

2020 Annual Results

Sisram Med
Stock Code: 1696.HK



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2020 New Launches

Sisram, as a leading provider of energy-based devices, launched four new highly innovative products during 2020.

Opus Plasma

- The first fractional plasma skin resurfacing platform
- Strong demand in the North American market



Harmony XL PRO Special Edition

- Providing a full spectrum of solutions - over 65 FDA cleared indications
- New applicator – CleanSkin PRO, **doubling the power** of previous solutions for skin rejuvenation



DermaClear

- **3-in-1 platform: deep cleansing, nourishment, and hydration**
- A consumable-based platform
- Pre-laser skincare treatment for enhanced results



Alma Hybrid

- The first and only device to bring together 3 powerful energies - CO2 laser, 1570nm laser, ultrasound
- Remarkable results for Skin rejuvenation and scar revision



Injectable Market Expansion



Revenue derived from injectables **increased 34.2% YoY to US\$4.3M in 2020.**

IBSA Profhilo

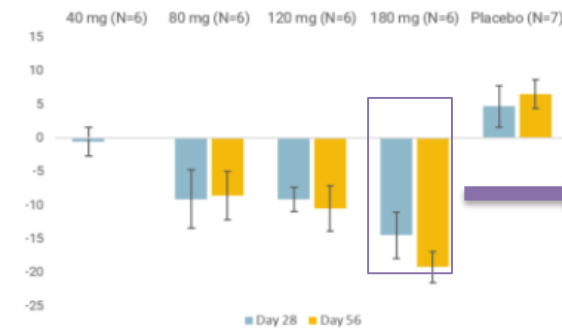
- Partnering with IBSA Derma, for the distribution of its products in Israel, Hong Kong, India and mainland China
- Introduced **“Profhilo” skin Bio-remodeling** treatment in Israel, Hong Kong, India with great popularity
- **BDDE-free** (without the use of chemical cross-linking agents)
- One of the highest concentrations of HA on the market (**64 mg / 2 ml**)
- **Stimulating natural collagen and elastin production**
- **Plan to launch IBSA products in China soon**



RZL012

- Invested in a start-up company (Tianjin JuveStar) which was incubated by Fosun Pharma’s venture capital fund.
- **JuveStar has exclusive rights to develop and commercialize RZL012 in Greater China.**
- RZL012 is the first injectable product for the aesthetic treatment of fat removal in Greater China.

Subcutaneous fat mass (SFM) ratio
- % change vs baseline



Subcutaneous fat mass ratio was **reduced by 15-20%** vs vehicle(placebo) treated subjects.

Source: Raziel website

Entering into Aesthetic Dentistry & Personal Care Market



Aesthetic dentistry and personal care business could see great potential growth and synergies with Alma's operation.

Aesthetic Dentistry

- Aiming to **become a holistic digital workflow service provider**
- Covering all aspects from intra-oral scanning to final dental appliance delivery via an online platform



Personal Care

- Developing personal care products to broaden Sisram's reach and engagement with the end-user
- Aiming to establish mature operational channels **combining e-commerce and traditional Alma's channels**



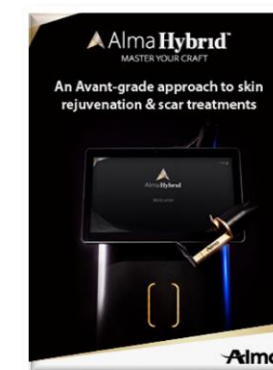
Strong Marketing Support

- Fully utilizing globalization to overcome challenges during the COVID-19 with our subsidiaries and partners in over 90 countries and jurisdictions
- Adjusting to the new market dynamics, we have performed the following activities:
 - **Webinars activities:** as a substitute to cancelled conferences, trainings, and sales meetings
 - **Multiple digital campaigns:** generating B2B leads across different territories
 - **Social media presence:** delivering more images and videos on social media channels such as Tik Tok
 - **Weekly video meetings with all distributors:** making sure that we support our customers with solid answers, fast service, and positive reactions.



Digitalization

- **Investment in IT Infrastructure:** invested **US\$0.8 million** in Information technology infrastructure upgrade in 2020.
- **System Upgrade:** upgraded Global ERP System upgrade, completed initial implementation of global CRM system and full implementation of global HR system in 2020.
- **Digital Campaigns:** launched multiple digital campaigns to generate B2B leads across different territories.
- **Digital Product Launch:** conducted the first all-digital product global launch – **Alma Hybrid**, and the event was broadcasted across multiple communication channels.





