

2025 Interim Results

August 27, 2025



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PART ONE

Strategy and business development



China's leading integrated healthcare solution provider **WEGO** 威高

Build a leading medical device company distinguished by superior quality and cost efficiency, a comprehensive sales network and a diversified product portfolio under three key business strategies



Platformization - Leverage the advantages of an open, inclusive and shared platform

- ❖ Build a diversified product ecology and scale operations
- ❖ Meet or exceed customer needs with complete product solutions



Internationalization - Maintain the leading position in China and achieve integrated growth across domestic and international markets

- ❖ Ride on industry trends through strategic investment and market licensing
- ❖ Leverage product portfolio to accelerate overseas expansion, with a focus on regions with high growth potential



Digitalization - Improve operational efficiency and develop digital products

- ❖ Enhance the level of digital management to strengthen the competitiveness
- ❖ Develop digital solutions tailored to specific scenarios with hospital management service needs expanded.

Results overview

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01 Stable revenue and slightly decreased net profit margin

- During the period, revenue reached RMB6.64bn, remaining flat YoY; sales expense ratio down by 0.7%, indicating improvement in sales efficiency
- Adjusted net profit were RMB1.02bn¹, down by 6.1% YoY, mainly due to decrease in pricing of certain products and marketing expenses for new products

02 General consumables have stabilized, and pharma packaging and orthopedics are leading growth

- With policy direction becoming more moderate, market share for general consumables continues to grow steadily
- Pharma packaging sector is benefiting from the surge in domestic innovative drugs, driving rapid demand growth and sustaining double-digit expansion in the mid-term
- The optimization in sales model for orthopaedics has significantly boosted the profit margin, with substantial potential in the segment

Accelerated expansion into new fields with robust pipeline

03

- In H1, R&D expenses reached RMB320m, accounting for 4.7% of revenue for the same period; A total of 63 certificates of product registration and 63 new patents were obtained in H1
- Over 100 products are currently under development, the majority of which are expected to receive approval progressively over the next two to three years

Sustained international growth, with overseas production capacity under strategic planning

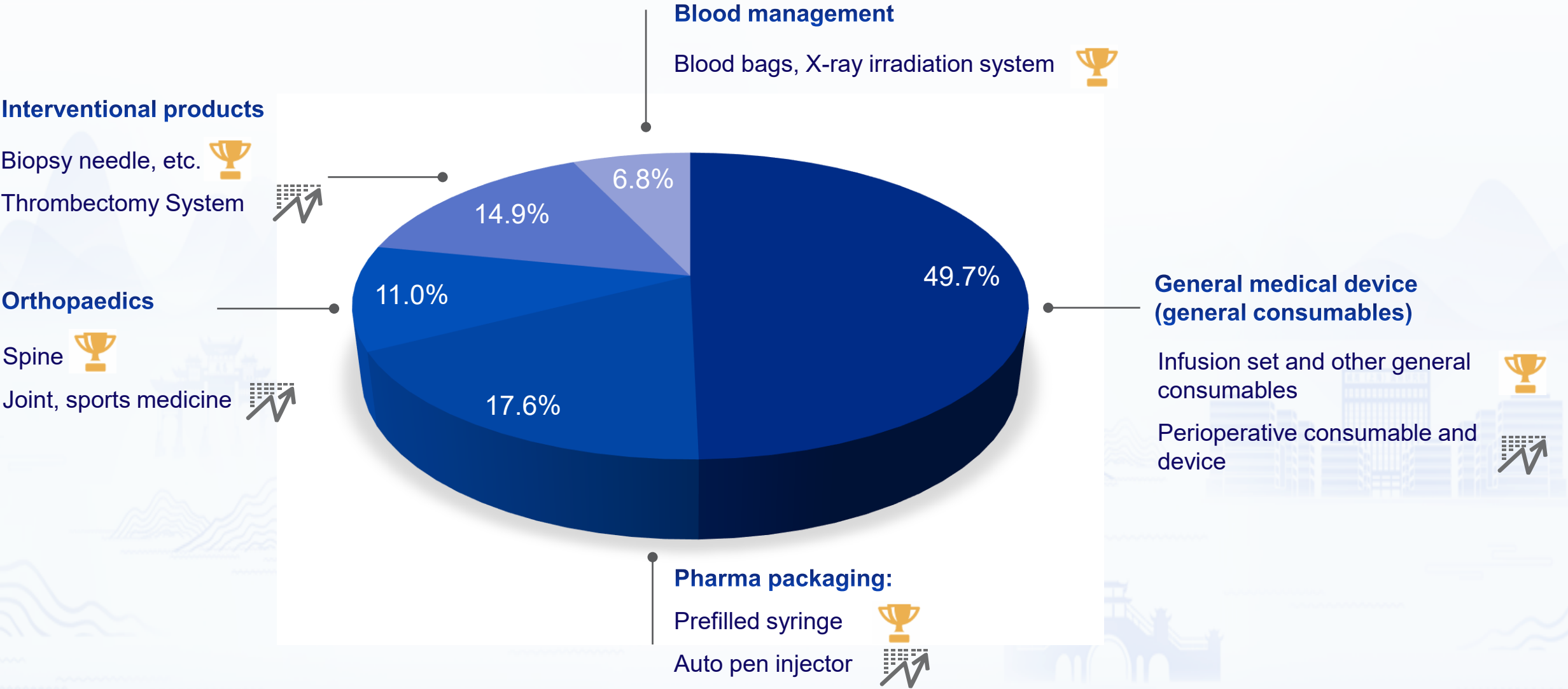
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- In H1 2025, overseas sales reached RMB1.62bn, up by 4.0% YoY and accounting for 24.4% of the total sales
- High single-digit growth were achieved in US, EMEA and other regions
- Localization initiatives continue to advance, with plans underway to build overseas production capacity in Southeast Asia to support regional growth

