

Aug 2023

## **Mindray Bio-Medical**

### **M&A of DiaSys Conference Call-Script**

Dear Investors,

We made an announcement on 31<sup>st</sup> July that we intend to acquire 75% stake in DiaSys Diagnostic Systems (hereinafter referred to as "DiaSys") with the purchase price expected to be approximately EUR 115 million. The final transaction amount will be confirmed upon actual settlement. Once the transaction is completed, our company will hold a 75% stake in DiaSys, and DiaSys and its subsidiaries financial performance will be incorporated into our consolidated financial statements. After the settlement, our company will invest an additional EUR 30 million into DiaSys according to our shareholding proportion, with the increased capital to be used to support the target company's future business development. The total amount of the above transaction is around EUR 145 million.

Regarding the target company, as a globally recognized leader in the In-vitro Diagnostics (IVD) sector, DiaSys has been deeply involved in the IVD reagent, quality control product, and calibrator businesses for more than 30 years. With production bases spanning Europe, Asia Pacific, and Latin America, DiaSys has built up a sound reputation among customers around the world. For the fiscal year 2022, which covers the reporting period from October 1st, 2021 to September 30th, 2022, DiaSys recorded a revenue of EUR 72.77 million, or approximately EUR 67 million when excluding COVID-19 related revenues, and a net profit of EUR 4.7 million.

IVD is one of the core businesses that supports our long-term development. Realizing comprehensive international expansion of the IVD segment is an indispensable stride in this journey. However, the missing piece of the supply chain platform abroad has long hampered our international IVD expansion, especially penetrating into medium and large customer groups. We estimate that the total accessible overseas market for our IVD segment is nearly USD 40 billion, with over 70% of customers falling under the medium and large customer groups. However, our

overseas IVD revenue was less than USD 400 million last year, primarily generated by small customers.

This acquisition will enable us to progressively roll out and improve our supply chain platform abroad for IVD products, including CLIA, achieving massive penetration in medium and large overseas customer groups and accelerating the international expansion of the IVD segment. Through this acquisition, our company will build a highly-skilled international IVD team. Additionally, we will be able to refine and enhance the competitiveness of IVD products, while also fortifying the support of quality control products and calibrators for IVD products.

Upon completion of the proposed transaction, we will fully leverage our proven experience and expertise in integrating and managing cross-border mergers and acquisitions. The acquisition of DiaSys will enable us to progressively roll out and improve our supply chain platform for international IVD business, such as CLIA, and enhance the capacity-building of overseas localization production, warehousing, logistics, and service, thereby ultimately laying a solid foundation for the comprehensive international expansion of IVD business.