Business Performance Highlights

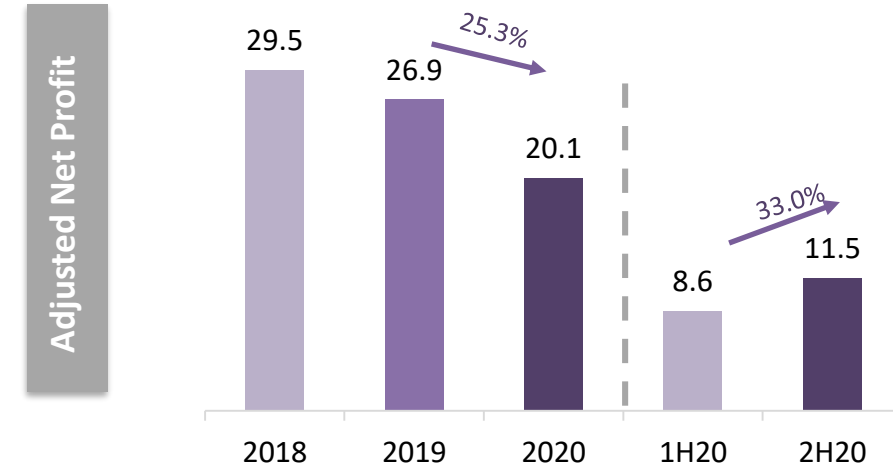
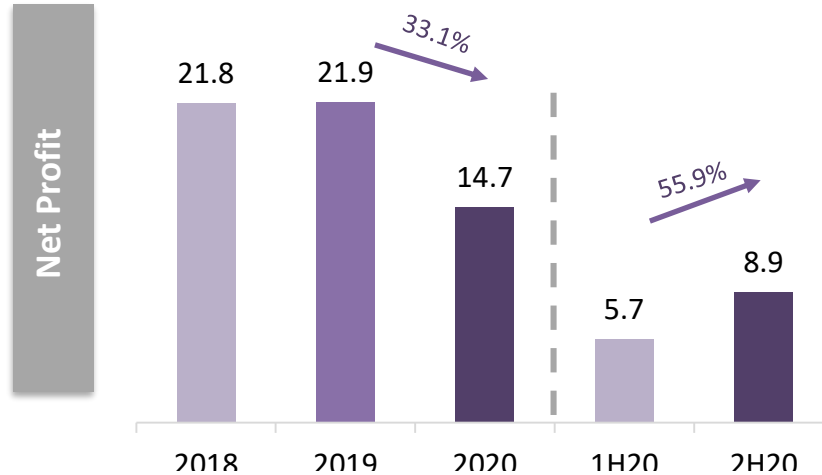
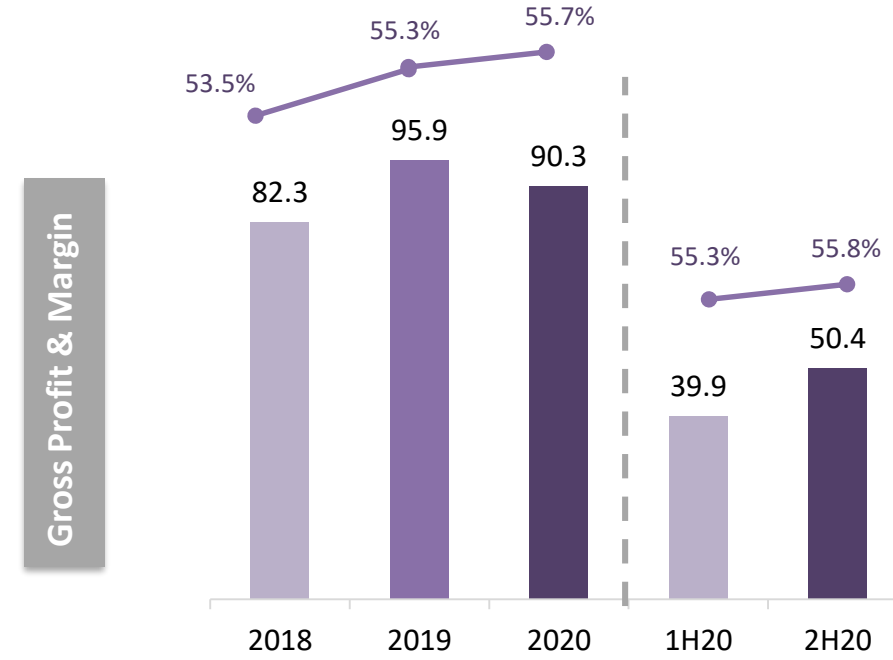
