

LivaNova signs agreement with MicroPort Scientific Corporation for \$190 Million

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LivaNova and MicroPort Scientific Corporation has announced that the companies have entered into a binding Letter of Intent for the sale of LivaNova's Cardiac Rhythm Management (CRM) Business Franchise to MicroPort for \$190 million in cash.

The CRM Business Franchise develops, manufactures and markets products for the diagnosis, treatment and management of heart rhythm disorders and heart failures.

CRM products include high-voltage defibrillators, cardiac resynchronization therapy devices and low-voltage pacemakers. The CRM Business Franchise generated approximately \$249 million in net sales in fiscal year 2016 and has approximately 900 employees with operations chiefly in Clamart, France; Saluggia, Italy; and Santo Domingo, Dominican Republic.

MicroPort is a medical device company, focused on innovating, manufacturing and marketing high-quality and high-end medical devices globally.

In 2014, LivaNova (formerly Sorin Group) and MicroPort founded a China-based joint venture called MicroPort Sorin CRM (Shanghai) Co., Ltd. (the "Joint Venture"), to market CRM devices, including implantable pacemakers, defibrillators and cardiac resynchronization devices in China.

Dr. Zhaohua Chang, Chairman and Chief Executive Officer of MicroPor said, "The CRM Business Franchise is a global business and strong regional player with attractive assets, a robust pipeline and growth potential. Its strong position in Europe complements our leadership position in China and growing presence in the United States and Emerging Markets, enabling us to further strengthen each other's worldwide reach. Meanwhile, with the commitment and dedication of its employees, combined with the precision and innovation of the technology portfolio of the CRM business, I am confident that MicroPort and the CRM business can grow together – faster, better and stronger – in the global arena."

"This combination represents a great opportunity to build upon our ongoing commitment and expertise to accelerate the development of new CRM products. We are committed to dedicating the focus and the necessary resources to fully leverage and maximize the business' potential. We look forward to welcoming CRM's talented employees to the MicroPort family", he

added.

Damien McDonald, LivaNova's Chief Executive Officer said, "This transaction represents a great outcome for LivaNova, our CRM Business Franchise and MicroPort. The sale will enable us to focus on LivaNova's areas of strength and market leadership in our Cardiac Surgery and Neuromodulation businesses. With this divestiture, we are building the right foundation. We are focusing our portfolio on businesses that contribute to our growth and drive shareholder value. In addition to the implementation of other initiatives, completion of this milestone will allow LivaNova to improve margins, drive profitability and deliver on our commitments to shareholders. We will continue to take actions that strengthen our position as a focused med-tech innovator dedicated to improving the lives of patients around the world."

McDonald continued, "We have worked with the team at MicroPort over the past four years as a joint venture partner in MicroPort Sorin Cardiac Rhythm Management Co. Ltd. and have a great deal of respect for their organization and commitment to innovative science. We believe that in MicroPort, our CRM Business Franchise has found the ideal home to reach its full potential. We expect that the acquisition of the business franchise by MicroPort, a leading global medical device company, will ensure continued growth and development for the business, opportunities for its employees and benefits for the physicians and patients who rely on these lifesaving products."

LivaNova and MicroPort expect to enter into the definitive acquisition agreement contemplated by the LOI following completion of the notification and consultation process with CRM's employee works councils as required by local laws. Completion of the transaction is subject to entry into the definitive acquisition agreement, receipt of relevant regulatory approvals, including fulfilling the requirements of the Hong Kong Stock Exchange's Major Transaction requirements, and other customary closing conditions. The companies expect the transaction to close in the second quarter of 2018.