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## EuroEyes International Eye Clinic Limited 德視佳國際眼科有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1846)

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### KEY FINANCIAL HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”, and each a “**Director**”) of EuroEyes International Eye Clinic Limited (the “**Company**”) hereby announces the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024. The annual results have been reviewed by the audit committee of the Board (the “**Audit Committee**”) and agreed by the external auditors of the Group.

The key financial highlights are as follows:

	Year ended 31 December		
	2024	2023	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>%</i>
Revenue	715,682	714,289	0.2
Gross profit	286,593	335,521	(14.6)
Adjusted gross profit <sup>(1)</sup>	298,506	339,412	(12.1)
Profit for the year	84,359	133,254	(36.7)
Adjusted net profit after tax for the year <sup>(2)</sup>	100,334	141,717	(29.2)

Notes:

- (1) Adjusted gross profit is derived from adding share-based compensation expenses and pre-operating expenses for new clinics in Germany and Hong Kong in 2024 and for new clinics in Germany, the United Kingdom (the “**UK**”) and Hong Kong in 2023 to the gross profit.
- (2) Adjusted net profit after tax for the year is derived from adding pre-operating expenses for new clinics in Germany and Hong Kong in 2024 and new clinics in Germany, the UK and Hong Kong in 2023, share-based compensation and foreign exchange loss/(gain) in relation to the proceeds from the Company’s global offering, acquisition-related costs, and gain on fair value change of contingent consideration payable, and goodwill impairment to the profit for the year.

## NON-IFRS FINANCIAL MEASURES

To supplement the Group's consolidated financial statements which are prepared in accordance with the International Financial Reporting Standards ("IFRS"), the Group has provided adjusted gross profit and adjusted net profit after tax ("Adjusted Net Profit After Tax") for the years ended 31 December 2024 and 2023 (excluding effects from non-cash related items and one-off events which include, but are not limited to, share-based compensation expenses, pre-operating expenses of new clinics, and net exchange loss/(gain) in relation to the proceeds from the Company's global offering, acquisition-related costs, gain on fair value change of contingent consideration payable and goodwill impairment as additional financial measures, which are not required by, or presented in accordance with, IFRS. The Company believes that the non-IFRS financial measures are useful for understanding and assessing the Group's underlying business performance and operating trends, and that the Company's management and investors may benefit from referring to these non-IFRS financial measures in assessing the Group's financial performance by eliminating the impact of certain unusual and non-recurring items that the Group does not consider indicative of the performance of the Group's business. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. Shareholders and investors should not view the non-IFRS financial results on a stand-alone basis or as a substitute for results prepared in accordance with IFRS, or as being comparable to results reported or forecasted by other companies.

*Non-IFRS adjusted gross profit and Adjusted Net Profit After Tax for the years ended 31 December 2024 and 2023*

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Gross profit	286,593	335,521
Add:		
Share-based compensation expenses	419	436
Pre-operating expenses	11,494	3,455
<b>Adjusted gross profit</b>	<b>298,506</b>	<b>339,412</b>
Profit for the year	84,359	133,254
Add:		
Pre-operating expenses	18,612	20,820
Share-based compensation expenses	1,560	2,228
Acquisition-related costs	4,250	976
Gain on fair value change of contingent consideration payable	(20,618)	(14,330)
Foreign exchange loss/(gain) in relation to the proceeds from the global offering	1,171	(1,231)
Goodwill impairment	11,000	–
<b>Adjusted Net Profit After Tax</b>	<b>100,334</b>	<b>141,717</b>

*Notes:*

- (1) The Company presents the unaudited non-IFRS financial measures to supplement the Group's consolidated statement of comprehensive income for the year ended 31 December 2024 that are prepared in accordance with IFRS to provide additional information about the Group's operating performance. The Company believes that the non-IFRS financial measures are useful for its management and investors to assess the Group's financial performance and financial condition as: (i) these are non-IFRS financial measures which are used by our management to evaluate the Group's financial performance by eliminating the impact of non-recurring items which are considered not indicative for evaluating the actual performance of the Group's business; (ii) the Company recorded share-based compensation expenses during the year; (iii) foreign exchange loss/(gain) in relation to the proceeds from the global offering; (iv) acquisition-related costs; (v) gain on fair value change of contingent consideration payable; and (vi) goodwill impairment.
- (2) None of the unaudited non-IFRS financial measures is a recognised term under IFRS. They do not have a standardised meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, and they should not be construed as an alternative to other financial measures determined in accordance with IFRS. You should not consider the Company's definition of adjusted gross profit and Adjusted Net Profit After Tax in isolation or construe it as an alternative to gross profit and profit for the year indicated or as an indicator of operating performance or any other standard measure under IFRS.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue</b>	4	715,682	714,289
Cost of sales		<u>(429,089)</u>	<u>(378,768)</u>
<b>Gross profit</b>		<b>286,593</b>	<b>335,521</b>
Selling expenses	5	(80,770)	(72,918)
Administrative expenses	5	(115,706)	(89,303)
Net impairment losses on financial assets		(339)	(221)
Other gains, net	6	<u>26,001</u>	<u>20,435</u>
<b>Operating profit</b>		<b>115,779</b>	<b>193,514</b>
Finance income	7	26,472	19,331
Finance expenses	7	<u>(15,785)</u>	<u>(22,235)</u>
Finance income/(expenses), net	7	<u>10,687</u>	<u>(2,904)</u>
<b>Profit before tax</b>		<b>126,466</b>	<b>190,610</b>
Income tax expense	8	<u>(42,107)</u>	<u>(57,356)</u>
<b>Profit for the year</b>		<b>84,359</b>	<b>133,254</b>
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
– Exchange differences on translation of foreign operations		(21,358)	5,971
<i>Items that will not be reclassified to profit or loss</i>			
– Exchange differences on translation to presentation currency		<u>(40,647)</u>	<u>26,623</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2024

	Note	2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Other comprehensive (loss)/income for the year</b>		<u>(62,005)</u>	<u>32,594</u>
<b>Total comprehensive income for the year</b>		<u><b>22,354</b></u>	<u><b>165,848</b></u>
<b>Profit attributable to:</b>			
– Owners of the Company		82,285	131,242
– Non-controlling interests		<u>2,074</u>	<u>2,012</u>
		<u><b>84,359</b></u>	<u><b>133,254</b></u>
<b>Total comprehensive income attributable to:</b>			
– Owners of the Company		20,337	163,602
– Non-controlling interests		<u>2,017</u>	<u>2,246</u>
		<u><b>22,354</b></u>	<u><b>165,848</b></u>
<b>Earnings per share</b>			
– Basic earnings per share (HK cents)	9	24.929	39.544
– Diluted earnings per share (HK cents)	9	<u>24,915</u>	<u>39.501</u>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes on pages 8-21.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	As at 31 December	
		2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		567,413	622,226
Intangible assets		30,297	37,300
Goodwill		253,407	271,352
Deferred tax assets		31,475	31,525
Deposits and other receivables		3,243	3,313
<b>Total non-current assets</b>		<b>885,835</b>	<b>965,716</b>
<b>Current assets</b>			
Inventories		17,269	16,166
Prepayments		8,509	10,424
Income tax recoverable		2,308	1,561
Deposits and other receivables		27,436	32,470
Trade receivables	10	4,738	6,877
Restricted cash		108	168
Cash and cash equivalents		653,232	720,216
<b>Total current assets</b>		<b>713,600</b>	<b>787,882</b>
<b>Total assets</b>		<b>1,599,435</b>	<b>1,753,598</b>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		26,004	26,138
Shares held for share scheme	11	(30,826)	(10,505)
Share premium		646,423	658,371
Other reserves		2,744	63,393
Retained earnings		448,620	397,379
<b>Total equity attributable to owners of the Company</b>		<b>1,092,965</b>	<b>1,134,776</b>
Non-controlling interests		32,749	30,732
<b>Total equity</b>		<b>1,125,714</b>	<b>1,165,508</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

