

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN.

Belluscura plc
("Belluscura" or the "Company")

Chinese registration and Trading Update

Chinese approval granted with immediate effect for Belluscura's X-PLOR Portable Oxygen Concentrator

LONDON, U.K. and PLANO, TX, U.S. (20 December 2023). Belluscura plc (AIM:BELL), a leading medical device developer focused on lightweight and portable oxygen enrichment technology, announces that it has received approval from the National Medical Products Administration (NMPA) to distribute the X-PLOR® portable oxygen concentrator (POC) in China.

China is part of the licensed territory covered by the Exclusive License Agreement with InnoMax Medical Device Technologies for the manufacture and distribution of Belluscura's portable oxygen concentrators, which was announced in August 2023. With this approval secured, Belluscura has now entered into negotiations with several distributors in China.

China has nearly 100 million people* suffering from Chronic Obstructive Pulmonary Disease (COPD). As part of the InnoMax license, Belluscura will work with the distributors on marketing and sales in China. Royalties will begin with the first sale in China. InnoMax will pay a minimum royalty and a share of profits on the X-PLOR device and accessories. The license is supported by Belluscura's recently issued Chinese National Patent ZL 2018 8 0037386 which, among other features, covers its proprietary ModulAir™ technology.

Belluscura has now concluded three sizeable registrations within the Asian market, being Hong Kong on 26th September, Singapore on 12th December and China today. The estimated oxygen concentrator market size for the Asia Pacific region is expected to grow to nearly \$1 billion in just 6 years**.

Trading Update

The results for FY23 are marginally below management expectations at the EBITDA level while prospects for 2024 remain unchanged. With the proceeds from the funds raised in early October 2023, together with the anticipated resources from TMT Acquisition plc on completion of the offer, the enlarged group will have sufficient working capital to meet Belluscura's growth plans through to becoming cash flow positive.

With the delay to the Chinese NMPA approval and to the offer, the Company has focused on the Direct to Consumer (DTC) business during the second half of 2023, resulting in higher margin sales but lower sales volumes and revenue. The new DTC programme has shown early success nearly tripling in current and recurring revenue in just 3 months from inception, yielding a gross margin in excess of 70%.

As a consequence of the delays, the Company has held back on marketing and advertising spend to preserve cash resources and also reduce operating costs in the period. However, now that it has both Chinese registration and expanded manufacturing about to commence, any deferred revenue in the last quarter is expected to be made up in early 2024.

The DISCOV-R™ continues to have significant B2B and DTC interest with deposits taken so far being made on a list price of \$3,000. The Company now expects to launch the device in early February 2024, with a full marketing and commercial launch planned for March 2024. A number of vendors contracted to distribute the device have said it will be the only POC they will stock due to its broad clinical coverage.

Management remains confident that B2B and DTC sales of the X-PLOR will be in line with previous expectations. The introduction of a new aluminium sieve design will result in a longer usable life span and significantly lower input costs compared with the current polymer-based design. With the release of the new sieve design, the Company will divest the materials held in inventory relating to the older design which will add to our cash resources. Once in full production, the Company expects an approximate 50% increase in gross margin resulting from this improved sieve design.

Manufacturing of the X-PLOR will expand in China following announcement of the NMPA approval and InnoMax will now begin manufacturing several components for the DISCOV-R by March 2024 with full production in China expected by Q3 2024.

Additionally, the CE and UKCA mark for the X-PLOR is expected at the beginning of Q2 2024, enabling the Company to begin negotiations with distributors in the UK and Europe.

The outlook for 2024 remains positive, as the Company anticipates continued improvement of gross margins through the improved sieve design, DTC and DTC leasing programmes and continued robust market pricing.

Bob Rauker, Chief Executive Officer, Belluscura plc, commented:

"We are delighted to have received approval in China which has taken over approximately 10 months. This enables us to launch sales into China with immediate effect. With our arrangement with InnoMax in place, we are confident that we can now deliver on the significant potential for our products in this large and growing market.

"The approval in China, Singapore and Hong Kong are the first steps in leveraging the InnoMax agreement to expand in the ASEAN region and to distribute our portable oxygen concentrators in new markets, enhancing the lives of those with COPD and building market share in the process.

"Building any start up business is never easy, particularly within the MedTech world and in the current economic environment. After two years of testing, developing and refining our products, the Board is very confident that Belluscura is now well placed to take advantage of the significant opportunities it has in 2024 and beyond."

* *Advancing COPD care in China through a comprehensive approach (who.int)*

** www.coherentmarketinsights.com/market-insight/oxygen-concentrators-market-198

For further information please contact:

Belluscura plc

Adam Reynolds, Chairman
Robert Rauker, Chief Executive Officer
Simon Neicheril, Chief Financial Officer

Tel: +44 (0)20 3128 8100

SPARK Advisory Partners Limited

Nominated Adviser

Neil Baldwin / Jade Bayat

Tel: +44 (0)20 3368 3550

Dowgate Capital Limited

Broker

Russell Cook/Nick Chambers

Tel: +44 (0)20 3903 7715

MHP

Financial PR & Investor Relations

Katie Hunt/Matthew Taylor

Tel: +44 (0)20 3128 8100
email: [Belluscura@mhpgroup.com](mailto:belluscura@mhpgroup.com)

About Belluscura plc (www.belluscura.com)

Belluscura is a UK medical device company focused on developing oxygen enrichment technology spanning broad industries and therapies. Our innovative oxygen technologies are designed with a global purpose: to create improved health and economic outcomes for the patients, healthcare providers and insurance organisations.