

【Press release】



ESSEX BIO-TECHNOLOGY LIMITED

億勝生物科技有限公司

(Stock code: 1061.HK)

Essex Bio-Technology Posts Sound 2023 Annual Financial Results

Revenue Up 29.5%, Profit Up 22.1%

Hong Kong, 18 March 2024

Essex Bio-Technology Limited (“Essex” or the “Group”, Stock Code: 1061.HK) today announced the annual results for the year ended 31 December 2023.

Financial Performance

The Group weathered the headwinds and managed to deliver sound performances amidst the challenging trading environment in 2023. During the year under review, the Group achieved a consolidated revenue of approximately HK\$1,706.6 million, with an increase of 29.5% as compared to last year, which was contributed principally from Beifushu® unit-dose eye drops, Beifuxin® gel and 適麗順® (Iodized Lecithin Capsules). The Group achieved a net profit of approximately HK\$275.3 million, representing an increase of 22.1% as compared to last year, which was exceptionally weighed down by the withholding tax incurred.

As of 31 December 2023, the Group had cash and cash equivalents of approximately HK\$509.8 million (2022: approximately HK\$543.5 million). The Board is pleased to propose a final dividend of HK\$0.045 (2022: HK\$0.025) per ordinary share to be approved at the upcoming annual general meeting of the Group. Together with the interim dividend of HK\$0.045 per ordinary share paid on 13 September 2023, the total dividend for 2023 would be HK\$0.09 (2022: HK\$0.065) per ordinary share.

Revenue Growth in Ophthalmology and Surgical Segments

The Group's turnover is primarily made up of the ophthalmology segment ("Ophthalmology") and surgical (wound care and healing) segment ("Surgical"). For the year ended 31 December 2023, Ophthalmology contributed approximately HK\$753.4 million to the Group's turnover, representing an increase of 36.1% YoY, while Surgical recorded a total turnover of approximately HK\$953.2 million, representing an increase of 24.7% YoY. The core products that are current growth drivers under each segment are:

1. Ophthalmology – Beifushu® series (Beifushu® eye drops, Beifushu® eye gel and Beifushu® unit-dose eye drops), Tobramycin Eye Drops, Levofloxacin Eye Drops, Sodium Hyaluronate Eye Drops and 適麗順® (Iodized Lecithin Capsules); and
2. Surgical (wound care and healing) – Beifuji® series (Beifuji® spray, Beifuji® lyophilised powder and Beifuxin® gel), Carisolv® dental caries removal gel, 佻典醫生 (Dr. YaDian) mouth wash, 伊血安顆粒 (Yi Xue An Granules) and PELNAC™ collagen-based artificial dermis.

Significant Business Development Milestones

During the year under review, the expansion of production capacity has progressed well. The second gel manufacturing line and the new freeze-drying (lyophilise) manufacturing line have been successfully commissioned and have passed the Good Manufacturing Practices (GMP) approval. The two additional manufacturing lines have been officially put into production. The core functional modules of the second phase of the quality management system (QMS) are officially launched, taking digitalisation, informatisation and intelligence to a new level in quality control.

Research and development ("R&D") innovation continues to progress, with multiple pipelines advancing smoothly, and the global phase 3 clinical project of bevacizumab ophthalmic injection (EB12-20145P) has successfully enrolled patients in the PRC, Australia, European Union countries and the United States.

In addition, this year has been a fruitful year in promoting product diversification. We have obtained the exclusive agency rights for Osteopore's innovative oral and maxillofacial products in Singapore, and released high-end home phototherapy brands 佩特® (PAINT) and 艾視優加® (EYESU+) dry eye care products. The business of medical devices such as FarFlex series of elastic bandages, PELNAC™ absorbable dressings, 野光源 (Wlight) eye adjustment training lights, etc. is of sound development. The Group's new business segments have also made several breakthroughs. The Group's wholly owned subsidiary, UNO Medical (Zhuhai) Co., Ltd. and Dymind Biotechnology Co., Ltd. ("Dymind") have reached a strategic cooperation to jointly build an industry-

leading digital cloud inspection platform, "帝一雲檢" (Diyi Cloud Inspection), for the point-of-care testing (POCT) equipment of Dymind.

Entrenched Market Access Capability

As of 31 December 2023, the Group maintains a network of 43 regional sales offices in the PRC with more than 1,260 sales and marketing representatives, covering more than 12,500 hospitals and medical providers, coupled with approximately 1,800 pharmaceutical stores, which are widely located in the major cities, provinces and county cities in the PRC. Sales to lower-tier cities are supplemented by on-line platform for e-consultation and e-prescription, which is further deployed for serving patients with chronic diseases.