		As at 31 December	
	Note	2024	2023
		HK\$'000	HK\$'000
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		250,574	313,520
Contingent consideration payable		55,108	86,213
Deferred tax liabilities		15,864	17,891
		<u>321,546</u>	<u>417,624</u>
<b>Total non-current liabilities</b>		<b><u>321,546</u></b>	<b><u>417,624</u></b>
<b>Current liabilities</b>			
Trade payables	13	25,047	22,592
Contract liabilities		14,669	15,775
Income tax liabilities		4,494	10,693
Accruals and other payables		33,450	44,481
Borrowings		853	928
Contingent consideration payable		5,803	6,183
Lease liabilities		67,859	69,814
		<u>152,175</u>	<u>170,466</u>
<b>Total current liabilities</b>		<b><u>152,175</u></b>	<b><u>170,466</u></b>
<b>Total liabilities</b>		<b><u>473,721</u></b>	<b><u>588,090</u></b>
<b>Total equity and liabilities</b>		<b><u>1,599,435</u></b>	<b><u>1,753,598</u></b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes on pages 8-21.

The financial statements on pages 4-21 were approved by the Board of Directors on 31 March 2025 and were signed on its behalf.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

EuroEyes International Eye Clinic Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) are principally engaged in the provision of vision correction services in Germany, Denmark, the United Kingdom (the “**UK**”), and the People’s Republic of China (the “**PRC**” or “**China**”). The Company was incorporated in the Cayman Islands on 13 August 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961, as consolidated and revised, formerly known as “**Companies Law**”) of the Cayman Islands. The address of its registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). These financial statements are presented in Hong Kong Dollars (“**HK\$**”), unless otherwise stated.

## 2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with international Financial Reporting Standards as issued by the IASB (“**IFRS Accounting Standards**”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The financial statements have been prepared on a historical cost basis, except for financial liabilities measured at fair value.

Accounting policies applied in the preparation of these consolidated financial statement have been consistently applied, unless otherwise stated.

### 2.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2024:

- Classification of liabilities as current or non-current and non-current liabilities with covenants-amendments to IAS 1
- Lease Liability in a Sale and Leaseback – amendments to IFRS 16
- Supplier finance arrangements – amendments to IAS 7 and IFRS 7.

The amendments listed above did not have any impact on the amounts recognised in prior years and are not expected to significantly affect the current or future years.

### 2.2 New standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. The Group’s assessment of the impact of these new standards and amendments is set out below:

- (a) Amendments to IAS 21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Group does not expect these amendments to have a material impact on its operations or financial statements.



- (b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.

The Group does not expect these amendments to have a material impact on its operations or financial statements.

- (c) IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Group does not expect this standard to have an impact on its operations or financial statements.

- (d) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

### 3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors of the Company that are used to make strategic decisions.

#### Description of segments and principal activities

The Company's executive directors examine the Group's performance from geographical perspective and have identified four reportable segments of its business: Germany, China, Denmark, and the UK.

The executive directors of the Company assess performance of the operating segments based on review of their revenue, cost of sales, gross profit and earnings before finance income, finance expenses, tax, and depreciation and amortisation ("EBITDA").

The segment information provided to the executive directors of the Company for the reportable segments for the year ended 31 December 2024 is as follows:

	Germany segment	China segment	Denmark segment	UK segment	Inter- segment elimination	Unallocated items (i)	Total
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
Segment total revenue	395,996	145,468	71,638	113,431	(10,851)	–	715,682
Cost of sales	(216,200)	(104,401)	(49,623)	(69,716)	10,851	–	(429,089)
including:							
raw materials and consumables (Note 5)	(46,398)	(22,023)	(9,336)	(11,485)	–	–	(89,242)
employee benefit expenses	(96,894)	(29,014)	(24,494)	(40,220)	–	–	(190,622)
<b>Gross profit</b>	<u>179,796</u>	<u>41,067</u>	<u>22,015</u>	<u>43,715</u>	<u>–</u>	<u>–</u>	<u>286,593</u>
Advertising and marketing expenditure (Note 5)	(22,581)	(9,615)	(6,551)	(19,340)	–	(34)	(58,121)
Employee benefit expenses	(17,012)	(14,008)	(2,734)	(16,318)	–	(6,238)	(56,310)
<b>EBITDA</b>	<u>158,417</u>	<u>49,310</u>	<u>17,554</u>	<u>17,918</u>	<u>–</u>	<u>(15,206)</u>	<u>227,993</u>
<b>Unallocated</b>							
Finance income							26,472
Finance expenses							(15,785)
Depreciation and amortisation							(112,214)
Profit before tax							126,466
Income tax expense							(42,107)
<b>Profit for the year</b>							<u>84,359</u>

The segment information provided to the executive directors of the Company for the reportable segments for the year ended 31 December 2023 is as follows:

	<u>Germany segment</u>	<u>China segment</u>	<u>Denmark segment</u>	<u>UK segment</u>	<u>Inter- segment elimination</u>	<u>Unallocated items (i)</u>	<u>Total</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
Segment total revenue	386,162	144,316	87,919	101,486	(5,594)	–	714,289
Cost of sales	(184,481)	(85,059)	(51,337)	(59,368)	1,477	–	(378,768)
including:							
raw materials and consumables (Note 5)	(43,612)	(23,304)	(10,425)	(8,507)	1,418	–	(84,430)
employee benefit expenses	(87,554)	(22,702)	(24,578)	(36,565)	–	–	(171,399)
<b>Gross profit</b>	<u>201,681</u>	<u>59,257</u>	<u>36,582</u>	<u>42,118</u>	<u>(4,117)</u>	<u>–</u>	<u>335,521</u>
Advertising and marketing expenditure (Note 5)	(18,567)	(9,559)	(7,428)	(15,044)	–	(43)	(50,641)
Employee benefit expenses	(15,095)	(13,745)	(2,725)	(15,188)	–	(4,576)	(51,329)
<b>EBITDA</b>	<u>185,551</u>	<u>52,874</u>	<u>30,503</u>	<u>17,811</u>	<u>–</u>	<u>(5,875)</u>	<u>280,864</u>
<b>Unallocated</b>							
Finance income							19,331
Finance expenses							(22,235)
Depreciation and amortisation							(87,350)
Profit before tax							190,610
Income tax expense							(57,356)
<b>Profit for the year</b>							<u>133,254</u>

- (i) Unallocated items are cost of revenues and operating expenses which could not be categorised into a segment, including share-based compensation expenses and other consulting fees at group level.

#### 4 REVENUE

Revenue from external customers are primarily derived from vision correction services, training services, sales of pharmaceutical products and rental of ophthalmic equipment and operating spaces.

Breakdown of revenue by product category is as follows:

	<u>2024</u>	<u>2023</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Revenue from contracts with customers:		
– Vision correction services	710,875	707,897
– Training services	3,613	5,407
– Sales of pharmaceutical products	51	17
Rental of ophthalmic equipment and operating spaces	1,143	968
	<u>715,682</u>	<u>714,289</u>

The amount of revenue from external customers, broken down by location of the customers, is shown as below:

	<u>2024</u>	<u>2023</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Germany	385,195	380,916
China	145,468	144,036
UK	113,381	101,418
Denmark	71,638	87,919
	<u>715,682</u>	<u>714,289</u>

There is no single external customer that contributes more than 10% of the Group's revenue for the years ended 31 December 2024 and 2023.

