



EuroEyes International Eye Clinic Limited
德視佳國際眼科有限公司
(Stock Code: 1846.HK)

EuroEyes Announces 2022 Interim Results
Confidence in a Rebound for a Strong Second Half
Pipeline of Initiatives in Place for Long-term Sustainable Growth

2022 Interim Results Highlights

	For the six months ended 30 June			2022
	2022 HK\$'000 (Unaudited)	2022 HK\$'000 Change %	2022 EUR'000 equivalent (Unaudited)	EUR'000 equivalent Change %
Revenue	315,626	(1.3)	36,911	8.0
Gross Profit	142,554	(10.8)	16,671	(2.4)
Gross Profit Margin	45.2%	(4.8p.p)	45.2%	(4.8p.p)
Adjusted Gross Profit	144,279	(11.7)	16,866	(3.5)
Adjusted Gross Profit Margin	45.7%	(5.4p.p)	45.7%	(5.4p.p)
Net Profit After Tax	43,467	(33.7)	5,083	(27.5)
Adjusted Net Profit	53,537	(28.2)	6,251	(21.7)
Adjusted Net Profit Margin	17.0%	(6.3p.p)	16.9%	(6.5p.p)

Revenue by Geographical Regions

	For the six months ended 30 June	
	HK\$'000	% of total revenue
Germany	180,358	57.2%
United Kingdom	56,488	17.9%
China	48,749	15.4%
Denmark	30,031	9.5%

Hong Kong, 24 August 2022 – EuroEyes International Eye Clinic Limited (“EuroEyes” or the “Company”, together with its subsidiaries, the “Group”, HKEX: 1846) a leading global vision correction service provider, is pleased to announce its 2022 interim results for the six months ended 30 June 2022 (the “Period”).

During the Period, the average exchange rate of the euro (EUR) to Hong Kong dollars (HKD) declined 8.6%. This has affected the reported numbers of the Group. However, the currency fluctuation has no operational effect.

Consolidation of Market Leadership Position in Lens Surgery

During the Period, the Group further elevated its leadership position in lens surgery with two industry awards. It was named the largest implanter of Zeiss AT LISA® trifocal intraocular lens (IOL) worldwide for the 7th consecutive year, and the Leading EVO Visian ICL Implanter in Germany 2021. The accolades reinforce the Group's commitment to helping clients regain clear vision, having offered the most appropriate vision correction solutions to more than 600,000 patients worldwide.

Cooperation with Leading Universities to Nurture the Next Generation of Elite Ophthalmologists

In July 2022, EuroEyes has signed a [tri-party agreement of mutual cooperation](#) ("AMC") with the Eye Center of Second Affiliated Hospital Zhejiang University School of Medicine, Zhejiang University Eye Hospital in the PRC and The David J. Apple International Laboratory for Ocular Pathology & International Vision Correction Research Centre (IVCRC), University Eye Clinic of the Ruprecht-Karls-University of Heidelberg in Germany. The AMC aims to establish closer cooperation between eye care professionals in the PRC and Germany that could foster new innovations in ophthalmology, nurture the next generation of elite ophthalmologists and enhance the skills of surgeons at EuroEyes and in the two countries who could contribute to the continued advancement in eye care.

Temporary External Headwinds in 1H2022

Alongside these achievements, the first half of the year 2022 was also a challenging period to EuroEyes. The global pandemic and COVID-19 control policy remain as the most critical factor that affects the Group's business. Despite the challenges encountered during the Period, the Group is confident that its business model and adaptability will facilitate itself to thrive during recovery from the unfavourable environment.

During the first half of 2022, the multiple waves of COVID-19 Omicron variant outbreaks had led to strict control measures in certain cities in the People's Republic of China (PRC). This has caused temporary suspension of some of the Group's clinics in the country, resulting in a negative impact on the number of outpatient consultation and surgery reservations. However, with the strict COVID-19 control measures easing in the PRC, the Group's business gradually returned to normality. The consultation numbers are getting back to pre-COVID levels.

COVID-19 had also prolonged the construction period of the new flagship clinic in Copenhagen, Denmark. Despite this, the Copenhagen clinic commenced operation in March 2022 as anticipated, and the first surgery was performed in the opening month.