Note:

1. Excluded impact from foreign exchange

Business segments and major products



General medical device: stable pricing with modest sales growth

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- ❖ In H1, segment revenue was RMB3.30bn, remaining flat YoY; segment profit was RMB490m, down by 17.1% YoY
- ❖ Infusion sets, indwelling venous catheters, syringes and other major products remained stable in price with single-digit growth in sales YoY
- ❖ Due to a decrease in the prices of certain other products, resulting in gross profit loss, and the exchange loss on overseas operations, segment profit declined
- ❖ Perioperative specialty consumables recorded high double-digit growth in sales YoY, driven by promising initial results from the combined sales of consumables and devices, positioning the segment among the best-performing ones next year
- ❖ As government policies shift to discourage excessive competition, the upcoming volume-based procurement is expected to drive significant sales growth for certain product lines such as surgical sutures

General medical device: deepen strategic layout for specialty consumables driven by consumables and devices

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Focusing on general consumable upgrade and specialty consumable expansion, Company has built a new product pipeline centered on mid-to-high-end consumables and supported by complementary equipment. Over 100 new products are expected to receive regulatory approval and to be launched progressively over the next three years

Infusion

- Center conductor, implantable drug delivery system (access port)

Urinary consumables

- Urethral stent, laser energy

Anesthetic respiratory devices and consumables

- Monitoring system, intubation, anesthetic kit

Radiation sterilization

- Radiation-resistant infusion set, syringe

Anesthetic respiratory devices and consumables

- Respirator, POC Ultrasound

- Upgrade of general consumable
- Expansion of specialty consumables and devices

2025

2026

Future

Pharma packaging: resilient domestic market and accelerated international expansion driven by strategic partnership

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- ❖ Segment revenue was RMB1.17bn, remaining flat YoY; segment profit was RMB450m, down by 5.8% YoY
 - ❖ The domestic unit price of pre-fillable syringe remained stable, with a single-digit sales growth YoY
 - ❖ Partnerships have been established with 150+ innovative pharmaceutical companies with products at various stages from R&D to commercialization
 - ❖ Prefilled flush syringes were affected by volume-based procurement, lowered the segment sales and profit
-
- ❖ Auto injectors recorded strong sales in China, with H1 sales up by c. 200%, accounting for c. 3% of segment sales
 - ❖ The global injection pen market will reach US\$47bn by 2025 at a CAGR of 7.9% from 2024 to 2030; Both domestic and international markets present substantial growth potential
-
- ❖ Direct overseas sales accounted for 10% of total volume; pharma packaging provided for local clients' export products accounted for 35% of total volume, up by 10% YoY, with a bright outlook ahead for overseas sales
 - ❖ Production capacity is expected to further increase next year, which may lead to improved profit margins