The Group has no revenue contract that has an original expected duration of more than one year. Thus management applied practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction price allocated to the performance obligation that is unsatisfied or partially satisfied as of the end of the reporting year.

(a) Disaggregation of revenue from contracts with customer

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major business segments and geographical regions.

Year ended	Vision correction services						Training services			Others			Total		
	Germany	China	Denmark	The UK	Germany	The UK	Germany	China	Denmark	The UK	Germany	China		The UK	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		HK\$'000	
31 December 2024															
Segment revenue	384,409	145,468	71,638	109,360	-	-	-	-	-	3,613	11,587	-	-	458	
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	(10,800)	-	-	(51)	
Revenue from external customers	384,409	145,468	71,638	109,360	-	-	-	-	-	3,613	787	-	-	407	
Timing of revenue recognition															
- At a point in time	-	-	-	-	-	-	-	-	-	-	51	-	-	-	51
- Over time	384,409	145,468	71,638	109,360	-	-	-	-	-	3,613	736	-	-	407	715,631
	384,409	145,468	71,638	109,360	-	-	-	-	-	3,613	787	-	-	407	715,682

	Vision correction services				Training services				Others				Total	
	Germany	China	Denmark	The UK	Germany	China	Denmark	The UK	Germany	China	Denmark	The UK		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
Year ended 31 December 2023														
Segment revenue	378,776	144,036	87,919	97,166	1,486	-	-	3,921	5,900	280	-	399	719,883	
Inter-segment revenue	-	-	-	-	-	-	-	-	(5,289)	(280)	-	(25)	(5,594)	
Revenue from external customers	378,776	144,036	87,919	97,166	1,486	-	-	3,921	611	-	-	374	714,289	
Timing of revenue recognition														
- At a point in time	-	-	-	-	-	-	-	-	17	-	-	-	17	
- Over time	378,776	144,036	87,919	97,166	1,486	-	-	3,921	594	-	-	374	714,272	
	378,776	144,036	87,919	97,166	1,486	-	-	3,921	611	-	-	374	714,289	

The Group revised the presentation of business segments specifically. Revenue from training services previously included in 'Others' has been separately disclosed by considering the importance of the business; revenue from sales of pharmaceutical products has been disclosed within "Others" together with revenue from rental of ophthalmic equipment and operating spaces. Historical comparative amounts have been adjusted accordingly.

(b) Contract liabilities movement

Contract liability represents collection from customers in advance for vision correction services that are going to be provided in the future. The table below shows the movement of contract liabilities for the year:

	As at 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at beginning of the year	15,775	11,800
Advances collected from customers during the year	672,144	694,755
Revenue recognised from contract liabilities existed at the beginning of the year	(15,775)	(11,800)
Revenue recognised from contract liabilities occurred during the year	(657,475)	(678,980)
<b>Balance at end of the year</b>	<b>14,669</b>	<b>15,775</b>

No significant cost was incurred for obtaining revenue contract for the years ended 31 December 2024 and 2023.

5 EXPENSES BY NATURE

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Employee benefit expenses	246,932	222,728
Depreciation of property, plant and equipment	107,355	82,901
Raw materials and consumables	89,242	84,430
Advertising and marketing expenditure	58,121	50,641
Electricity and other utility expenses	27,202	28,101
Clinic, office and consumption expenses	22,082	21,275
Legal and other consulting services fee	17,673	12,530
Repair and maintenance	12,170	10,145
Transportation costs	11,959	11,547
Impairment of goodwill	11,000	–
Doctors' fee	6,611	2,343
Amortisation of intangible assets	4,859	4,449
Auditors' remuneration		
– PricewaterhouseCoopers – audit service	3,565	3,311
– other auditors	1,772	883
– PricewaterhouseCoopers – non-audit services	80	–
Rental expenses on short-term leases	254	688
Others	4,688	5,017
<b>Total</b>	<b>625,565</b>	<b>540,989</b>

## 6 OTHER GAINS, NET

	<u>2024</u>	<u>2023</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gains on fair value change of contingent consideration payables	23,145	15,955
Government subsidy for employee welfare	2,691	914
Losses on disposal of property, plant, and equipment	(1,083)	(382)
Others	1,248	3,948
	<u>26,001</u>	<u>20,435</u>

## 7 FINANCE INCOME/(EXPENSES), NET

	<u>2024</u>	<u>2023</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Finance income</b>		
Interest income	23,573	19,331
Foreign exchange gains, net	2,899	–
	<u>26,472</u>	<u>19,331</u>
<b>Finance expenses</b>		
Foreign exchange loss, net	–	(8,091)
Interest expenses on leases	(10,037)	(9,703)
Other finance expenses	(5,748)	(4,441)
	<u>(15,785)</u>	<u>(22,235)</u>
Net finance income/(expenses)	<u>10,687</u>	<u>(2,904)</u>

## 8 INCOME TAX EXPENSE

Taxation on profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries/areas in which the Group entities operate. The Group was subject to different tax jurisdiction primarily in Germany, Denmark, the UK, mainland China and Hong Kong with tax rates ranging from 8.25% to 32% during the year (2023: 8.25% to 32%).

	<b>Germany</b>	<b>Mainland China</b>	<b>Denmark</b>	<b>The UK</b>	<b>Hong Kong</b>
Years ended 31 December 2024 and 2023	32%	15%, 25%	22%	25%	8.25%-16.5%

The amount of income tax expense charged to the consolidated statement of comprehensive income represents:

	<u>2024</u>	<u>2023</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax	44,121	60,396
Deferred tax	(2,014)	(3,040)
Income tax expense	<u>42,107</u>	<u>57,356</u>



The taxation on the Group's profit before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

	<u>2024</u>	<u>2023</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before tax	126,466	190,610
Tax calculated at the domestic tax rate applicable to profits in the respective jurisdictions	36,004	54,003
Preferential tax rates on income of certain group entities	(626)	(42)
Income not subject to income tax	–	(560)
Expenses not deductible for tax purposes	449	1,562
Reversal of deferred tax assets previously recognised	6,246	1,681
Tax losses of certain group entities for which no deferred tax assets were recognised	2,218	1,409
Previously unrecognised temporary differences now recouped to reduce current tax expenses	(2,184)	(697)
<b>Income tax expense</b>	<u>42,107</u>	<u>57,356</u>

## 9 EARNINGS PER SHARE

### (a) Basic earnings per share

For the years ended 31 December 2024 and 2023, basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

	<u>2024</u>	<u>2023</u>
Profit attributable to owners of the Company (HK\$'000)	82,285	131,242
Weighted average number of ordinary shares in issue ('000) ( <i>Note (c)</i> )	330,079	331,885
Earnings per share (basic) (HK cents)	<u>24.929</u>	<u>39.544</u>

### (b) Diluted earnings per share

For the years ended 31 December 2024 and 2023, diluted earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares and potential ordinary shares during the year.

	<u>2024</u>	<u>2023</u>
Profit attributable to owners of the Company (HK\$'000)	82,285	131,242
Weighted average number of ordinary shares and potential ordinary shares in issue ('000) ( <i>Note (c)</i> )	330,269	332,247
Earnings per share (diluted) (HK cents)	<u>24,915</u>	<u>39.501</u>

(c) Weighted average number of shares used as the denominator

	<u>2024</u>	<u>2023</u>
	<i>Number</i>	<i>Number</i>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share ('000) ( <i>Note (a)</i> )	330,079	331,885
Adjustments for calculation of diluted earnings per share:		
Restricted share	<u>190</u>	<u>362</u>
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share ('000) ( <i>Note (b)</i> )	<u>330,269</u>	<u>332,247</u>

Potential ordinary shares represented the number of shares considered under the Restricted Share Award Scheme as set out in Note 11.

