

EuroEyes



EuroEyes International Eye Clinic Limited

2023 Interim Results Presentation

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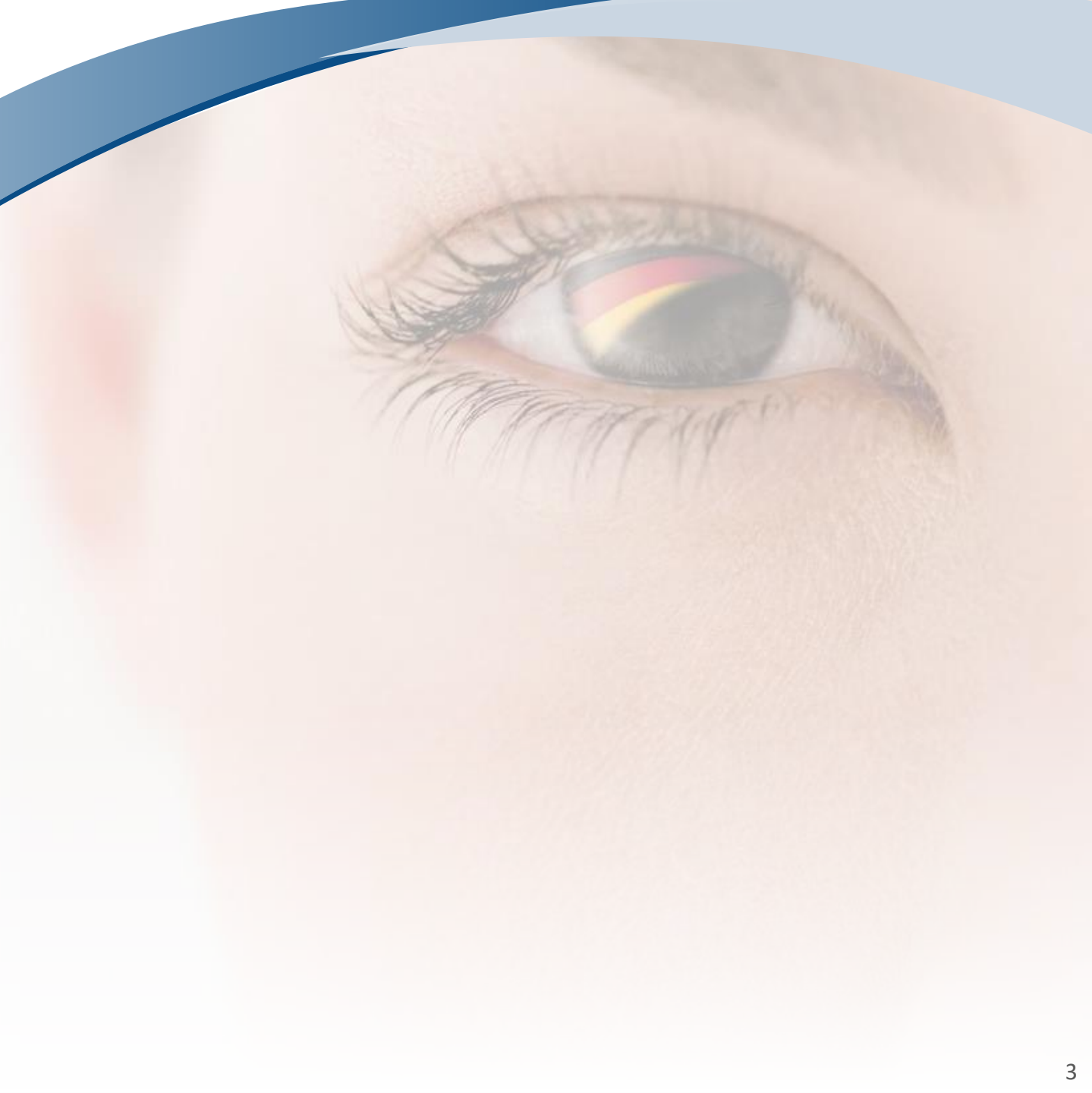
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EuroEyes