Orthopaedics: double-digit growth achieved in spine business; joint business expected to accelerate in H2

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❖ Segment revenue was RMB730m, slightly down by 1.6% YoY; segment profit was RMB150m, significantly up by 74.3% YoY

❖ Spine business achieved double-digit sales growth both year-on-year and quarter-on-quarter, reflecting continued market leadership. In addition, enhanced efforts were made to deepen presence in consumables for iterative surgeries, such as minimally invasive spine surgery with endoscopy

❖ As the transition to a distributor-based sales model led to a reduction in ex-factory pricing, there is a decline in sales revenue of joint business. Volume is expected to ramp up in H2

❖ Sports medicine and tissue repair business maintained a double-digit growth, with the highest GPM among all segments

❖ Under the equity incentive plan for orthopaedics business, the target net profit attributable to the parent company in 2025 shall not be lower than RMB290m (excl. equity incentive payment)

Orthopaedics: advance innovation with a focus on minimally invasive spine solutions and pain management



Expand into areas such as **new material, regenerative rehabilitation, intelligent assistance and 3D printing**, with a strategic focus on **minimally invasive spine solutions and pain management**

Orthopaedic minimally invasive surgery

2025: Plasma surgical equipment (already certified)

2026: Disposable annulus fibrosus suture device, spine UBE endoscope, disposable plasma scalpel head

Orthopaedic rehabilitation

2026: Platelet-rich plasma (PRP) preparation kit for knee osteoarthritis, cryotherapy pain relief device

2027: Platelet-rich plasma (PRP) preparation kit for chronic wound injuries and tendon/ligament injuries; integrated PRP preparation kit

Sports medicine

2025: Ligament staple

2026: Bendable meniscus suture anchor

2027: All-suture meniscus suture anchor

New material

2027: Porous tantalum implants for knee and hip joints, Domestic joint ceramics and antibiotic bone cement (for spine and joint)

2028: Biodegradable magnesium alloy hollow screws, Carbon fiber reinforced PEEK

Digital orthopaedics

2025: 3D-printed tibial platform (already certified), 3D-printed porous interbody fusion cage

Interventional products: stable overseas market with the scale-up of thrombectomy system accelerated

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- ❖ Segment revenue was RMB990m, down by 2% YoY. Performance across the U.S., Europe, Middle East, and Africa regions showed a single-digit growth YoY
- ❖ Sales of interventional biopsy reached single-digit growth, maintaining a leading position in the U.S. market.
- ❖ Segment profit reached -RMB89m, primarily impacted by exchange rate fluctuations and increased sales personnel and marketing expenses following the launch of Cleaner Vac system.

- ❖ In H1, Cleaner Vac was successfully introduced through multiple product launches and academic seminars. The sales volume is expected to ramp up in H2
- ❖ A clear strategy has been defined to transition the manufacturing of selected core products to mainland China

CLEANER VAC ASPIRATION SYSTEM
CLEANER VAC 抽吸系统



Launched to the US Market September 17, 2024
于 2024 年 9 月 17 日在美国市场推出



- Applicable for peripheral venous thrombus clearance
- Thrombus clearance rate is 94.8% on average
- Thrombus clearance rate for 86.7% Patients reached 90%+
- No reported complications
- Peak sales is expected to exceed USD100m

Blood management: gradual recovery in demand with sustained overseas expansion anticipated

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- ❖ Segment revenue was RMB450m, up by 8.1% YoY, primarily driven by the recovery in overseas procurement demand; segment profit was RMB31m, down by 5.3% YoY
- ❖ Overseas sales for blood bags and other transfusion consumables increased by 15% YoY. The overseas market has accounted for more than 20% of total sales
- ❖ Benefiting from equipment upgrades in the U.S., there is recovered procurement demand and expanded application areas for Rad Source's X-Ray blood irradiation equipment, which achieved high double-digit growth
- ❖ Total production capacity for blood bags is expected to exceed 100 million units in 2025, with additional 20 million sets of overseas capacity planned for next year

Medium to long term outlook

- Seize import substitution opportunities driven by volume-based procurement and rapidly expand product portfolio to meet deeper demand across broad coverage area
- Expand lean manufacturing capabilities into high-demand specialty consumables and ancillary equipment