## 10 TRADE RECEIVABLES

	<u>As at 31 December</u>	
	<u>2024</u>	<u>2023</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables due from third parties	5,298	7,228
Trade receivables due from related parties	<u>171</u>	<u>69</u>
<b>Total trade receivables, gross</b>	5,469	7,297
Less: provision for impairment	<u>(731)</u>	<u>(420)</u>
<b>Total trade receivables, net</b>	<u>4,738</u>	<u>6,877</u>

Majority of the Group's sales require advance payments from customers. The remaining amounts are primarily receivable from insurance companies who settle surgery fees on a regular basis. As at 31 December 2024 and 2023, the ageing analysis of the trade receivables based on the invoice date was as follows:

	<u>As at 31 December</u>	
	<u>2024</u>	<u>2023</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 6 months	<u>5,469</u>	<u>7,297</u>

The carrying amounts of trade receivables are denominated in the following currencies:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
– EUR	2,064	2,285
– GBP	2,015	2,610
– RMB	1,227	1,847
– DKK	163	555
	<u>5,469</u>	<u>7,297</u>

(i) Fair value of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(ii) Impairment and risk exposure

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Given that majority of the Group's sales are paid by customers in advance, management considers that the credit loss from trade receivable is very low.

Movements in the provision for impairment of trade receivables are as follows:

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Balance at beginning of the year	420	199
Provision for impairment recognised during the year	339	221
Receivables written off during the year as uncollectible	(28)	–
	<u>731</u>	<u>420</u>

The maximum exposure to credit risk as at 31 December 2024 were HK\$5,469,000 (2023: HK\$7,297,000).

## 11 SHARES HELD FOR SHARE SCHEME

	<b>As at 31 December</b>			
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Shares</b>	<b>Shares</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Shares held for share scheme	<u>6,803,861</u>	<u>1,412,650</u>	<u>30,826</u>	<u>10,505</u>

These shares of the Company were acquired and held by an independent professional trustee (the “Trustee”) for the purpose of granting shares to eligible employees under the Restricted Share Award Scheme and other equity-based incentive schemes adopted by the Company. During the year ended 31 December 2024, the Company paid HK\$35,797,000 (2023: nil) to the Trustee, with a balance of unutilised cash of HK\$108,000 as restricted cash as at 31 December 2024 (2023: HK\$168,000).

	<b>Number of shares</b>	<b>Amount HK\$'000</b>
As at 1 January 2024	1,412,650	10,505
Acquisition of shares by the Trustee	7,731,000	35,857
Cancellation of shares	(1,717,000)	(9,029)
Issue of shares under employee share scheme	(622,789)	(6,507)
	<u>6,803,861</u>	<u>30,826</u>

## 12 SHARE-BASED PAYMENT

On 19 March 2020, the Company adopted a share scheme with a term of 10 years to incentivise skilled and experienced personnel, and to recognise the contributions of the participants, to the Group (the “**Restricted Share Award Scheme**”).

Under the Restricted Share Award Scheme the grantees receive the shares of the Company with a vesting period within 2 years.

The following table shows the restricted shares granted and outstanding at the beginning and end of the year:

	<b>2024 Number of shares</b>	<b>2023 Number of shares</b>
As at 1 January	387,500	210,598
Granted during the year	275,289	375,368
Exercised during the year	(622,789)	(198,466)
	<u>40,000</u>	<u>387,500</u>

### Expenses arising from share-based payment

	<b>2024 HK\$'000</b>	<b>2023 HK\$'000</b>
Shares issued under employee share scheme	<u>1,560</u>	<u>2,228</u>

The fair value of the awards on grant date was estimated based on the market price of the Company’s shares prevailing on that date.

### 13 TRADE PAYABLES

As at 31 December 2024 and 2023, the ageing analysis of trade payables based on invoice dates is as follows:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Within 3 months	22,373	18,230
Over 3 months but within 6 months	2,674	2,931
Over 6 months but within 1 year	–	1,431
	<u>25,047</u>	<u>22,592</u>

The carrying amounts of trade payables are denominated in the following currencies:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
– EUR	15,538	12,627
– DKK	3,641	2,879
– GBP	3,640	1,986
– RMB	1,846	5,083
– HK\$	382	17
	<u>25,047</u>	<u>22,592</u>

Trade payables are unsecured and are usually paid within 90 days of recognition.

The carrying amounts of trade payables are considered to be approximate as their fair values.

### 14 DIVIDENDS

On 29 August 2024, the Board of Directors of the Company declared an interim dividend of HK\$0.0349 per ordinary share totalling HK\$11,570,153 to the shareholders in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$17,028,564). The dividend was fully paid during the year ended 31 December 2024.

On 31 March 2025, the Board of Directors proposed a final dividend of HK\$0.0297 per ordinary share totalling HK\$9,524,968 (year ended 31 December 2023: HK\$0.0489 per ordinary share totalling HK\$16,295,436) to the shareholders of the Company in respect of the year ended 31 December 2024. Subject to the approval of the shareholders at the forthcoming annual general meeting and subject to further announcement in respect to the book closure date, record date and payment date, the proposed 2024 final dividend is expected to be distributed to shareholders on or around in the middle of June 2025 (2023: fully paid during the year).

As the final dividend is proposed and will be approved by the shareholders at the forthcoming annual general meeting after 31 December 2024, such dividend is not recognised as a liability as at 31 December 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Highlights

The fiscal year 2024 proved to be difficult for the Group, as it experienced a rapid decline in the myopia correction market due to decreased consumer confidence in both Europe and China. However, as the leading company in the presbyopia treatment sector, the Group achieved significant revenue growth in its lens exchange segment, compensating for the losses in the myopia treatment market. For the year ended 31 December 2024 (the “Fiscal Year”), the Group’s total revenue reached a record high of HK\$715.7 million, compared to HK\$714.3 million the previous year. Revenue from lens exchange surgeries hit a new peak at HK\$390.8 million in the Fiscal Year, reflecting a 5.1% increase from the prior year. The revenue share from lens exchange surgeries rose to 54.6%, up from 52.8% in 2023. With the addition of revenue from Presbyond, the Group’s total revenue from presbyopia treatments increased to 58.8%, compared to 56.6% the previous year.

#### Group Financial Performance

In the Fiscal Year, the Group achieved a revenue increase for the sixth consecutive time since going public, reaching another record high of HK\$715.7 million compared to HK\$714.3 million in 2023. The main driver of this growth was the lens exchange surgery segment, which saw a 5.1% year-on-year rise to HK\$390.8 million, despite the challenges faced during the year. The robust demand for this presbyopia treatment also fueled growth in the Group’s three largest markets, namely Germany, the UK and PRC.

The gross profit fell by 14.6% to HK\$286.6 million from 2023, primarily due to the burden of fixed costs associated with new clinics that have not yet reached breakeven, including depreciation and salaries for clinical staff. Additionally, the drop was partly due to increased salaries for frontline staff driven by inflation. When excluding one-time costs like pre-opening expenses, the adjusted gross profit decreased by 12.1% year-on-year to HK\$298.5 million. The gross profit margin dropped to 40.0%, a decline of 7.0 percentage points from 2023, while the adjusted gross profit margin decreased to 41.7%, down from 47.5% the previous year.

