

Attn: Business Editor 【Immediate Release】

EuroEyes

**EuroEyes International Eye Clinic Limited**

德視佳國際眼科有限公司

(Stock Code: 1846)

**EuroEyes Announced 2020 Interim Results  
German Revenue Remained Relatively Stable During COVID-19  
Global Shut Down  
Expansion Strategy Continues in China and Europe as Market  
Position Strengthens**

**2020 Interim Results Highlights**

- **Total Revenue** for the six months ended 30 June 2020 reached HK\$188.83 million
- **Gross Profit** for the six months ended 30 June 2020 reached HK\$75.62 million
- **Gross Profit Margin** for the six months ended 30 June 2020 was 40.0%
- **Operating Profit** for the six months ended 30 June 2020 was HK\$27.57 million
- **Profit attributable to owners of the Company** for the six months ended 30 June 2020 reached HK\$18.17 million

**Revenue by Geographical Regions**

- Total revenue in Germany decreased by **0.4%** YoY as a result of partial shutdown due to COVID-19 outbreak
- Total revenue in the PRC decreased by **30.7%** YoY due to mandates to shutdown and quarantine in response to COVID-19 outbreak; normal business operations resume at the end of May
- Total revenue in Denmark decreased by **3.0%** YoY as a result of one-month shutdown due to COVID-19 outbreak

**EuroEyes International Eye Clinic Limited** (“EuroEyes” or the “Company”, stock code: 1846), is one of the leading brands in the vision correction industry that combines German ophthalmology excellence and 25 years of experience with individualised customer-care and principally engaged in the provision of vision correction services in Germany, Denmark and the People’s Republic of China (“the PRC”). EuroEyes is pleased to announce its annual results for the six months ended 30 June 2020 (the “first six months of 2020”).

For the first six months of 2020, the Group’s revenue decreased by 8.4 % year-on-year (“YoY”) to approximately HK\$188.83 million, gross profit decreased by 18.0% YoY to HK\$75.62 million,

and the gross profit margin was 40.0%, representing a YoY decrease of 3.4 percentage points. In respect of geographical regions, operating revenue from Germany, the PRC and Denmark were HK\$129.46 million, HK\$36.42 million and HK\$22.95 million accounting for 68.5%, 19.3% and 12.2% of total revenue, respectively.

## **Operations Impacted by Extraordinary Event: COVID-19 Outbreak and Global ShutDown**

The unprecedented COVID-19 outbreak and the subsequent mandatory business shutdown by countries throughout the world was an extraordinary event that negatively impacted our business operations.

The Group's revenue in the PRC for the six months ended 30 June 2020 decreased by 30.7% as compared to the corresponding period last year, as a result of the PRC's mandates to contain the COVID-19 outbreak. The Group believes that such impact is temporary and does not have a significant adverse impact on the Group's business operations and development in the PRC.

The COVID-19 outbreak had less of an impact on our European operations. In Germany, the lockdown was only mandated in a few cities and our flagship clinic in Hamburg was able to remain fully operational during the outbreak. The Group's total revenue in Germany for the first six months of 2020, remained relatively flat as it was down by only 0.4% YoY.

Denmark mandated a lockdown during which all our clinics were closed. For the first six months of 2020, the Group's total revenue in Denmark decreased by 3.0% as compared to the corresponding period of last year.

Total revenue from performing lens exchange surgery, which included monofocal and trifocal lens exchange surgeries, was approximately HK\$89.69 million, accounting for 47.5% of the total revenue for the six months of 2020. Of which, the revenue from performing trifocal lens surgery was approximately HK\$84.37 million. The revenue from performing phakic lens (ICL) surgery was approximately HK\$26.51 million. Lens exchange surgery and phakic lens (ICL) surgery remained the main source of the Group's income, representing 61.5% of the total revenue for the six months of 2020.

Total cost of revenue declined 3.0% YoY during the period as a result of an 11.5% decline in raw materials and consumables used due to the reduced number of surgeries performed during the COVID-19 outbreak and the Group's ability to obtain more favorable purchase prices from major suppliers.

For the six months of 2020, the Group's gross profit was approximately HK\$75.62 million, representing a year-on-year decrease of 15.5%. This was mainly due to the interruption of the Group's business operation in the PRC and Denmark due to the impact of COVID-19. The gross profit margin for the six months of 2020 was 40.0%, representing a decrease of 3.4 percentage points as compared to the six months ended 30 June 2019.

The Group's profit attributable to owners of the Company was approximately HK\$18.17

million, representing a YoY increase of 251%. After adjusting for non-recurring item, the Group's adjusted net profit after tax was approximately HK\$16.74 million.

The Group maintained a strong balance sheet with HK\$697.23 million in cash and cash equivalents and HK\$822.81 million in total equity attributable to owners of the Company as of 30<sup>th</sup> June 2020.