Due to the pandemic inter-country travel restrictions across Europe, Germans were not allowed to travel for two years. With travel restrictions being lifted in the first half of 2022 in Europe, the consumer interests have shifted into summer vacations, and many patients rescheduled their surgeries to the second half of 2022, which is seen as a one-time seasonal effect.

As such, the Group's total revenue for the Period reached approximately HK\$315.6 million, representing a 1.3% decrease YoY (EUR equivalent: an increase of approximately 8.0%). Gross profit was approximately HK\$142.6 million, declined by 10.8% YoY (EUR equivalent: approximately 2.4%). The gross profit margin was approximately 45.2%. The adjusted gross profit was approximately HK\$144.3 million, decreased by approximately 11.7% YoY (EUR equivalent: 3.5%), and the adjusted gross profit margin was approximately 45.7%.

The Group's net profit after tax was approximately HK\$43.5 million for the Period, a drop of approximately 33.7% (EUR equivalent: approximately 27.5%) compared to the same period in 2021. After adjusting for non-recurring item, the Group's adjusted net profit after tax decreased by 28.2% YoY (EUR equivalent: approximately 21.7%) to approximately HK\$53.5 million, and adjusted net profit margin was approximately 17.0%.

In respect to surgery types, lens surgeries continued to form a core part of the Group's business, constituting an aggregate of approximately 56.0% of the total surgery revenue for the Period. Revenue generated from lens exchange surgery, which included monofocal and trifocal lens exchange surgeries,

accounted for approximately 44.1% of the total surgery revenue. Meanwhile, revenue from performing phakic lens (ICL) surgery accounted for 11.9% of the total surgery revenue for the Period.

Promising Clinic Pipeline in Europe and China

Despite the operating challenges caused by temporary challenges during the Period, the Group remained committed to its business growth plan with the opening of clinics in Chengdu and Copenhagen in March 2022. The Chengdu clinic, located in high-end commercial area Taikoo Li, has received a rousing welcome by local patients and the clinic is expected to break even in a short period of time. The Copenhagen flagship clinic is a larger facility that will be able to meet the increasing demand for vision correction in Denmark.

For the second half of 2022 and beyond, EuroEyes has a promising pipeline of new clinics and consultation centres set to open in Europe and China.

In Europe, the Group plans to open three new clinics in the German cities of Baden-Baden, Wiesbaden and Kiel, and its second clinic in Knightsbridge, London is expected to open in the first quarter of 2023.

In the PRC, the Group is in progress of opening new consultation centres in Beijing and Shanghai and a flagship clinic in Hong Kong by the second quarter of 2023.

Furthermore, the Group will be launching PRESBYOND® Laser Blended Vision in the PRC in the second half of 2022. This new technology, invented by Professor Dan Zoltan Reinstein, renowned ophthalmic surgeon and EuroEyes Executive Director, will enable EuroEyes to treat a larger and younger group of patients with the onset of presbyopic symptoms.

Dr. med. Jørn S. Jørgensen, Founder, Chairman and CEO of EuroEyes, said: “EuroEyes remains committed to growing sustainably despite the external headwinds we have experienced. The pandemic is not over, but we learnt to live with it. We have continued to steer a steady ship and we believe we are now charting into a calmer, brighter environment. The business strategy we have set puts us in a unique growth trajectory – we operate in a niche, high end market where our services are essential to a target segment with higher spending power. We are focused on the long-term, as we have been since our establishment in 1993, and we will continue to invest in our clinics, technology, and people to bring our world-class ophthalmology services to the growing number of patients globally. Our far-reaching presence in Germany, the PRC, Denmark and United Kingdom helps diversify our business returns and risks, generating sustainable growth for the Group that will bring exceptional value to our shareholders. We are now back at pre-COVID levels and confident in a rebound that would lead to a stronger second half in 2022.”

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About EuroEyes International Eye Clinic Limited (1846.HK)

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 individualised customer care. EuroEyes is one of the few eye clinic groups with a far-reaching geographical coverage, with operations in Germany, Denmark, the PRC and the United Kingdom. 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). For more information, please visit www.euroeyes.hk.

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