1H2023 Results Highlights



Outperform "Golden Year" 2021

Record High

Revenue and
Gross Profit in 1H

Total Revenue

↑ 10% YoY

HK\$346.4mn

Leading Profit Margin

in Eye Clinics

Net Income

↑ 45% YoY

HK\$67.5mn

20% Net Margin

Strong Cash Flow

EBITDA

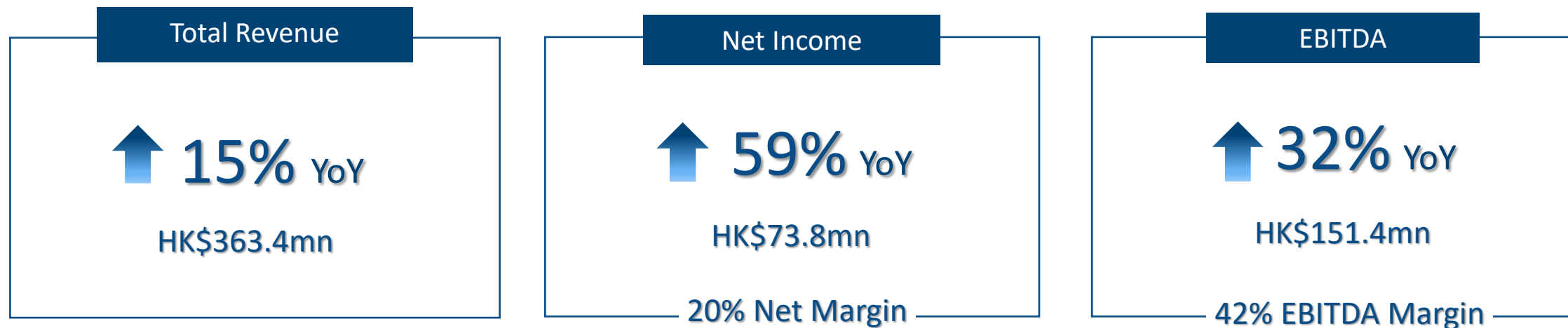
↑ 24% YoY

HK\$141.7mn

41% EBITDA Margin

Further Growth to be Expected from FreeVis Acquisition

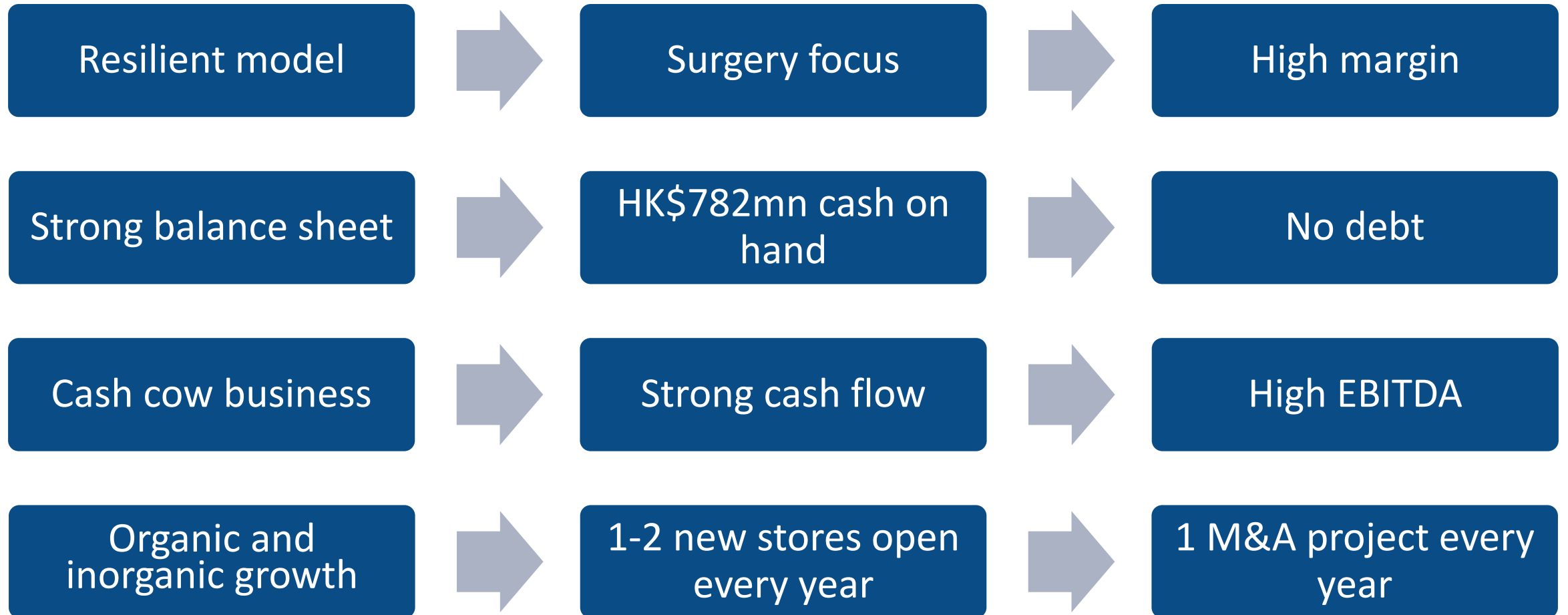
If combining FreeVis¹



¹FreeVis's financial data were unaudited and on a proforma basis



New Milestone has been Achieved; Business to Take Off



Acquisition of FreeVis GmbH in Germany



Rationales behind the deal

Renowned ophthalmic surgeon who is very well connected worldwide

Strengthens our management team in China by becoming CMO Greater China

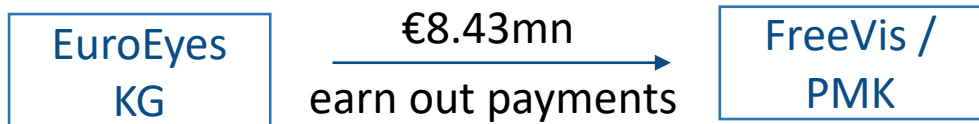
Helps identify M&A-opportunities of world class surgeons' practice and famous eye clinic chains

Academic achievements bring EuroEyes to the next level of scientific research

Expanding footprint in Germany

Acquisition of FreeVis GmbH in Germany – Key Financials

Maximum cash consideration: €9mn



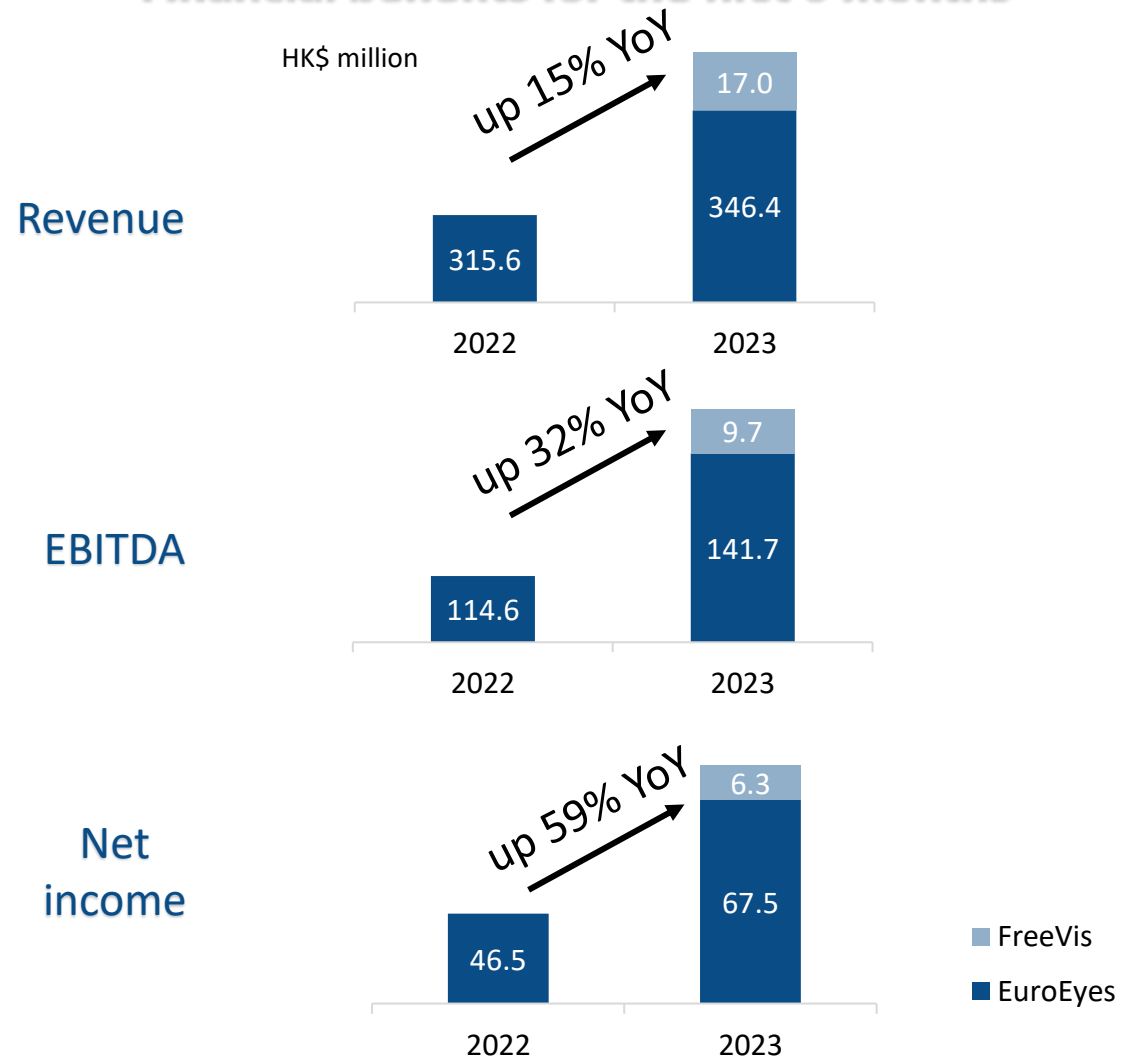
Implied price multiple

Average annual net profit for 2021 and 2022:
€1.13mn per year

P/E: 8.0X

Long-Term Commitment of Prof. Knorz

Financial benefits for the first 6 months¹



¹ FreeVis's financial data were unaudited and on a proforma basis

New Clinic Pipeline

City	Country/Region	Site selection	Lease contract signing	Design confirmation	Construction	Trail operation
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London		Knightsbridge Clinic				September 2023
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Hong Kong		Russell Street Flagship Clinic				2H / 2023
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Kiel		Clinic				2H / 2023
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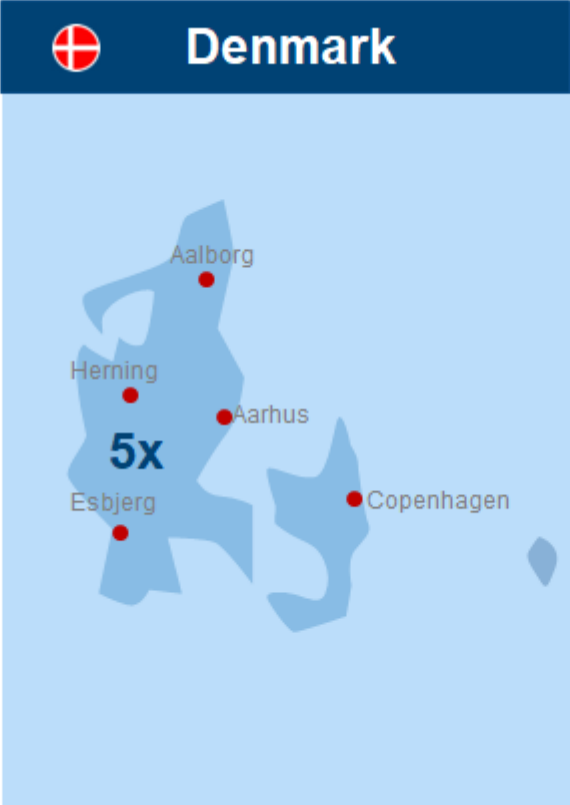
Wiesbaden		Clinic				2H / 2023
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Clinic	Expected Time
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Expanded Clinic Network*