## **Strategic Steps Taken**

As a leading global vision correction company, EuroEyes is committed to be the go-to eye clinic group in Europe and the PRC as it provides patients with the best service combined with state-of-the art German technology and expertise. During the period EuroEyes continued to expand its operations amid the rapidly changing market conditions. In June, the Group established a partnership with Airdoc, a company that develops retinal imaging and artificial intelligence technologies. Using Airdoc's advanced technology, the Group will be able to screen up to 1,000 patients per month in the safety of various events, providing them with a preliminary eye health evaluation remotely and following up treatment options.

The Group recently entered into a non-binding acquisition agreement with the prestigious eye clinic "FreeVis LASIK Zentrum Universitätsklinikum Mannheim", a Joint Venture eye clinic with the University of Mannheim. FreeVis specializes on refractive laser and lens exchange surgery. This acquisition will further expand the Groups footprint in Germany while enhancing its status as a market leader.

The Group is expanding its services in Copenhagen and is in the process of finalizing a new lease to relocate its current clinic. The new clinic, located in a more prestigious area of Copenhagen, will triple capacity compared with the existing clinic, enabling EuroEyes to support an increasing demand for eye care services in Denmark. The Group plans to complete the expansion project of the new clinic in the Q2 2021.

The Group remains committed to expanding its China operations and expects to open its new Chongqing clinic during the fourth quarter of 2020. With over 14% of the population in Chongqing over the age of 65 as of 2018, the Group anticipates a strong demand for high-end lens exchange surgery. The clinic will also serve as the surgical center providing ophthalmological services to patients residing in the southwestern part of the PRC.

## **New Services Launched in EuroEyes Clinics**

The Group extended their line of services to include orthokeratology (ortho-k) lenses that patients wear overnight. Ortho-k lenses are gas permeable lenses that gently shape the front surface, cornea, of the eye while sleeping so the patient can see clearly after removal the next day. They are typically used to correct refractive errors, to slow the progression of childhood myopia or with people who have mild to moderate myopia.

The Group will start to use the new EDOF ICL treatment, which was recently approved in Europe, in its German clinics during the third quarter of 2020. By adopting the new EDOF ICL technology, the Group will expand its market for correcting presbyopia from age 55 and above

to include patients age 45-54. The Group intends to offer this service in China over the next three to five years once it is approved in China.

## **Recent Development**

In July, Prof. Dr. Burkhard Dick joined the EuroEyes International Medical Advisory Board. He is one of the most influential surgeons who pioneered bladeless laser cataract surgery in Europe and has a renowned reputation in the global ophthalmology community. He was also the president of the German Society of Intraocular Lens implantation, interventional and refractive surgery (DGII) from 2016 to 2020.

**Dr. Jørn Slot Jørgensen, the Founder, Chairman and CEO of EuroEyes** commented, “I am extremely proud of how the EuroEyes team responded to the unprecedented COVID-19 outbreak. They maintained their strong commitment to providing top quality service to all our patients while ensuring the safety of our staff and patients by implementing strict measures to disinfect and clean all clinics. Our clinics have all resumed normal operations and demand has rebounded to above pre COVID-19 levels. We are continuing to expand our market reach. We continue to leverage our strength as the market leader in Germany with our expertise in lens surgery while capturing the new market opportunities. Furthermore, our strong reputation as the market leader in Germany allows us to develop rapidly and achieve extraordinary results in the PRC market. We thank all our investors who stayed with us during this challenging period. We feel the future remains bright as we intend to continue to open two to three new clinics each year in the PRC while expanding our premium eye clinic brand. We are pleased with the continued execution of our growth plan in pursuit of our goal for “Nie wieder Brille!” (No More Glasses). We look forward to reporting stronger results in the second half of 2020.”

## **About EuroEyes International Eye Clinic Limited**

EuroEyes was established in 1993 and is one of the leading brands in the vision correction industry that combines German ophthalmology excellence and over 25 years of experience with individualized customer care. EuroEyes is one of the few eye clinic groups with a far-reaching geographical coverage, with operations in Germany, Denmark and the PRC. The Group's vision correction services include (i) refractive laser surgery (which includes ReLEx smile and Femto LASIK); (ii) phakic lens (ICL) surgery; (iii) lens exchange surgery (which includes the monofocal and trifocal lens exchange surgery) and (iv) others (which include PRK/LASEK and ICRS implantation).

Issued by **PordaHavas International Finance Communications Group** for and on behalf of **EuroEyes International Eye Clinic Limited**. For further information, please contact:

## **Porda Havas International Finance Communications Group**

Mr. Bunny Lee	+852 3150 6707	bunny.lee@pordahavas.com
Ms. Leslie J. Richardson	+852 3150 6731	Leslie.richardson@pordahavas.com
Ms. Iris Luo	+852 3150 6767	Iris.luo@pordahavas.com
Ms. Catherine Yu	+852 3150 6720	catherine.yu@pordahavas.com