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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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
DISCLOSEABLE TRANSACTIONS**

- (1) ACQUISITION OF THE ENTIRE SHARE CAPITAL IN FREEVIS LASIK
ZENTRUM MANNHEIM GMBH;**
**(2) THE ADVANCEMENT OF THE LOAN
AND**
(3) THE PROVISION OF THE GUARANTEE

Reference is made to the announcement of the Company dated 18 August 2023 in relation to, among other things, the PMK Acquisition (the “**Announcement**”). Unless otherwise stated, all capitalised terms used herein shall have the same meaning as those adopted in the Announcement.

The Board wishes to provide supplemental information in relation to the PMK Acquisition.

SUBJECT MATTER OF THE PMK ACQUISITION

On 17 August 2023 (after trading hours of the Stock Exchange), FreeVis GmbH and Prof. Knorz entered into the PMK Purchase Agreement, pursuant to which FreeVis GmbH agreed to acquire, and Prof. Knorz agreed to sell, PMK.

Pursuant to the PMK Purchase Agreement, the assets to be acquired in respect of the PMK Acquisition is PMK, which is an ophthalmological private practice in Germany that specialises in lens exchange surgery, including both tangible assets (e.g. inventories, furnishings, equipment as detailed in the PMK Purchase Agreement) and intangible assets (e.g. the customer base and associated contract values of PMK) of PMK. As at the date of the PMK Purchase Agreement, PMK was wholly owned by Prof. Knorz as a sole proprietorship.

THE PMK CONSIDERATION AND KEY PAYMENT TERMS

Subject to the terms and conditions of the PMK Purchase Agreement, the total consideration to be paid by FreeVis GmbH to Prof. Knorz for the PMK Acquisition (the “**PMK Consideration**”) shall be satisfied in the following manner:

(1) **PMK Completion Consideration**

FreeVis GmbH shall pay, on a deferred basis, an amount of €5,152,859 to the bank account designated by Prof. Knorz within five (5) Business Days after the date of the FreeVis Completion.

(2) **PMK Earn Out Consideration**

During the five financial years ending 31 December 2027 (the “**PMK Earn Out Period**”), FreeVis GmbH shall pay an annual amount of €441,673 to the bank account designated by Prof. Knorz (the “**PMK Earn Out Consideration**”), subject to the satisfaction of the following conditions for each of the respective financial year:

- (a) For the three financial years ending 31 December 2025 (the “**PMK First Earn Out Period**”):
 - (i) Prof. Knorz has travelled to the PRC to provide specialist medical and administrative services for EuroEyes KG and FreeVis GmbH at a pre-agreed frequency during each financial year of the PMK First Earn Out Period; and
 - (ii) the Annual Turnover of FreeVis GmbH shall not be lower than €3,325,000; and
- (b) For the two financial years ending 31 December 2027 (the “**PMK Second Earn Out Period**”), Prof. Knorz has travelled to the PRC to provide specialist medical and administrative services for EuroEyes KG and FreeVis GmbH at a pre-agreed frequency during each financial year of the PMK Second Earn Out Period.

The PMK Earn Out Consideration shall only be paid to Prof. Knorz subject to the satisfaction of the applicable condition(s) in respect of each financial year during the relevant Earn Out Period and the terms and conditions of the PMK Purchase Agreement.

FreeVis GmbH shall pay the PMK Earn Out Consideration for the relevant financial year during the relevant PMK Earn Out Period to the bank account designated by Prof. Knorz, after the end of such financial year and in any event by no later than 31 March of the subsequent financial year in accordance with the PMK Purchase Agreement. Based on the terms and conditions of the PMK Purchase Agreement set out above, the maximum PMK Earn Out Consideration payable by FreeVis GmbH during the PMK Earn Out Period will be €2,208,365.

There shall be no catch up rights in respect of any missed target for the prior financial year during the PMK Earn Out Period.

Pursuant to the terms of the PMK Purchase Agreement, the maximum amount of the PMK Consideration is €7,361,224.

BASIS OF THE PMK CONSIDERATION

The PMK Consideration was determined after arm's length negotiations between Prof. Knorz and FreeVis GmbH with reference to (i) the latest business development and future prospects of PMK; (ii) the reasons and benefits of the PMK Acquisition as stated under the section headed "*Reasons for and Benefits of the PMK Acquisition*" below; and (iii) the historical financial performance of PMK.