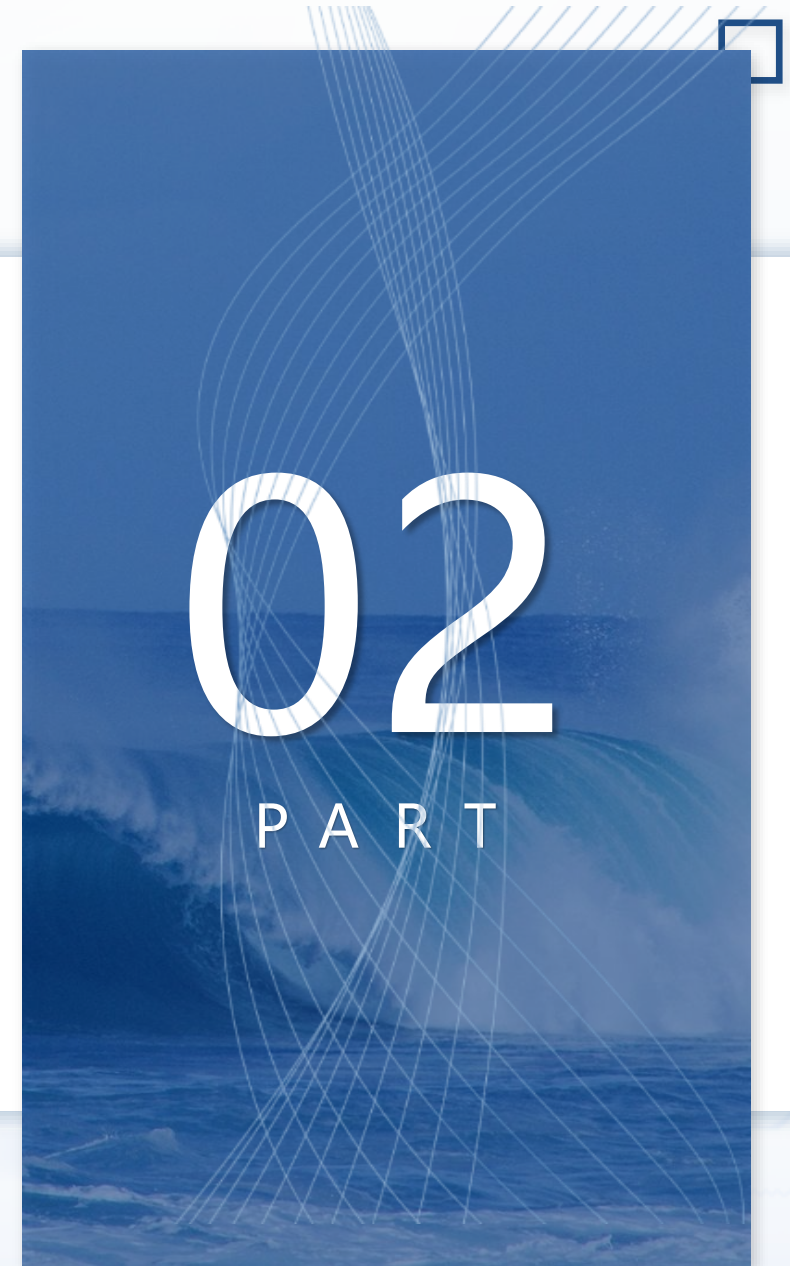
- Transition from the export-driven model to combination of overseas production and localized management. Priority is placed on establishing operations in Southeast Asian countries with large populations and strong market potential
- Enhance synergies and deepen collaboration across business segments to unlock the full potential of China's high-value manufacturing capabilities



- Continue to conduct internal asset evaluation and progressively implement internal restructuring initiatives aligned with evolving market conditions
- Leverage the favorable investment and M&A environment to further scale and strengthen multiple existing listing platforms