The Group’s earnings before interest, tax, depreciation, and amortization (EBITDA) fell by 18.8% compared to the previous year, totaling HK\$228.0 million. When excluding one-time expenses, the adjusted EBITDA decreased by 16.8% year-on-year to HK\$240.5 million. The adjusted EBITDA margin declined to 33.6% from 40.5% last year. The net profit after tax was HK\$84.4 million, while the adjusted net profit after tax was HK\$100.3 million, reflecting decreases of 36.7% and 29.2%, respectively, from the previous year. The net profit attributable to the Company’s equity holders fell by 37.3% year-on-year to HK\$82.3 million, and the adjusted net profit for equity holders decreased by 29.7% to HK\$98.3 million. This decline in the Group’s net profit was primarily due to additional costs from new stores that have not yet reached breakeven. The weight the four new clinics – Laser Eye Clinic in London, Hong Kong flagship clinic, and the two German clinics located in Wiesbaden and Kiel – put onto the Group’s net profit after tax amounted to HK\$43.8 million for the Fiscal year.

## **Performance by Geographic Regions**

### ***Performance in Europe***

In Germany, total revenue increased to HK\$385.2 million for the Fiscal Year, marking a 1.1% rise compared to the previous year. Germany represented 53.9% of the Group's overall revenue, up from 53.3% in 2023. The primary contributors to growth during the Fiscal Year were lens exchange surgery and ICL surgery, which grew by 2.6% and 3.7% year-on-year, reaching HK\$221.8 million and HK\$42.1 million, respectively. However, revenue from refractive laser surgery declined by 6.6% year-on-year to HK\$108.4 million, as consumer confidence among younger individuals has not yet fully rebounded. Throughout the Fiscal Year, the Group opened two new clinics in Germany, namely in Wiesbaden and Kiel, expanding its presence in the country. Both clinics experienced higher-than-expected client traffic, which was attributed to the Group's strong reputation in Germany.

In the UK, revenue contribution increased to 15.8% for the Fiscal Year from 14.2% in 2023. The Group achieved an 11.8% increase in revenue compared to the previous year, totaling HK\$113.4 million, which was primarily driven by the opening of the new flagship clinic in Knightsbridge. This clinic, which specializes in lens exchange surgeries, helped counteract challenges from the global decline in the myopia correction market. Additionally, the Group trained a new surgeon at the London Vision Clinic ("LVC") to expand the range of lens exchange surgeries offered, aiding the clinics in returning to a growth path after last year's difficulties.

The Group faced some challenges in Denmark during the Fiscal Year. One contributing factor was the closure of the Aarhus clinic for renovations in the first half of the Fiscal Year, which led to a decrease in the number of surgeries performed. Additionally, consumer confidence in the country declined, resulting in lower demand for surgeries, while competition from neighboring countries increased. In response, the Group quickly adjusted its marketing strategies and successfully stabilized its operations in the second half of the Fiscal Year. As a result, the Group was able to reduce its revenue decline to 18.5% year-on-year, compared to a 21.0% drop as reported in the interim results announcement for the six months' ended 30 June 2024 of the Company dated 29 August 2024, bringing the total annual revenue from Denmark to HK\$71.6 million.

### ***Performance in Asia***

In PRC, macroeconomic difficulties persisted throughout the Fiscal Year, leading to a significant decline in consumer confidence. Despite this, the Group achieved stable year-on-year revenue growth of 1.0%, raising the region's sales to HK\$145.5 million. This revenue represented 20.3% of the Group's total revenue, slightly up from 20.2% in 2023. Even in a challenging economic climate, the Group experienced a remarkable 23.1% year-on-year increase in revenue from lens exchange surgeries, reaching a new high of HK\$89.5 million. This growth helped to counterbalance the weaker demand for myopia correction surgeries, with revenue from refractive laser surgery falling by 28.3% year-on-year to HK\$23.5 million and ICL revenue decreasing by 21.7% year-on-year to HK\$26.8 million. The newly established flagship clinic in Hong Kong is progressing towards achieving breakeven since receiving its day procedure center license issued by the Office for Regulation of Private Healthcare Facilities of the Department of Health in late March 2024.

## **Performance by Type of Surgeries**

### ***Lens exchange surgery***

Lens exchange surgery represented 54.6% of the Group's overall revenue. In the Fiscal Year, revenue from lens exchange surgeries, primarily involving trifocal lenses for presbyopia correction, increased by 5.1% compared to the previous year, reaching a record HK\$390.8 million. The strong growth in this sector was driven by the aging population in the various countries where the Group operates. As part of the natural aging process, surgery is the most effective solution for replacing reading glasses, leading to a consistent demand for presbyopia correction treatments that remains resilient even in challenging economic conditions.

## ***Presbyond Laser Blended Vision***

In addition to lens exchange surgery, the Group provides PRESBYOND® Laser Blended Vision (“**Presbyond**”) as a treatment for presbyopia through refractive laser technology. This method, created by Dr. Dan Zoltan Reinstein, an executive Director and the founder and medical director of LVC, was introduced to the Group’s international patients in Germany and the PRC beginning in 2023. Presbyond represents 4.2% of the Group’s overall revenue, contributing HK\$30.0 million to the Group’s total earnings for the Fiscal Year.

## ***Phakic lens (ICL) surgery***

For the Fiscal Year, ICL surgery accounted for 10.5% of the Group’s total revenue, down from 11.4% from last year. The revenue from performing ICL surgery declined 6.3% year-on-year to HK\$75.4 million.

## ***Refractive laser surgery***

Refractive laser surgery represented 26.5% of the Group’s overall revenue, a decrease from 33.4% the previous year. Revenue from refractive laser surgery fell by 19.3% year-on-year, totaling HK\$189.8 million for the Fiscal Year. The global market for myopia treatment faced challenges during the Fiscal Year as low consumer confidence led younger generations to be more price-sensitive and postpone non-essential expenditures.

## **OUTLOOK AND FUTURE STRATEGIES**

Macro uncertainties are expected to persist in the first half of 2025; however, the Group is cautiously optimistic about the upcoming year. It believes that with the below growth pillars, along with its global portfolio, will enable it to tackle challenges and exceed market performance in the medium term. By 2028, the Group is confident its organic compound annual growth rate (CAGR) for revenue will be in the low to mid-teens, while the organic EBITDA CAGR will reach the high teens, and its net profit organic CAGR will be in the high-teens to low-twenties. Additionally, the Group will actively seek suitable merger and acquisition (M&A) opportunities, which are expected to significantly enhance its organic growth over the next two to three years.

### **Organic Growth Pillar #1: Enhance market leadership in presbyopia treatments.**

The Group is recognized for its leading position in trifocal lens exchange surgery, which sets EuroEyes apart from its competitors. For the ninth consecutive year, the Group has received an award from Zeiss for performing the highest number of trifocal lens procedures in 2024.

Presbyopia is a natural part of aging that affects nearly everyone, and trifocal lens exchange surgery is currently the most effective method for addressing this condition. The Group anticipates that the demand for trifocal lens exchange surgery will continue to grow, regardless of economic conditions.

As the surgery that remains most resilient during economic downturns, trifocal lens exchange surgery serves as a key driver for the Group’s future growth, even in challenging macroeconomic environments. Moving forward, the revenue generated from lens exchange surgery is expected to increase, further strengthening the Group’s business model and enabling it to thrive during tough times.