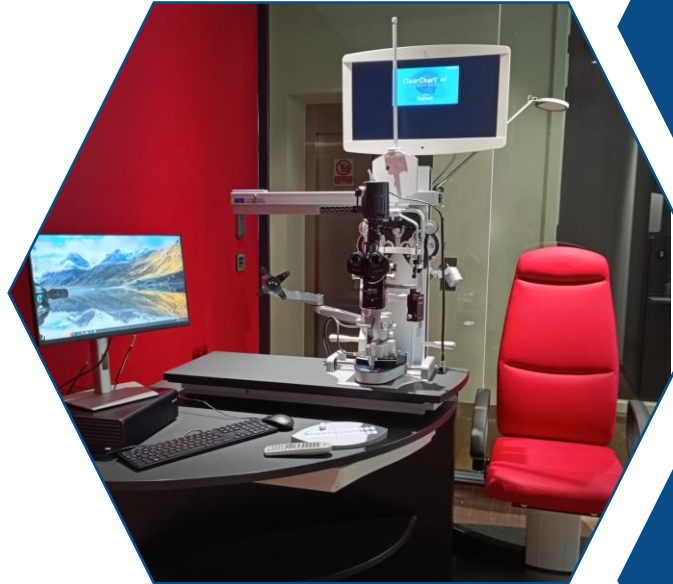


Total # of clinics: 31



*as of August 29

Second London Clinic: Laser Eye Clinic



Leading luxury department store Harrods with affluent customers only 100m away

More than 60% foreign inhabitants (especially Arabs, Asians and Russian)

High frequency of pedestrians and cars



Hong Kong Flagship Clinic

- EuroEyes HK flagship clinic occupies 2 floors (490 Square Meters) at the corner of Russell Street, one of the most crowded shopping streets in Hong Kong
- Key medical staff hired
- Expected to open in H2/2023



KOLs from Around the Globe Believe in EuroEyes

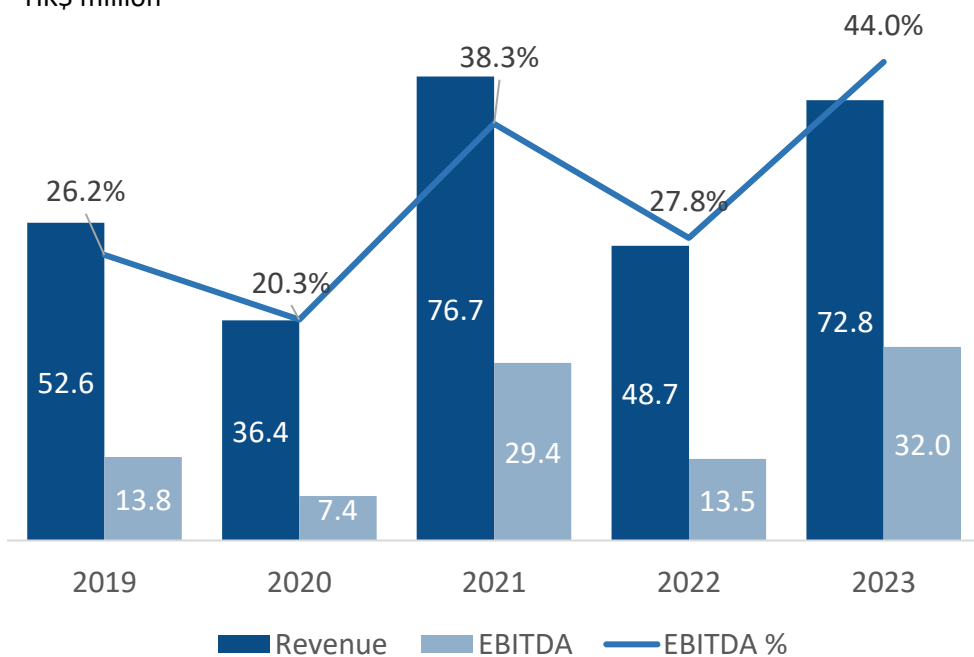


China Business Rebounded to a New High, Exceeding "Golden Year" 2021

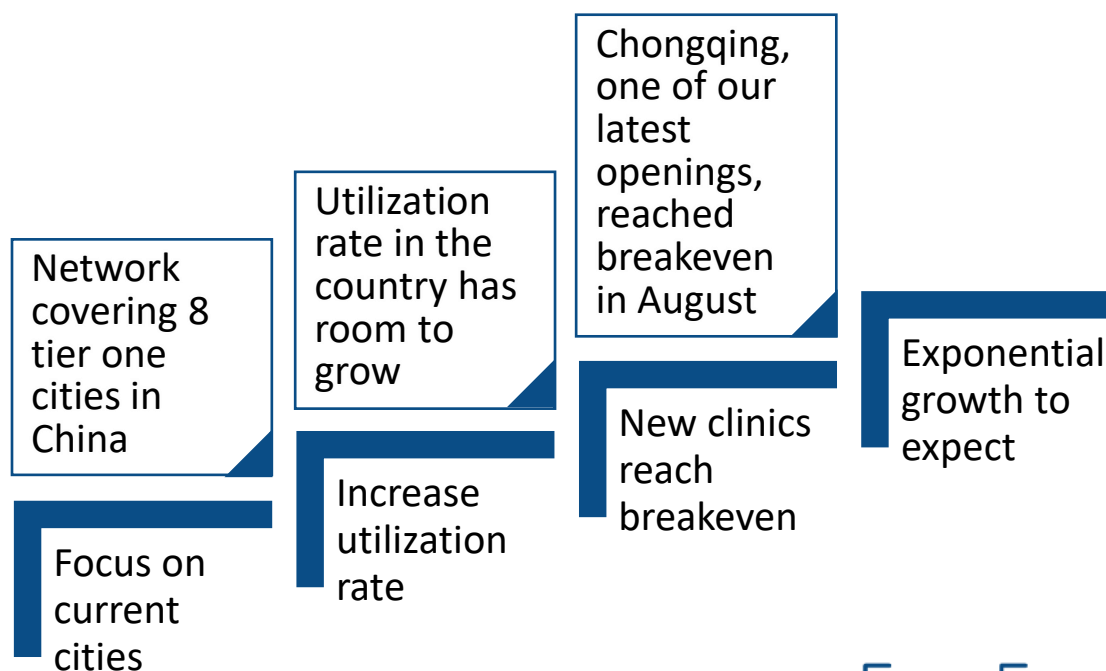


Higher EBITDA than Gross Profit in China

HK\$ million



Our Strategy for China



Expanding to B2B in Mainland China

- The Group seizes B2B opportunities in China
- We signed multiple long-term cooperations with Chinese groups
- We offer special rates to their employees to treat myopia and presbyopia
- We are proud to be the eye care partner of BAIDU