PART TWO

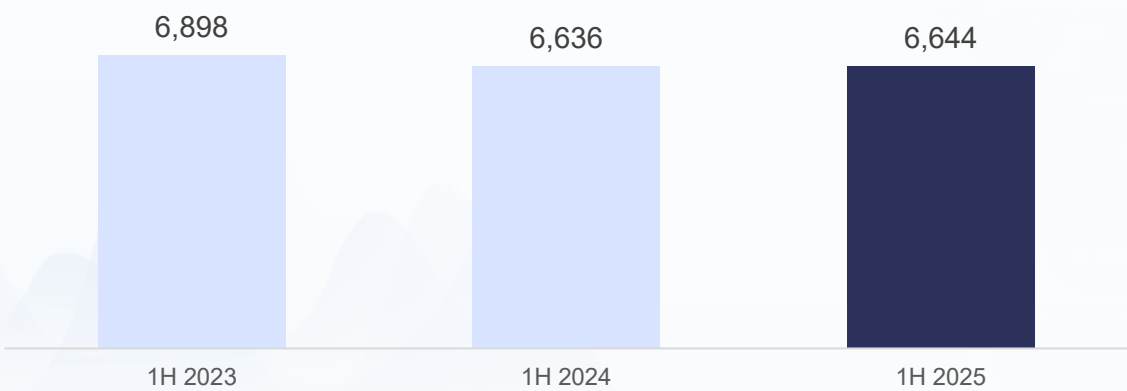
Key financials



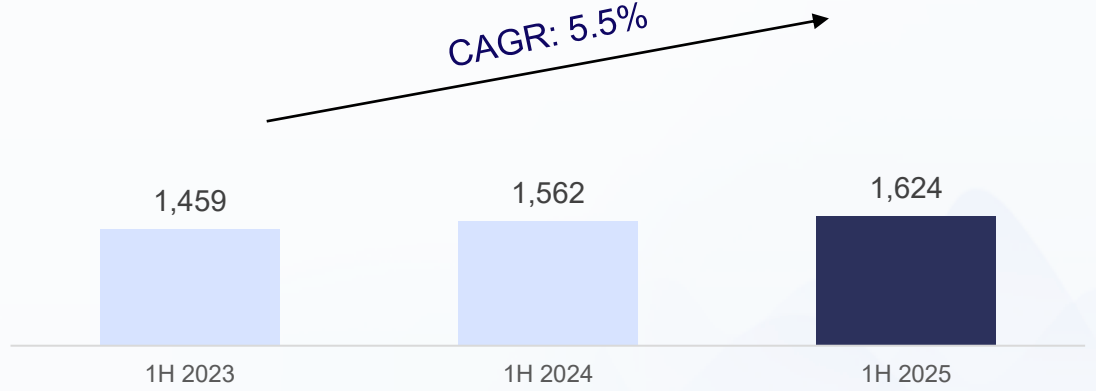
Key financials



Revenue (RMBm)

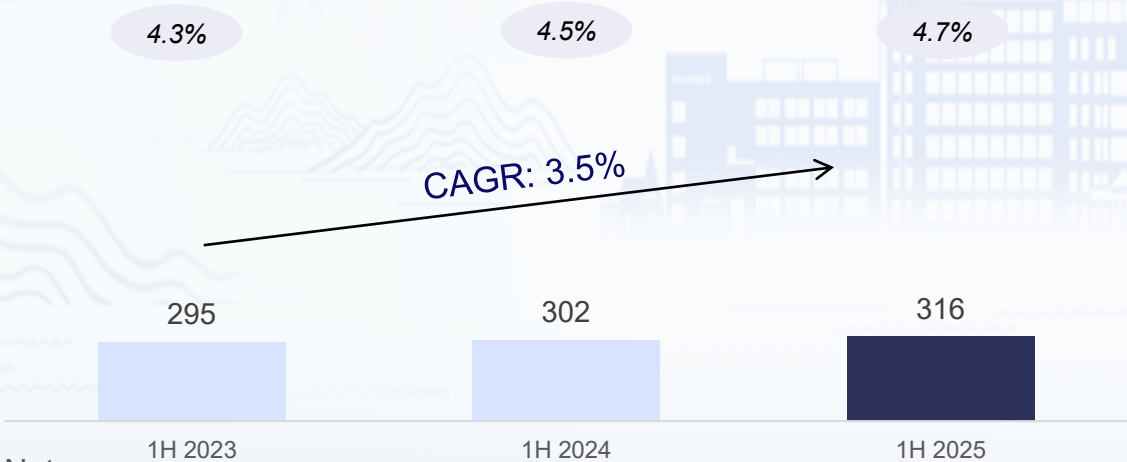


Overseas sales (RMBm)