## **Organic Growth Pillar #2: New clinics entering maturity phase.**

Fixed costs, such as equipment depreciation and employee expenses, constitute a significant portion of the Group's overall cost structure. Therefore, once a new clinic reaches its breakeven point, any extra revenue will largely contribute to the Group's profits. For instance, the clinics in Germany boast an EBITDA margin of up to 50%. The Group's newer clinics in Mainland China are making good progress in catching up to their German counterparts. Additionally, the two flagship clinics that opened last year in London and Hong Kong SAR are performing well and exceeding the Group's expectations. Two more clinics that recently opened in Wiesbaden and Kiel, Germany, are also outperforming projections and are expected to reach breakeven by 2025. The Group anticipates that these new clinics will start contributing to EBITDA and net income from 2025 onward, leading to significant growth in profitability in the coming years.

### **New clinic pipeline**

The Group is looking for suitable premises for satellite consultation centres to support existing clinics that experience a high volume of patients. These centers will be utilized for examinations and non-surgical treatments, which are anticipated to boost the usage of the Group's existing surgical facilities, allowing the Group to expand its reach in cities with significant potential.

### **External Growth Pillar: Mergers & acquisitions to bring significant upside.**

The Group is advancing its strategy of mergers and acquisitions, focusing on well-known privately-owned eye clinics in Europe as potential targets. It is also open to strategic acquisitions in the Americas. By pursuing these acquisitions, the Group aims to obtain prominent eye clinic brands and collaborate with esteemed surgeons to broaden its clinic network and penetrate new geographic areas, particularly in emerging markets. With a larger and more robust network of surgeons, the Group plans to enhance its ophthalmic capabilities and solidify its leadership in the industry. The Group intends to accelerate this process and anticipates announcing additional M&A deals in 2025.

## FINANCIAL REVIEW

### 1. Revenue

The Group is a high-end vision correction service provider in Germany, PRC, Denmark, and the UK. The Group's vision correction services include refractive laser surgery (which includes ReLEx SMILE, Femto LASIK and Presbyond®), phakic lens surgery (ICL), lens exchange surgery (which includes monofocal and trifocal lens exchange surgery) and others (which includes PRK/LASEK and ICRS implantation). The following table sets forth the Group's revenue by product category during the years indicated:

	Year ended 31 December					
	2024	2024	2023	2023	Change	Change
	<i>HK\$'000</i>	<i>% of total revenue</i>	<i>HK\$'000</i>	<i>% of total revenue</i>	<i>HK\$'000</i>	<i>%</i>
Provision of vision correction services	710,875	99.3	707,897	99.1	2,978	0.4
Training services	3,613	0.5	5,407	0.8	(1,794)	(33.2)
Sales of pharmaceutical products	51	0.0	17	0.0	34	200.0
Other	1,143	0.2	968	0.1	175	18.1
<b>Total</b>	<b>715,682</b>	<b>100.0</b>	<b>714,289</b>	<b>100.0</b>	<b>1,393</b>	<b>0.2</b>

The Group's total revenue for the Fiscal Year was HK\$715.7 million, representing a year-on-year increase of 0.2%, which was mainly due to a robust growth of lens exchange surgeries for presbyopia treatment in Germany, the PRC and the UK.

The Group's revenue was generated from Germany, PRC, Denmark and the UK. As of 31 December 2024, the Group had a total of 34 clinics and consultation centres worldwide. The following table sets forth the Group's revenue by geographical locations during the years indicated:

	Year ended 31 December					
	2024	2024	2023	2023	Change	Change
	<i>HK\$'000</i>	<i>% of total revenue</i>	<i>HK\$'000</i>	<i>% of total revenue</i>	<i>HK\$'000</i>	<i>%</i>
Germany	385,195	53.9	380,916	53.3	4,279	1.1
PRC	145,468	20.3	144,036	20.2	1,432	1.0
UK	113,381	15.8	101,418	14.2	11,963	11.8
Denmark	71,638	10.0	87,919	12.3	(16,281)	(18.5)
<b>Total</b>	<b>715,682</b>	<b>100.0</b>	<b>714,289</b>	<b>100.0</b>	<b>1,393</b>	<b>0.2</b>

For the Fiscal Year, the Group generated 53.9% of its revenue from Germany, 20.3% from PRC, 15.8% from the UK, and 10.0% from Denmark.

## 2. Cost of Revenue

For the Fiscal Year, the largest cost of revenue incurred continued to be employee benefit expenses, representing 26.6% of the Group's total revenue as compared to 24.0% in 2023, followed by raw materials and consumables, representing 12.5% as compared to 11.8% in 2023 of the Group's total revenue.

	Year ended 31 December		
	2024	2023	Change
	HK\$'000	HK\$'000	%
Employee benefit expenses	190,622	171,399	11.2
Raw materials and consumables	89,242	84,430	5.7
Depreciation of property, plant and equipment	87,583	67,993	28.8
Doctor's fee	4,994	1,791	178.8
Others <sup>(1)</sup>	56,648	53,155	6.6
<b>Total</b>	<b>429,089</b>	<b>378,768</b>	<b>13.3</b>

Note:

- (1) Others mainly included clinic, office and consumption expenses, transportation costs, repair and maintenance electricity and other utility expenses, etc.

The total cost of revenue of the Group for the Fiscal Year amounted to HK\$429.1 million, representing an increase of 13.3% compared to 2023. The increase was primarily attributable to the increase in employee benefit and depreciation of property, plant and equipment.

## 3. Gross Profit and Gross Profit Margin

The following table sets forth the Group's gross profit and gross profit margin for the years indicated:

	Year ended 31 December		
	2024	2023	Change
	HK\$'000	HK\$'000	%
Revenue	715,682	714,289	0.2
Cost of revenue	(429,089)	(378,768)	13.3
Gross profit	<u>286,593</u>	<u>335,521</u>	<u>(14.6)</u>
Gross profit margin	<u>40.0%</u>	<u>47.0%</u>	<u>-7.0 ppt</u>
<b>Adjusted Gross profit</b> (see "Non-IFRS Financial Measures" section)	<u>298,506</u>	<u>339,412</u>	<u>(12.1)</u>
<b>Adjusted Gross profit margin</b>	<u>41.7%</u>	<u>47.5%</u>	<u>-5.8 ppt</u>

The gross profit of the Group for the Fiscal Year declined by 14.6% compared to 2023 with a gross profit margin of 40.0%. The adjusted gross profit dropped by 12.1% compared to 2023 with an adjusted gross profit margin at 41.7%

#### 4. Selling Expenses

The Group's selling expenses for the Fiscal Year amounted to approximately HK\$80.8 million, representing an increase of 10.8% as compared to 2023, mainly due to an increase in advertising and marketing expenditure and depreciation of property, plant and equipment. For the Fiscal Year, the selling expenses amounted to 11.3% of the Group's total revenue as compared to last year's 10.2%.

	Year ended 31 December		
	2024	2023	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Advertising and marketing expenditure	58,121	50,641	14.8
Employee benefit expenses	11,807	11,784	0.2
Depreciation of property, plant and equipment	5,764	5,085	13.4
Others	5,078	5,408	(6.1)
<b>Total</b>	<b>80,770</b>	<b>72,918</b>	<b>10.8</b>

#### 5. Administrative Expenses

The administrative expenses of the Group for the Fiscal Year amounted to approximately HK\$115.7 million, representing an increase of 29.6% as compared to 2023. This was mainly due to the increase in employee benefits, consulting and other service fees, depreciation of property, plant and equipment and the goodwill impairment cost. For the Fiscal Year, the administrative expenses amounted to 16.2% of the Group's total revenue, up from 12.5% last year.