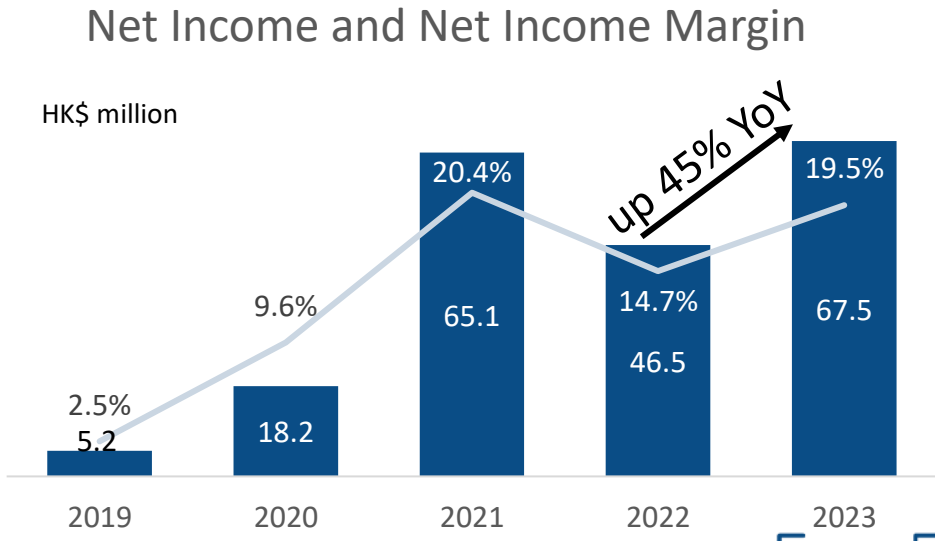
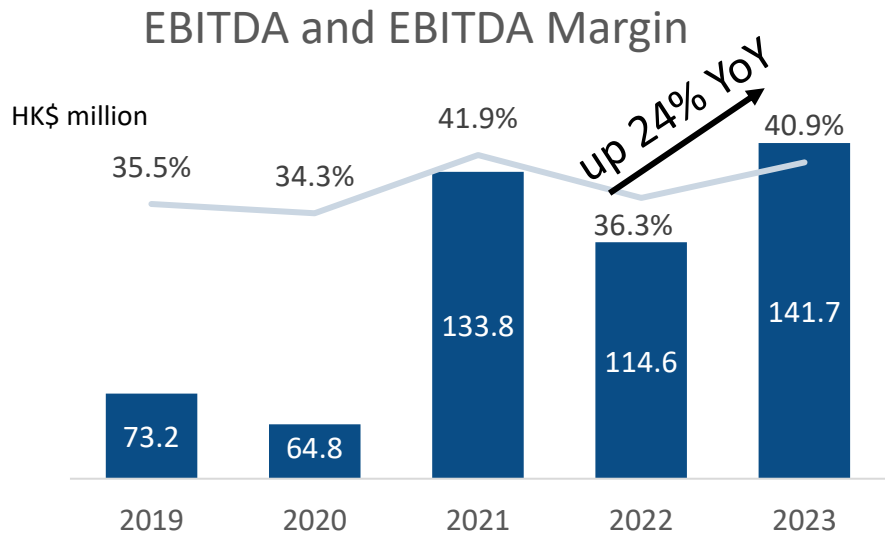
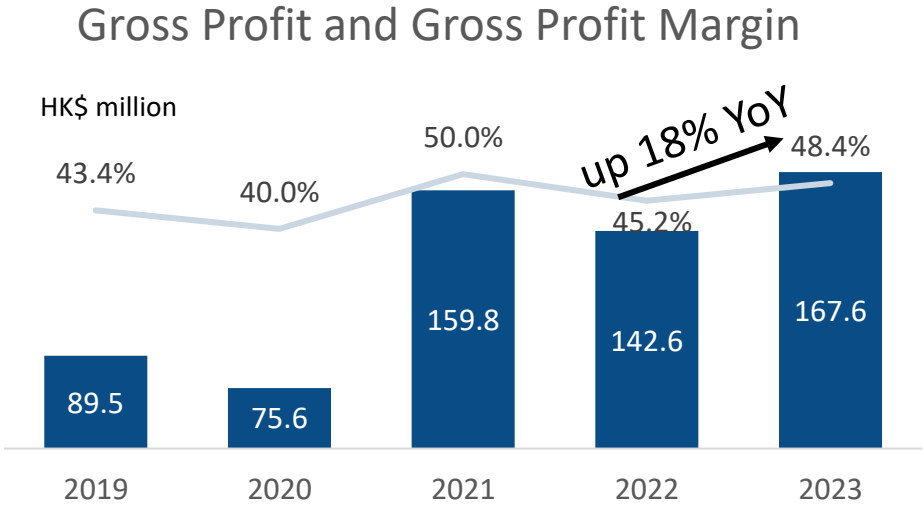
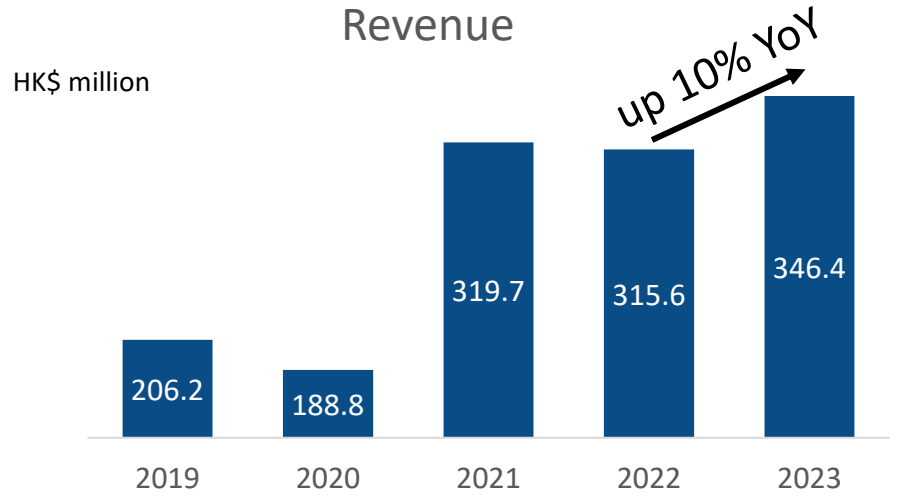