FINANCIAL INFORMATION OF PMK

Set out below is a summary of the unaudited financial information of PMK for the two financial years ended 31 December 2022, as extracted from the unaudited financial statements of PMK, which were prepared in accordance with German GAAP:

| | For the year ended 31 December | |
|----------------------------|---------------------------------------|-------------------|
| | 2022 | 2021 |
| | unaudited | unaudited |
| | (in €'000) | (in €'000) |
| Revenue | 2,337 | 2,363 |
| Net profit before taxation | 909 | 704 |
| Net profit after taxation | 909 | 486 |

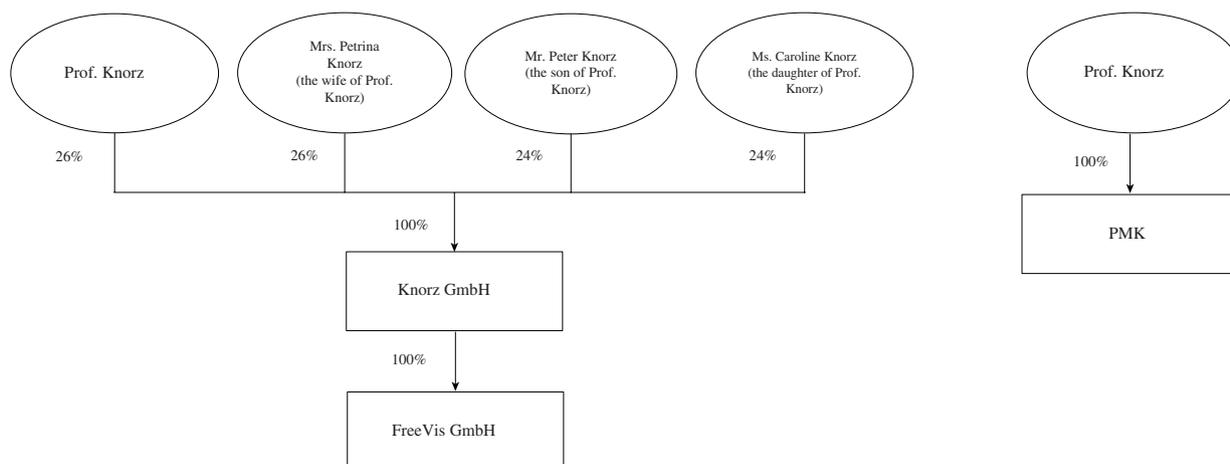
The net asset value of PMK as at 31 December 2022 was approximately €295,446.

Upon Completion, PMK will be integrated into the business of the Group. Set out below is a summary of the unaudited pro forma consolidated financial information of FreeVis GmbH and PMK:

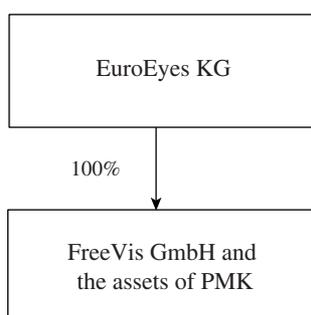
| | For the year ended 31 December | |
|----------------------------|---------------------------------------|-------------------|
| | 2022 | 2021 |
| | unaudited | unaudited |
| | (in €'000) | (in €'000) |
| Revenue | 3,290 | 3,642 |
| Net profit before taxation | 1,382 | 1,472 |
| Net profit after taxation | 1,236 | 1,017 |

GROUP STRUCTURE OF FREEVIS GMBH AND PMK

The group structure of FreeVis GmbH and PMK before the FreeVis Completion and the PMK Completion is set out below:



The group structure of FreeVis GmbH and PMK immediately after the FreeVis Completion and the PMK Completion is set out below:



REASONS FOR AND BENEFITS OF THE PMK ACQUISITION

As mentioned in the Announcement, the Group has been actively seeking opportunities in the market for the expansion of its service network which can improve the synergy and bring benefits to the Group's ophthalmic services. With the integration of the business of PMK into the Group, the Group intends to expand its current business in Mannheim, Germany while enhancing its overall market leader status in Germany. In addition, the medical practice of PMK will offer a full spectrum of ophthalmic services, covering the provision of lens exchange surgery and refractive surgery, which also aligns with the services offered by the Group. The Directors believe that the PMK Acquisition will support the long-term growth of the Group's revenue and profit.

The Group has adopted the current transaction structure to acquire the assets of PMK through the acquisition of FreeVis GmbH by EuroEyes KG, so as to streamline the corporate structure of the Group in that the businesses of both FreeVis GmbH and PMK will be integrated under one subsidiary of the Group, which will reduce unnecessary management costs of the Group and is in the interests of the Company and the Shareholders as a whole.

The terms of the PMK Purchase Agreement were determined after arm's length negotiations between the parties thereto and the Directors consider that the terms of the PMK Purchase Agreement are fair and reasonable, on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 21 August 2023

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