R&D expense (RMBm)

R&D expense ratio (%)



Net profit attributable to shareholders of the Company ^{1,2,3} (RMBm)



Notes:

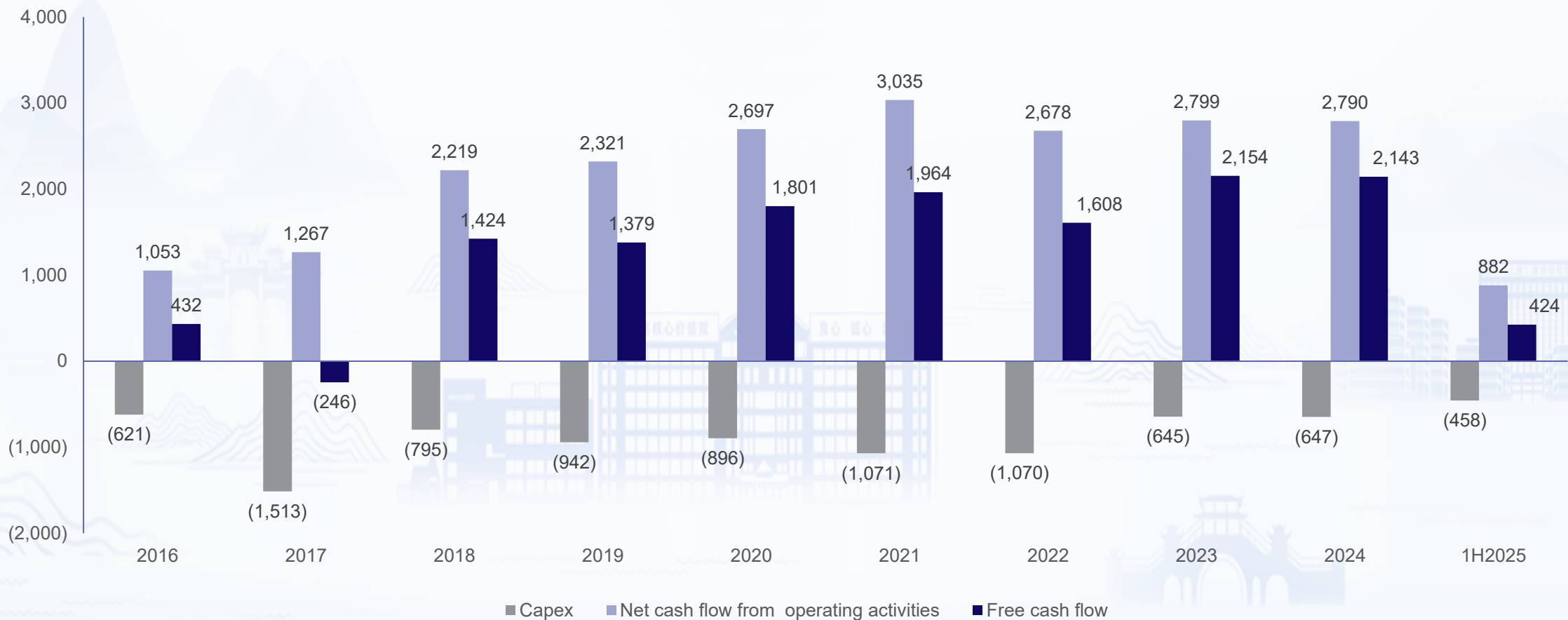
- 1. Deducted the proceeds from the public offering of new shares by Shandong Weigao Blood Purification Products Co., Ltd., for which the Company recorded a net gain of RMB72.9m
- 2. Add back one-off expenditure of RMB32m; 3.Excluded impact from foreign exchange

Cash flow and Capex



- Net operating cash flow and free cash flow were stable in 1H2025
- Stable cash flow performance as operating cash flow increased and capital expenditure stabilized; positive free cash flow for the seventh consecutive year since 2018

Cash flow and CAPEX (RMBm)