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1H2023 Financial Overview

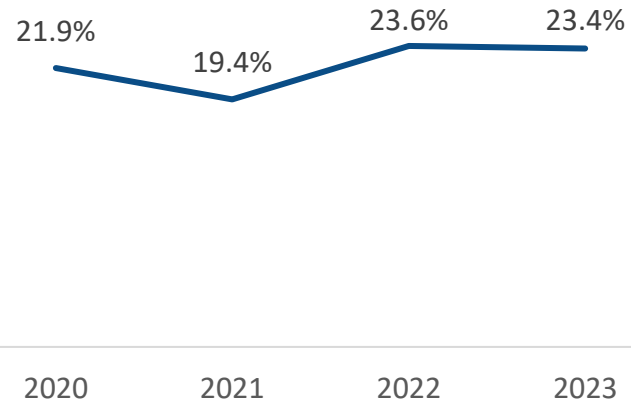


Robust Growth and Improved Profitability

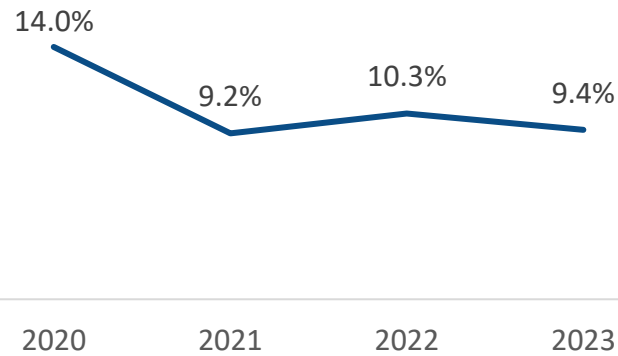


Cost of Sales Ratios Remain Low

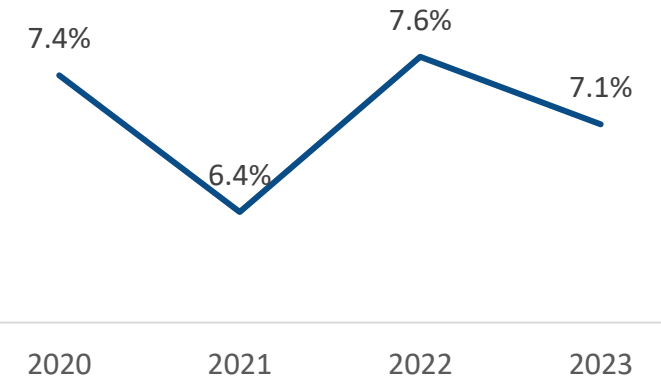
Salaries & Doctor's Fees



Depreciation

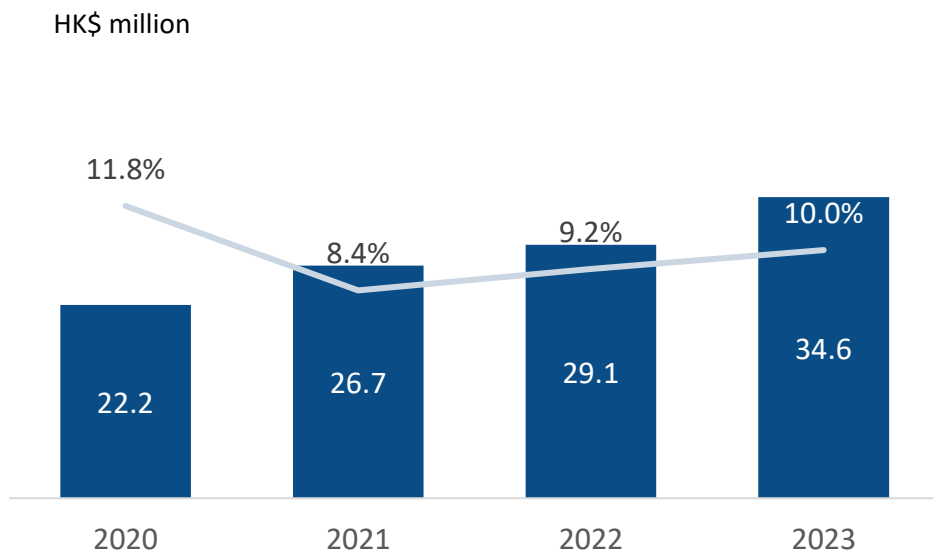


Others

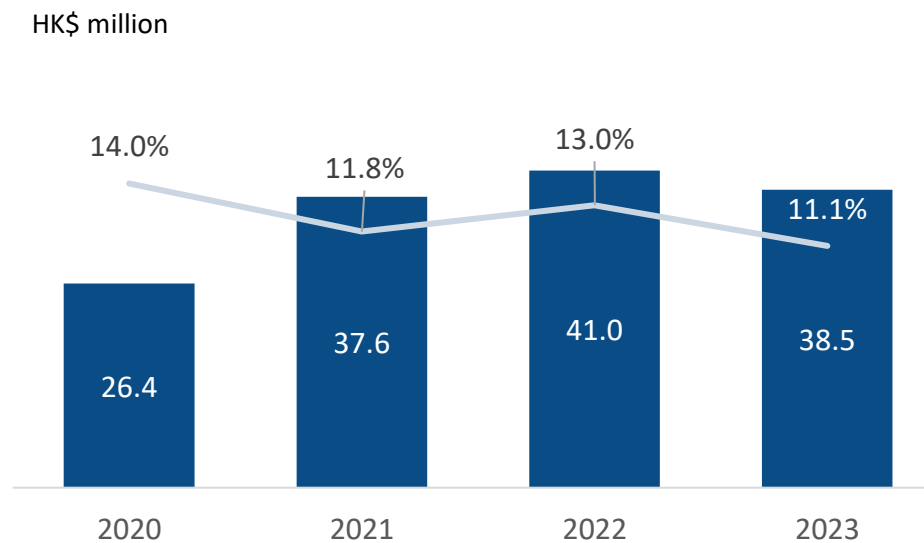


Low Sales Expense with Effective Word-of-Mouth Strategy

Sales Expense



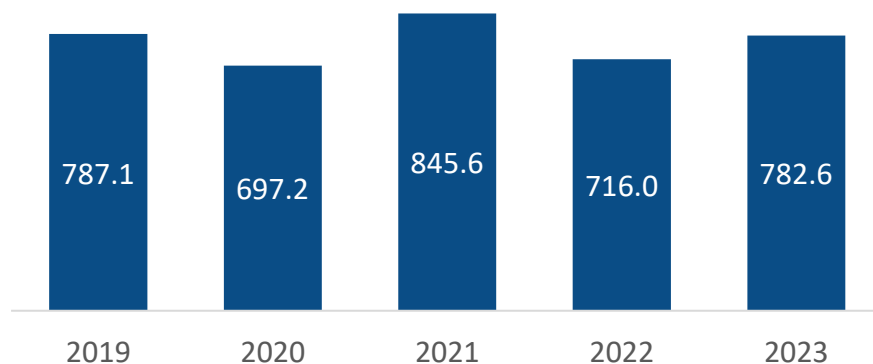
Administrative Expenses Ratio



Strong Balance Sheet and Healthy Cash Flow

Cash and Cash Equivalents

HK\$ million

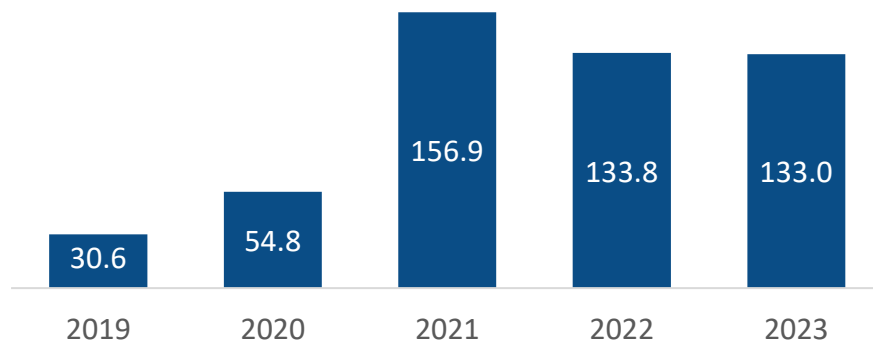


Sufficient cash on hand

- Strong cash position to facilitate future M&A deals such as LVC and FreeVis
- Healthy cash position in economic downturn as capital reserve