The Group's expansion of its market access into Southeast Asian countries via its base in Singapore has been gaining good traction since 2020.

Research and Development

During the period under review, the Group remains focused on executing its 5-year (2021 to 2025) R&D development plan. As at the date of this announcement, there are 16 R&D programmes in the pre-clinical to clinical stage, out of which the following 4 ophthalmology programmes are targeted as mid-term growth drivers:

- **EB11-18136P:** SkQ1 eye drops, second phase 3 clinical trial (US FDA) (VISTA-2) topline data released on 24 February 2021. The continuation of the VISTA program is subject to the completion of the transfer of chemistry, manufacturing and controls (CMC), know-how and intellectual property rights relating to SKQ1 from Mitotech, following the acquisition on 13 Oct 2022.
- **EB11-15120P:** Azithromycin eye drops, ongoing review by external key opinion leaders (National Medical Products Administration ("NMPA") in the PRC)
- **EB12-20145P:** Bevacizumab intravitreal injection for exudative (wet) age-related macular degeneration, phase 3 clinical trial (US FDA, European Medicines Agency, Therapeutic Goods Administration and NMPA in the PRC)
- **EB11-21148P:** Cyclosporine eye drops, phase 2 clinical trial (NMPA in the PRC)

The Group holds a total of 84 patent certificates or authorisation letters, which include 63 invention patents (發明專利), 14 utility model patents (實用新型專利) and 7 design patents (外觀專利). The Group currently has diversified its R&D resources to multiple research sites in Zhuhai (PRC), Boston (USA), London (UK) and Singapore which support not only our pursuit of new therapeutics but also our recruitment of global talents.

Honors and Awards Obtained In 2023

Zhuhai Essex Bio-Pharmaceutical Company Limited (珠海億勝生物製藥有限公司), a wholly-owned subsidiary of the Group, has been recognised as one of the 2022 top 100 innovative companies in Zhuhai (2022 年珠海市創新百強企業創新綜合實力 100 強), and has also been recognised as one of the 2022 top 100 chemical pharmaceutical companies in the PRC (2022 年度 TOP100 中國化藥企業).

The Group's Beifushu® has been awarded as one of the Chinese reputable medicine brands in five consecutive years. Also, the Group's Beifuxin® gel has been recognised as 2023 Excellent Brand of Biochemical and Biological Enterprise (2023 年年度生化生物企業優秀品牌). These awards are the testament to the recognition by the industry for the efficacy and quality of the Group's flagship biologic drug.

In addition, the Company was awarded The Best Mid and Small Cap Company (最佳中小市值公司) and further conferred with China Excellent IR - The Best Shareholder Relations Award (中國卓越 IR—最佳股東關係獎) and The Best Digitalised Investor Relations Award (最佳數字化投資者關係獎).

Mr. Patrick Ngiam, Chairman of Essex, said, "The tenacity, resilience and solidarity are factors that have enabled the Group to weather the headwinds and achieved sound performances in FY23. Barring unforeseen circumstances, the Group remains focused on executing its plans and delivering progressive results."

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About Essex (1061.HK)

Essex Bio-Technology Limited is a bio-pharmaceutical company that develops, manufactures and commercialises genetically engineered therapeutic b-bFGF (FGF-2), having six commercialised biologics marketed in China since 1998. Additionally, it has a portfolio of commercialised products of preservative-free unit-dose eye drops and Shilishun (适丽顺®) (Iodized Lecithin Capsules) etc.. The products of the Company are principally prescribed for the treatment of wounds healing and diseases in Ophthalmology and Dermatology, which are marketed and sold through approximately 12,500 hospitals and managed directly by its 43 regional sales offices in China. Leveraging on its in-house R&D platform in growth factor and antibody, the Company maintains a pipeline of projects in various clinical stages, covering a wide range of fields and indications.

Website: <http://www.essexbio.com>

Media Enquiry:

Strategic Financial Relations Limited (Website: <http://www.sprg.com.hk>)

Shelly Cheng +852 2864 4857

shelly.cheng@sprg.com.hk

Yan Li +852 2114 4320

yan.li@sprg.com.hk

Kiki Zhu

+852 2114 4901

kiki.zhu@sprg.com.hk

Media: essex@essexbio.com

Investor Enquiry:

Investor Relations: investors@essex.com.cn