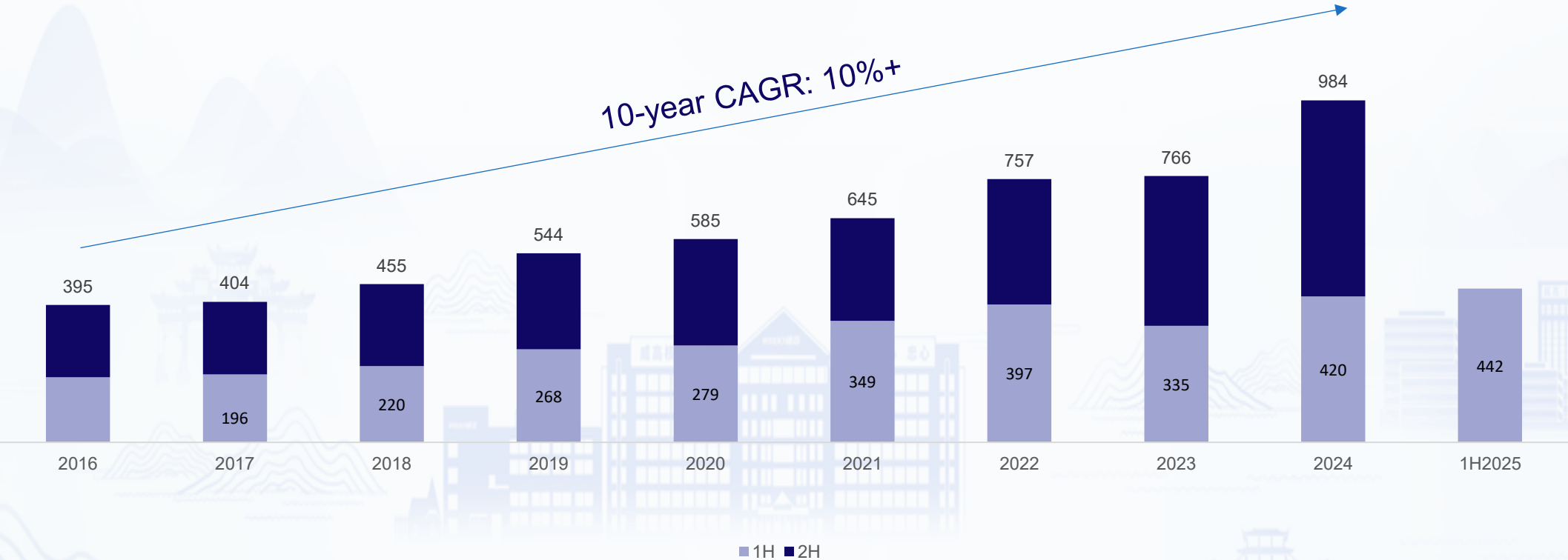
Notes:

1. Net of a one-time cash outflow of RMB460m due to product liability in 2022
 2. The effect of accounting restatement of the same control not considered from 2013 to 2023
- The above data are only used to show the trends at Company operating level with specific data subject to results disclosure

Increasing dividend payout

The Company plans to maintain a dividend payout ratio¹ at the level of 50% as of mid-2025; The cumulative dividends since listing have reached nearly RMB8.0bn, with a CAGR of over 20%

Total dividend (RMBm)



Note:

1. The dividend payout ratio is based on the net profit at the operating level, excluding one-time non-cash incomes

Additional financial data



		1H2025	2024
Working capital	Inventory turnover days ¹	126 days	139days
	Accounts receivable turnover days ¹	176 days	162days
	Accounts payable turnover days ¹	91 days	107days
Cash & liabilities	Bank balance & cash	RMB8.95bn	RMB 7.78bn
	Net cash	RMB5.51bn	RMB 4.19bn
	Net cash	RMB3.43bn	RMB 3.59bn
Leverage analysis	Total debt / EBITDA (x)	1.5x	1.1x
	Net debt / EBITDA (x)	Net cash	Net cash
	Interest coverage ² (x)	15.6x	14.6x
Current ratio and return analysis	Current ratio	3.7x	3.2x
	Return on equity (ROE)	8.2%	8.9%
	Return on asset (ROA)	5.7%	6.3%

Notes:

1. Represents the average working capital days, and accounts payable turnover days take into account the effect of notes payable

2. Interest coverage = EBITDA / financing costs

The above data are only used to show the trends at Company operating level with specific data subject to results disclosure

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