Operating Cash Flow

HK\$ million

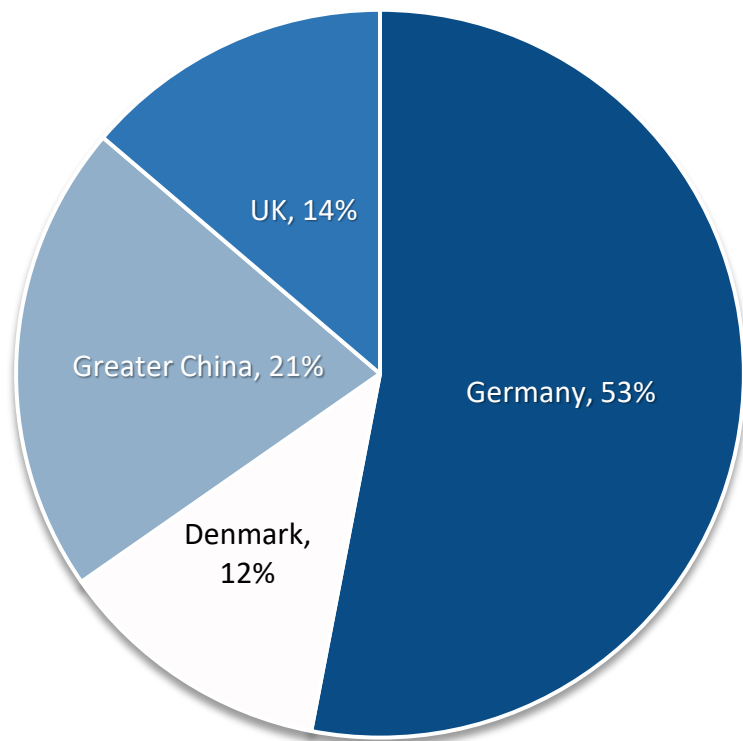


Stable operating cash flow

- Operating cash flow remain stable
- Last year some prepayment made to Zeiss was returned, lifting the operating cash flow level in 2022

A Balanced Geographical Contribution

Revenue by Regions

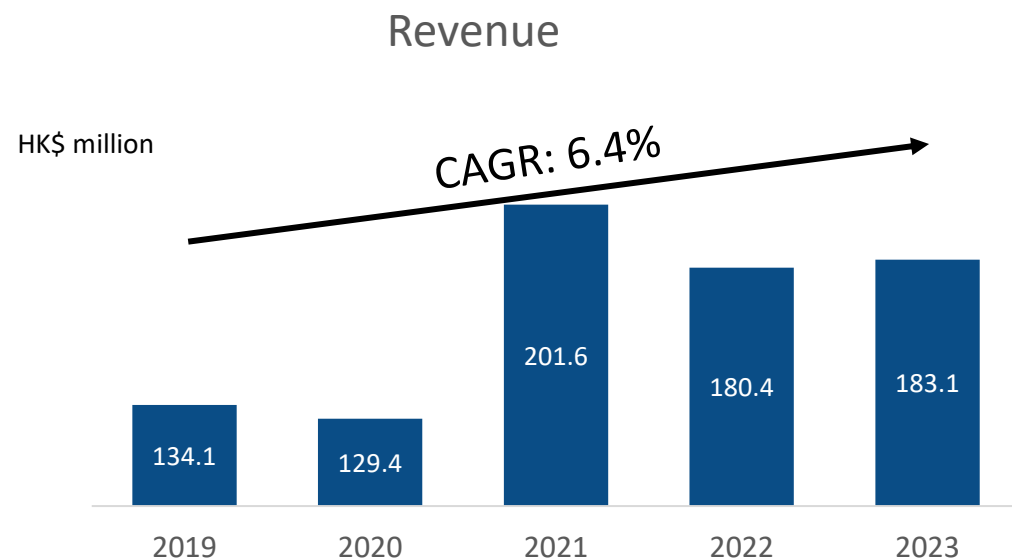


A diversified portfolio

With operations spanning from Asia to Europe, market specific risks can be hedged

Strong Greater China performance provides extra boosts to the Group's performance

Germany: Strong Resilience amid Difficult Times



High demand for presbyopia correction surgeries continues

- Revenue from lens exchange surgery jumped 31% YoY

Demand for ICL surgeries was slightly affected by inflation but largely remained stable

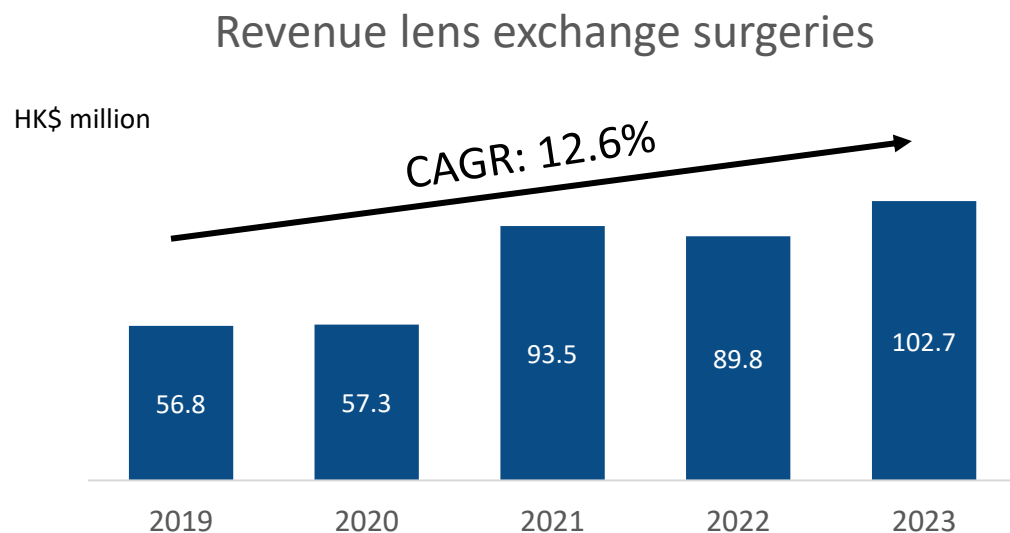
- Revenue from ICL surgery slightly down 2.4% YoY

Demand for refractive laser surgeries was mostly affected by the surging inflation

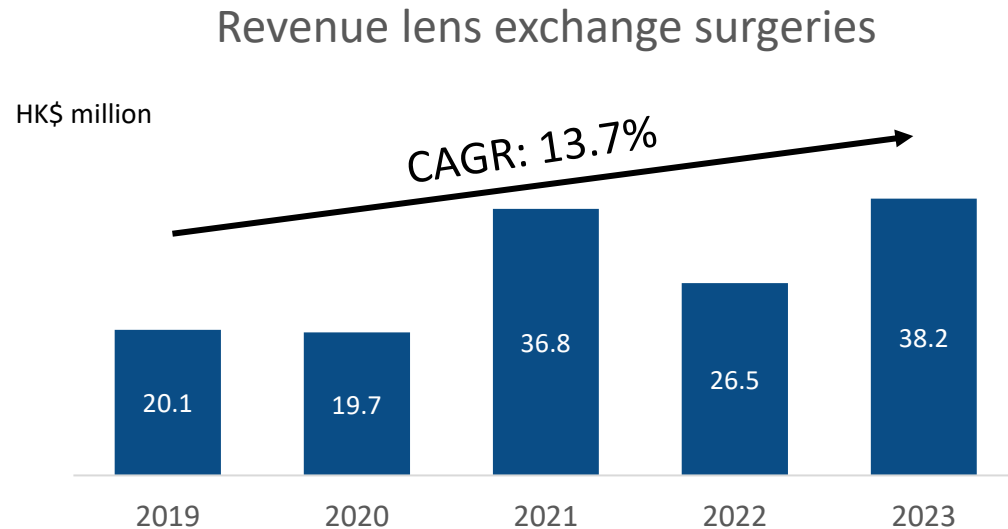
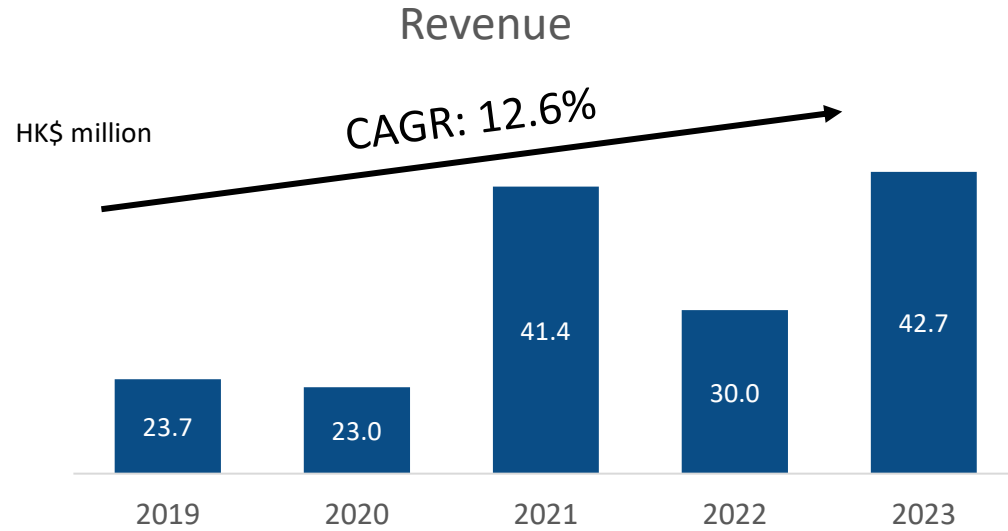
- Younger generations were more hesitate to do refractive surgeries when their purchasing power shrinking
- We provided promotions in April and saw demands for such has been restored in Q2

