquired a novel technology platform called Java, and all its associated intellectual property. The Group believes the Java technology is a strong fit with QT Vascular’s core expertise in minimally invasive angioplasty.

For more information, please visit the company website at www.qtvascular.com

Issued on behalf of **QT VASCULAR LTD.** by:

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QT Vascular Ltd. (the “Company”) was listed on Catalist board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 29 April 2014. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”).

This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release.

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