	Year ended 31 December		
	2024	2023	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Employee benefit expenses	44,503	39,545	12.5
Legal, consulting and other service fee	16,124	11,707	37.7
Depreciation of property, plant and equipment	14,008	9,823	42.6
Goodwill impairment	11,000	–	–
Office and consumption expenses	10,021	10,281	(2.5)
Others	20,050	17,947	11.7
<b>Total</b>	<b>115,706</b>	<b>89,303</b>	<b>29.6</b>

## **6. Finance Income and Expenses, Net**

The Group's finance income increased by approximately HK\$7.1 million, or 36.9%, from approximately HK\$19.3 million for the year ended 31 December 2023 to approximately HK\$26.5 million for the year ended 31 December 2024. The increase in net finance income was primarily due to the interests income arising from time deposits with Euro ("EUR") amount during 2024.

The Group's finance expenses decreased by approximately HK\$6.5 million, or 29.0%, from approximately HK\$22.2 million for the year ended 31 December 2023 to approximately HK\$15.8 million for the year ended 31 December 2024, which was primarily due to the decrease in foreign exchange loss which arose from the changes in foreign currency exchange rates.

## **7. Borrowings**

As at 31 December 2024, the Group had outstanding borrowings of approximately HK\$0.9 million (2023: approximately HK\$0.9 million), which shall be repaid within one year. The borrowings are related to the overdraft cash in bank.

As at 31 December 2024 and 2023, the borrowings were denominated in Great British Pound ("GBP" or "£").

## **8. Foreign Exchange Risk**

The subsidiaries of the Company mainly operate in Germany, Denmark, the UK, and the PRC with most of the transactions being settled in EUR, Danish Krone ("DKK"), GBP and Renminbi ("RMB") and Hong Kong dollar ("HK\$"), respectively. Foreign exchange risk arises when recognised financial assets and liabilities are denominated in a currency that is not the group entities' functional currency. As at 31 December 2024 and 2023, the financial assets and liabilities of the subsidiaries of the Group in Germany, Denmark, the UK, and the PRC were primarily denominated in EUR, DKK, GBP, RMB, and HK\$, respectively, which were their respective functional currencies.

As at 31 December 2024, foreign currency exposure of these financial assets and liabilities does not have material impact on the operating results of the Group. Management believes that the foreign exchange risk is immaterial. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates. The Group will constantly review the economic situation and its foreign exchange risk profile, and will consider appropriate hedging measures in the future, as may be necessary.

## **9. Charges on Group Assets**

As at 31 December 2024, the Group had no charges on Group assets (as at 31 December 2023: Nil).

## **10. Capital Commitments**

As at 31 December 2024, the Group had no significant capital commitments (as at 31 December 2023: HK\$3.7 million).

## **11. Contingent Liabilities**

As disclosed in the announcements of the Company dated 20 January 2022 and 28 January 2022, pursuant to the relevant share purchase agreement, the Group was required to pay the contingent consideration payable to the former owners of London Vision Clinic Partners Ltd. As at 31 December 2024, the Group had contingent consideration payable of approximately HK\$39.2 million (as at 31 December 2023: HK\$64.4 million).

As disclosed in the announcements of the Company dated 18 and 21 August 2023, pursuant to the relevant share purchase agreement, the contingent consideration requires the Group to pay the former owners of FreeVis GmbH. As at 31 December 2024, the Group had contingent consideration payable of approximately HK\$21.7 million within one year (as at 31 December 2023: HK\$28.0 million).

## **12. Significant Investments and Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures**

There were no significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the year ended 31 December 2024.

## **13. Plans for Material Investments or Capital Assets**

Save as disclosed in the prospectus of the Company dated 30 September 2019 (the “Prospectus”), the capital commitment in relation to the addition of property, plant and equipment and the acquisition by a wholly owned subsidiary of the company of FreeVis GmbH as disclosed in the announcements of the Company dated 18 and 21 August 2023; which will be funded by the proceeds from the Company’s global offering, the Group did not have other plans for material investments or capital assets as at 31 December 2024.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the mandatory disclosure requirements and the code provisions of the Corporate Governance Code as set out in Appendix C1 (the “**Corporate Governance Code**”) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) during the financial year ended 31 December 2024, save for the deviations from code provision C.2.1 as follows:

Under code provision C.2.1 of the Corporate Governance Code, the responsibilities between the chairman and chief executive officer should be separate and should not be performed by the same individual. Dr. Jørn Slot Jørgensen (“**Dr. Jørgensen**”), an executive Director is both the chairman of the Board (the “**Chairman**”) and the chief executive officer of the Company (the “**Chief Executive Officer**”) because of his considerable experience in the business of providing ophthalmic services in Germany, Denmark, U.K. and the PRC. Dr. Jørgensen is also the founder of the Group and has been managing the business and overall strategic development since the establishment of the Group. The Directors consider that vesting the roles of both the Chairman and the Chief Executive Officer in Dr. Jørgensen is beneficial to the business prospects and management of the Group by ensuring consistent leadership with the Group and enabling more effective and efficient overall strategic development for the Group.

Having considered the corporate governance measures that the Company has implemented, the Directors consider that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Accordingly, the Company has not segregated the roles of the Chairman and the Chief Executive Officer since the establishment of the Group. The Board will continue to review and consider the separation of the roles of the Chairman and the Chief Executive Officer at an appropriate time, taking into consideration the business development of the Group as a whole.

Further information regarding the corporate governance practice of the Company will be set forth in the section headed “Corporate Governance Report” in the annual report of the Company for the year ended 31 December 2024 to be issued by the Company.

## COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2024.

## LIQUIDITY AND CAPITAL RESOURCES

The liquidity requirements of the Company are primarily attributable to the working capital for the Group’s business operations. For the year ended 31 December 2024, the principal source of liquidity of the Company was cash generated from the business operations of the Group and proceeds from the global offering. As at 31 December 2024, the Group had cash and cash equivalents of approximately HK\$653.2 million.

The Group's current ratio (calculated as current assets over current liabilities) was approximately 4.7 as at 31 December 2024 (2023: approximately 4.6).

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as long-term borrowings divided by the total capital. The total capital is calculated as equity as shown in the consolidated statement of financial position plus long-term borrowings. The Group did not have long-term borrowing as at 31 December 2024 and 2023.

There were no material changes in the funding and treasury policy of the Group for the year ended 31 December 2024.

## USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

On 15 October 2019, the shares of the Company were listed on the Main Board of the Stock Exchange. In connection with the listing, the Company issued 91,234,000 shares at a price of HK\$7.50. The aggregate net proceeds from the Company's global offering (after deducting underwriting fees and expenses) amounted to approximately HK\$660.66 million, which will be used for (i) establishing clinics in major cities in the PRC, including Chengdu and Chongqing; (ii) potential acquisition of clinic groups in Europe; (iii) expansion of marketing efforts; and (iv) working capital and general corporate purposes.

The net proceeds from the Company's global offering (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilised in the same manner, proportion and expected timeframe as set out in the Prospectus under the section headed "Future Plans and Use of Proceeds". The table below sets out the planned applications of the net proceeds and actual usage up to 31 December 2024:

Use of net proceeds	Percentage of the net proceeds <i>(%)</i>	Planned application <i>(HK\$'000)</i>	Actual usage up to 31 December 2024 <i>(HK\$'000)</i>	Unutilised net proceeds as at 31 December 2024 <i>(HK\$'000)</i>	Expected timeline for fully utilising the unutilised amount (Note 1)
For establishing clinics in major cities in the PRC	40.0	264,266	198,054	66,212	By 31 December 2026
For potential acquisition of clinic groups in Europe	33.0	218,019	207,127	10,892	By 31 December 2026
For the expansion of marketing efforts	17.0	112,313	11,591	100,722	By 31 December 2026
Working capital and general corporate purposes	10.0	66,066	1,503	64,563	By 31 December 2026
	100.0	660,664	418,275	242,389	

Note:

- The expected timeline for utilisation of the unutilised proceeds disclosed above is based on the best estimation from the Board with latest information as at the date of this announcement.



## AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive Directors, namely Mr. Philip Duncan Wright (chairman of the Audit Committee) and Mr. Hans Helmuth Hennig and one non-executive Director, namely Mr. Marcus Huascar Bracklo. The Audit Committee provides supervision and reviews the Group's financial reporting process, internal controls and risk management. The Audit Committee has considered and reviewed the Group's consolidated annual results for the year ended 31 December 2024, the accounting principles and practices adopted by the Group, and discussed matters in relation to internal control and reporting with the management of the Company. The Audit Committee considered that the consolidated annual results for the year ended 31 December 2024 were in compliance with the relevant accounting standards, rules and regulations and the Listing Rules, and that adequate disclosures have been duly made.

## PURCHASE, SALE OR REDEMPTION OF THE SHARES OF THE COMPANY

### A. Repurchase of Shares pursuant to the general mandates granted by the Shareholders at the annual general meetings of the Company

Pursuant to the repurchase mandate of the Shareholders passed at the annual general meeting held on 31 May 2023 (the "2023 AGM") regarding the repurchase of Shares not exceeding 10% of the total number of Shares in issue as at the date of 2023 AGM (i.e., 33,324,000 Shares) (the "2023 Repurchase Mandate"), the Board repurchased a total of 300,000 Shares on the Stock Exchange, representing 0.09% of the total number of issued Shares (excluding treasury shares) as at the date of the 2023 AGM.

The following table sets out the particulars of the repurchase of Shares conducted by the Company pursuant to 2023 Repurchase Mandate during the period from 1 January 2024 to 6 June 2024, being the date of the annual general meeting held in 2024 (the "2024 AGM"):

Month of Repurchase	Number of Share(s) repurchased	Highest price per Share (HK\$)	Lowest price per Share (HK\$)	Aggregate consideration (before expenses) (HK\$)
May 2024	<u>300,000</u>	5.76	5.25	<u>1,649,750</u>
<b>Total</b>	<u><u>300,000</u></u>	–	–	<u><u>1,649,750</u></u>

The Directors confirm that all such repurchased Shares in the above table have been cancelled accordingly on 30 May 2024.

The 2023 Repurchase Mandate expired at the conclusion of the 2024 AGM.

Pursuant to the repurchase mandate of the Shareholders passed at the 2024 AGM regarding the repurchase of Shares not exceeding 10% of the total number of Shares in issue as at the date of 2024 AGM (i.e., 33,294,000 Shares) (the “**2024 Repurchase Mandate**”), the Board repurchased a total of 7,023,000 Shares on the Stock Exchange, representing 2.1% of the total number of issued Shares (excluding treasury shares) as at the date of the 2024 AGM.

The following table sets out the particulars of the repurchase of Shares conducted by the Company pursuant to 2024 Repurchase Mandate during the period from the date of 2024 AGM to 31 December 2024:

<b>Months of Repurchase</b>	<b>Number of Share(s) repurchased</b>	<b>Highest price per Share (HK\$)</b>	<b>Lowest price per Share (HK\$)</b>	<b>Aggregate consideration (before expenses) (HK\$)</b>
June 2024	435,000	5.32	5.00	2,238,980
July 2024	982,000	5.38	4.90	5,112,270
August 2024	306,000	4.52	4.19	1,358,700
September 2024	887,000	4.79	4.43	4,064,580
October 2024	1,423,000	4.8	4.39	6,680,680
November 2024	1,945,000	4.5	4.14	8,434,310
December 2024	1,045,000	4.13	3.94	4,214,090
<b>Total</b>	<b>7,023,000</b>	–	–	<b>32,103,610</b>

The Directors confirm the Shares repurchased under the 2024 Repurchase Mandate during the period from 2024 AGM to 31 December 2024 have been cancelled on 12 August 2024 and 10 January 2025, respectively.

Save as disclosed above, neither the Company or any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares), except for the shares purchased by the trustee in accordance with the Restricted Share Award Scheme during the year ended 31 December 2024.

After 31 December 2024 and up to the date of this announcement, the Company had repurchased 5,211,000 Shares on the Stock Exchange. For more details, please refer to the section headed “Important Events after the end of 31 December 2024” in this announcement.

#### **B. Repurchase of Shares by the trustee pursuant to the Restricted Share Awards Scheme**

For the year ended 31 December 2024, the trustee of the Restricted Share Award Scheme purchased 414,000 Shares at a total consideration of approximately HK\$2,085,251 on the Stock Exchange pursuant to the rules and the trust deed of the Restricted Share Award Scheme. Please refer to the annual report of the Company for the year ended 31 December 2024 to be issued by the Company for more details.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) for the year ended 31 December 2024.

## FINAL DIVIDEND

The Directors recommended a final dividend of HK\$0.0297 per ordinary share for the year ended 31 December 2024, totally amounting to approximately HK\$9,524,968, the payment of which is subject to approval by the shareholders of the Company (the “Shareholders”) at the forthcoming annual general meeting of the Company.

Further announcement will be made in respect of the date of closure of register of members, the date of the forthcoming annual general meeting and the final dividend distribution.

## IMPORTANT EVENTS AFTER THE END OF 31 DECEMBER 2024

As disclosed in the section headed “Purchase, Sale or Redemption of the Shares of the Company” in this announcement, during the period from 31 December 2024 and up to the date of this announcement, the Board repurchased a total of 5,211,000 Shares on the Stock Exchange, representing approximately 1.62% of the total number of issued Shares (excluding treasury shares) as at the date of this announcement.

The following table sets out the particulars of the repurchase of Shares conducted by the Company pursuant to 2024 Repurchase Mandate:

Month of Repurchase	Number of Share(s) repurchased	Highest price per Share (HK\$)	Lowest price per Share (HK\$)	Aggregate consideration (before expenses) (HK\$)
January 2025	5,211,000	3.85	3.29	18,331,120
<b>Total</b>	<b>5,211,000</b>	–	–	<b>18,331,120</b>

The Directors confirm that 5,211,000 repurchased Shares have been cancelled on 28 February 2025. As at the date of this announcement, the total number of Shares in issue is 320,706,000.

Save as disclosed above, to the best knowledge of the Directors there are no important events affecting the Company and its subsidiaries which have occurred since the year ended 31 December 2024 and up to the date of this announcement.

## SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Company’s auditors to the amounts set out in the Group’s draft consolidated financial statements for the year ended 31 December 2024. The work performed by the Company’s auditors in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently no assurance has been expressed by the Company’s auditors on this announcement.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group's business, financial condition and results of operations could be materially and adversely affected by certain risks and uncertainties. For details, please see the section headed "Report of the Directors" of the annual report of the Company for the year ended 31 December 2024 to be issued by the Company.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.euroeyes.com](http://www.euroeyes.com). The Company's annual report for the year ended 31 December 2024 will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

## **APPRECIATION**

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Company for their support and contribution to the Group.

By order of the Board  
**EuroEyes International Eye Clinic Limited**  
**Dr. Jørn Slot Jørgensen**  
*Chairman and Executive Director*

Hong Kong, 31 March 2025

*As at the date of this announcement, the Board comprises Dr. Jørn Slot Jørgensen, Dr. Markus Braun, Mr. Jannik Jonas Slot Jørgensen and Professor Dan Zoltan Reinstein as executive Directors; Mr. Marcus Huascar Bracklo as non-executive Director; and Mr. Hans Helmuth Hennig, Ms. Katherine Rong Xin and Mr. Philip Duncan Wright as independent non-executive Directors.*