Maintained highly profitable with strong margin

- Lens exchange accounted for 56.5% of German's total revenue
- Germany recorded an EBITDA margin at 49%



Denmark: Robust Growth to A New Milestone

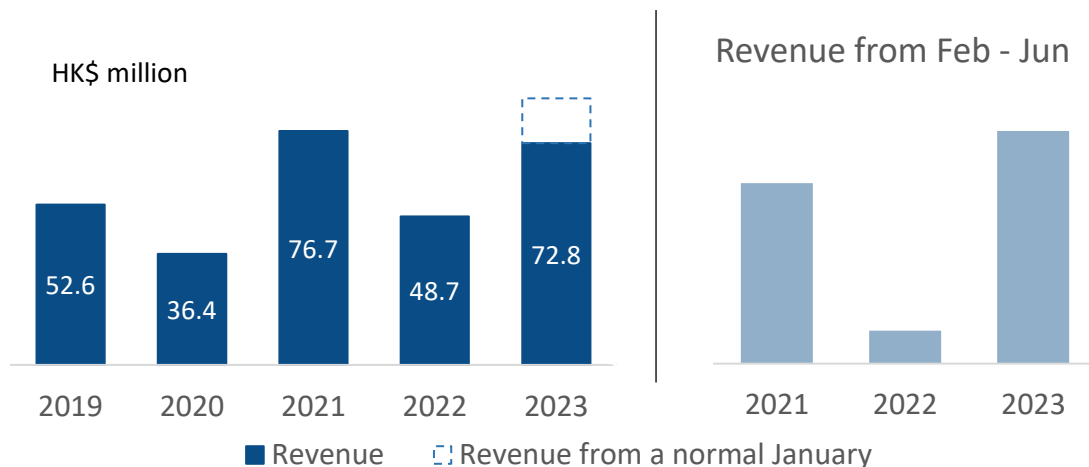


Demands from all surgery types

- Demand for presbyopia treatment remained high in aging society such as Denmark
- Revenue from lens exchange surgery grew 44% YoY
- Lens exchange surgeries accounted for 90% of Denmark's revenue
- Revenue from ICL surgery grew 6% YoY
- Revenue from refractive laser surgery increased 16% YoY

Greater China: Strong Rebound from Post-COVID

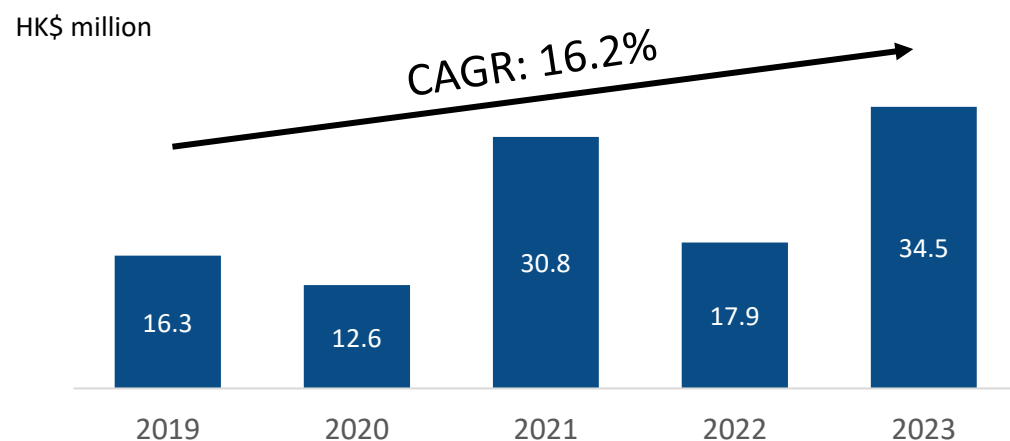
Revenue



Strong rebound started in February

- Revenue grew 84% YoY from Feb – Jun in 2022
- CARG would have been 11% if we had a normalized January
- One clinic in Hang Zhou was relocated due to shopping mall realignment and it will reopen in a closed-by location in Q4

Revenue lens exchange surgeries



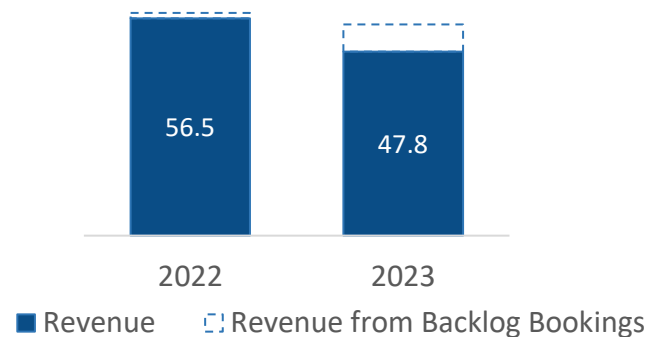
Solid growth from presbyopia correction surgeries

- Lens exchange surgery grew 94% YoY
- If only look at Feb – Jun, the growth rate was more substantial at over 130% YoY

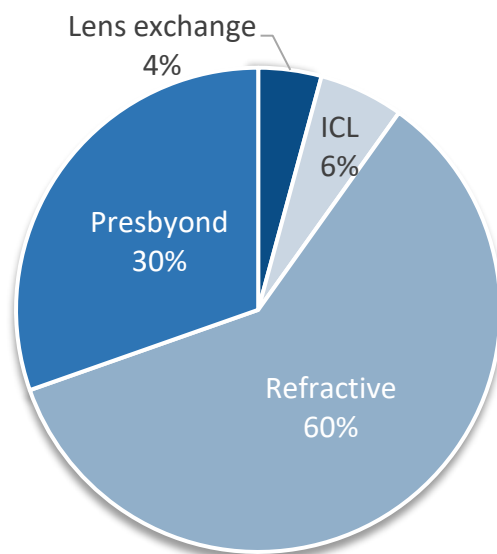
UK: Backlog Bookings Piling Up as Demands Remained Strong

Revenue

HK\$ million



Revenue by Surgery Type



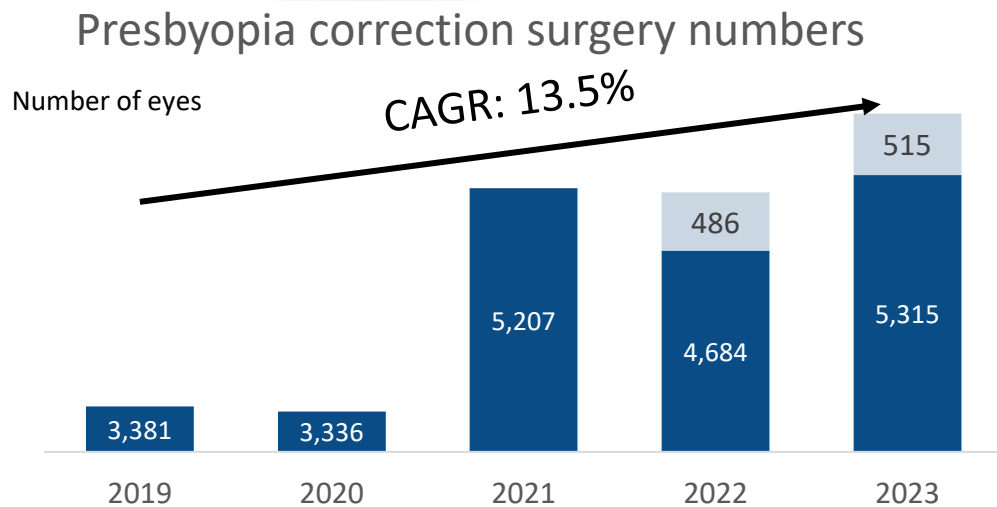
Backlog booking number hit record high

- Surgery time reduced due to new doctor trainings
- Utilization rate in the country reached over 90%
- Patients need to wait for 6 weeks before surgery
- July surgery number up 13% vs the average from January to June while August volume up 33%

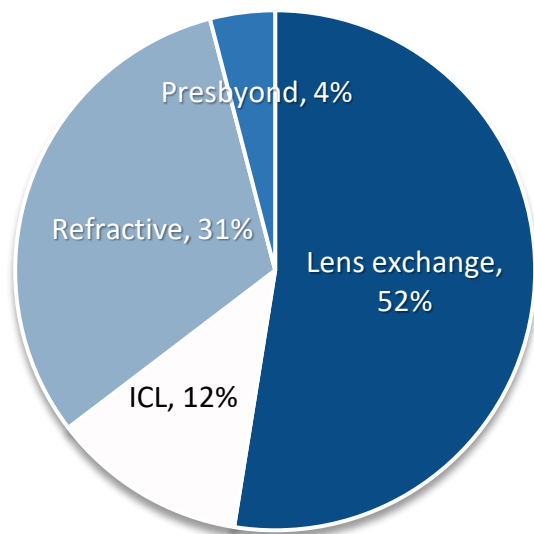
New clinic opened

- A new clinic next to Harrods opened this month
- Two new surgeons will start to take surgery bookings in Q4

Strong Demand for Presbyopia Correction



Revenue by Surgery Type



Presbyopia correction demands were booming in all regions in the last five years

- Lens exchange surgery number saw double-digit growth in all four markets to hit record high
- Presbyopia is a natural aging process and surgery is the best way to replace reading glasses
- Demand for presbyopia correction treatments is immune to the macro economy

Surgery Number and Utilization Rate¹ Reached 1H Historical High

Number of Surgery

14,030

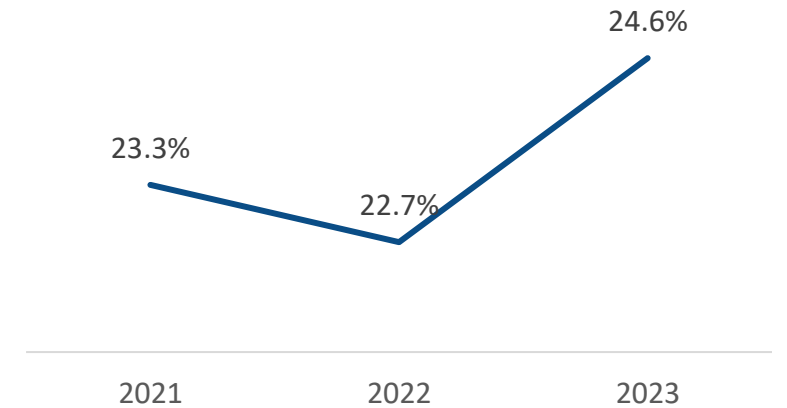
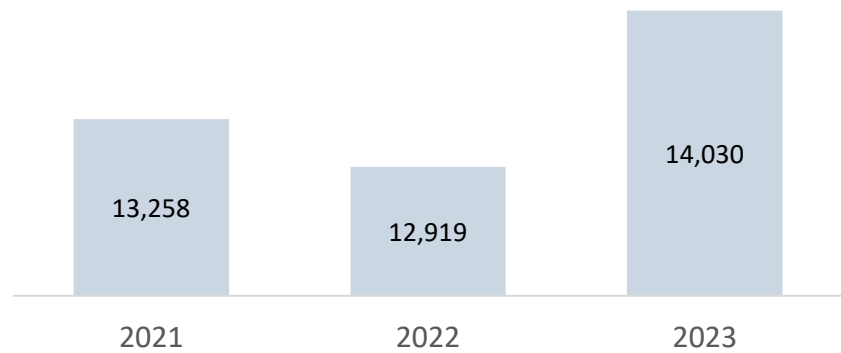
Number of Surgery



Capacity Utilization Rate

24.6%

Utilization Rate



¹EuroEyes capacity utilization rate measures the proportion of potential surgery appointments that is actually occupied by surgeries.

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Outlook and Future Strategies

Key Take-Aways

Resilient Business Model

back on track

Surgery focus

Champion in presbyopia
treatment

Early break-even

Strong EBITDA

Word-of-Mouth marketing

Promising pipeline



Knightsbridge clinic about to
perform first surgery

Hong Kong flagship clinic
under construction

2 new clinics in Germany

M&A to support growth

Rebound expected



Strong start in China

Confident that Revenue
and financial KPI's will
improve to level of
"Golden Year" 2021



Thank You For Your Attention!

Key Financial Data in 2023

For the six months ended June 30 HK\$'000	2022	2023	YoY change (%)
Revenue	315,626	346,382	10%
Cost of sales	(173,072)	(178,800)	3%
Gross profit	142,554	167,582	18%
Operating expense	(69,784)	(67,646)	-3%
Operating profit	72,770	99,936	37%
Finance cost	(2,504)	(7,332)	193%
Profit before income tax	70,266	92,604	32%
Income tax expense	(26,799)	(24,493)	-9%
Profit for the year	43,467	68,111	57%
Profit attributable to			
Owners of the Company	46,528	67,476	45%
Owners of the Company (non-IFRS)	56,579	69,848	23%
Non controlling interests	(3,061)	635	-121%
EBITDA	114,584	141,658	24%
EBITDA (non-IFRS)	123,158	144,318	17%

	2022	2023
Gross profit margin	45.17%	48.38%
Operating profit margin	23.06%	28.85%
Net Margin	13.77%	19.66%
Non-IFRS net margin	16.96%	20.35%
EBITDA margin	36.30%	40.90%
Non-IFRS EBITDA margin	39.02%	41.66%

Non-IFRS Adjustments

For the six months ended June 30	2022	2023
HK\$'000		
Reported profit attributable to owners of the Company	46,528	67,476
Add:		
Pre-operating expenses	1,077	6,067
Share-based compensation expenses	1,688	1,029
Direct expenses related to purchase of London Vision Clinic	3,293	-
Fair value loss/(gain) through profit or loss	2,497	(4,436)
Foreign exchange loss in relation to the proceeds from global offering	1,496	(288)
Non-IFRS profit attributable to owners of the Company	56,579	69,848
Reported EBITDA	114,584	141,658
Add:		
Pre-operating expenses	1,077	6,067
Share-based compensation expenses	1,707	1,029
Direct expenses related to purchase of London Vision Clinic	3,293	-
fair value loss/(gain) through profit or loss	2,497	(4,436)
Non-IFRS EBITDA	123,158	144,318