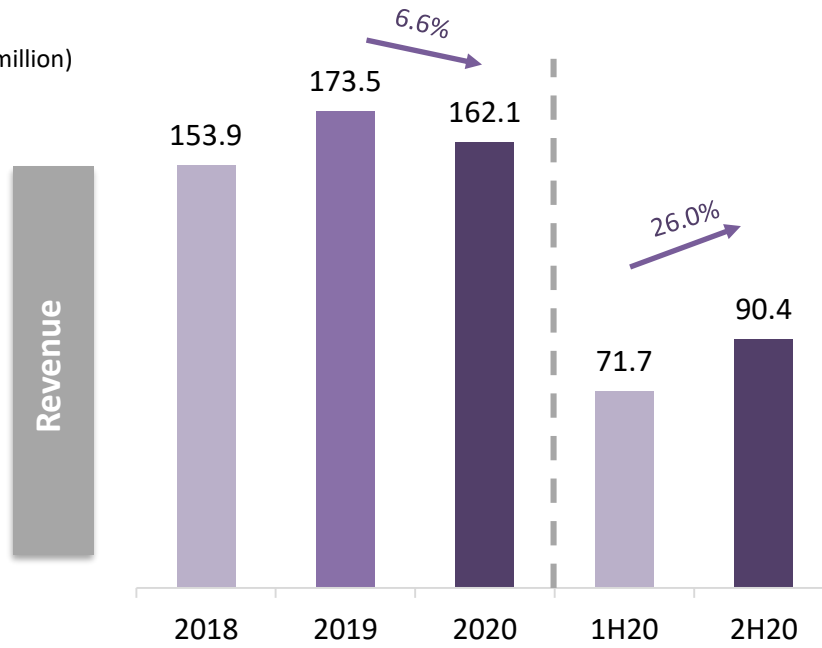
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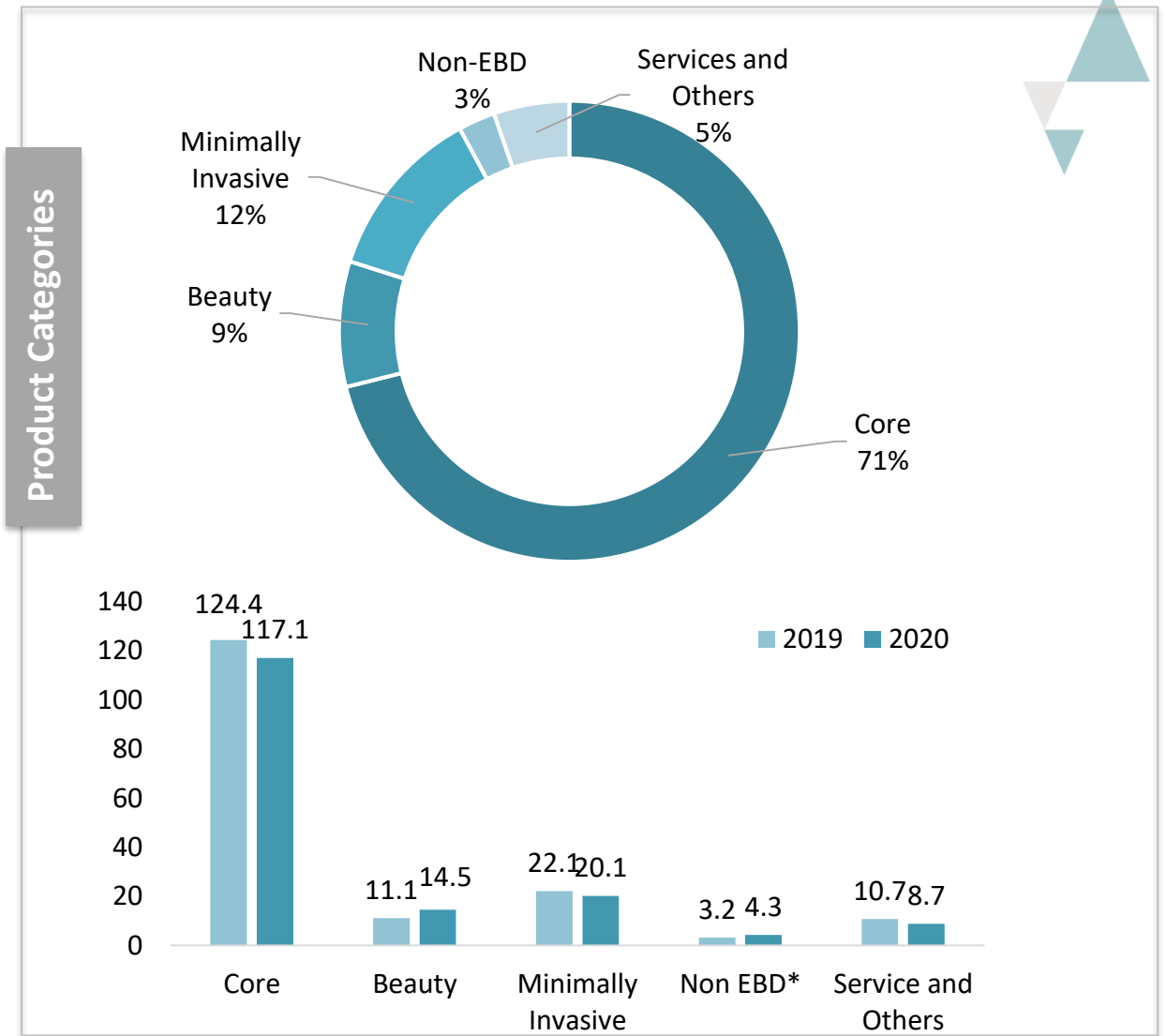
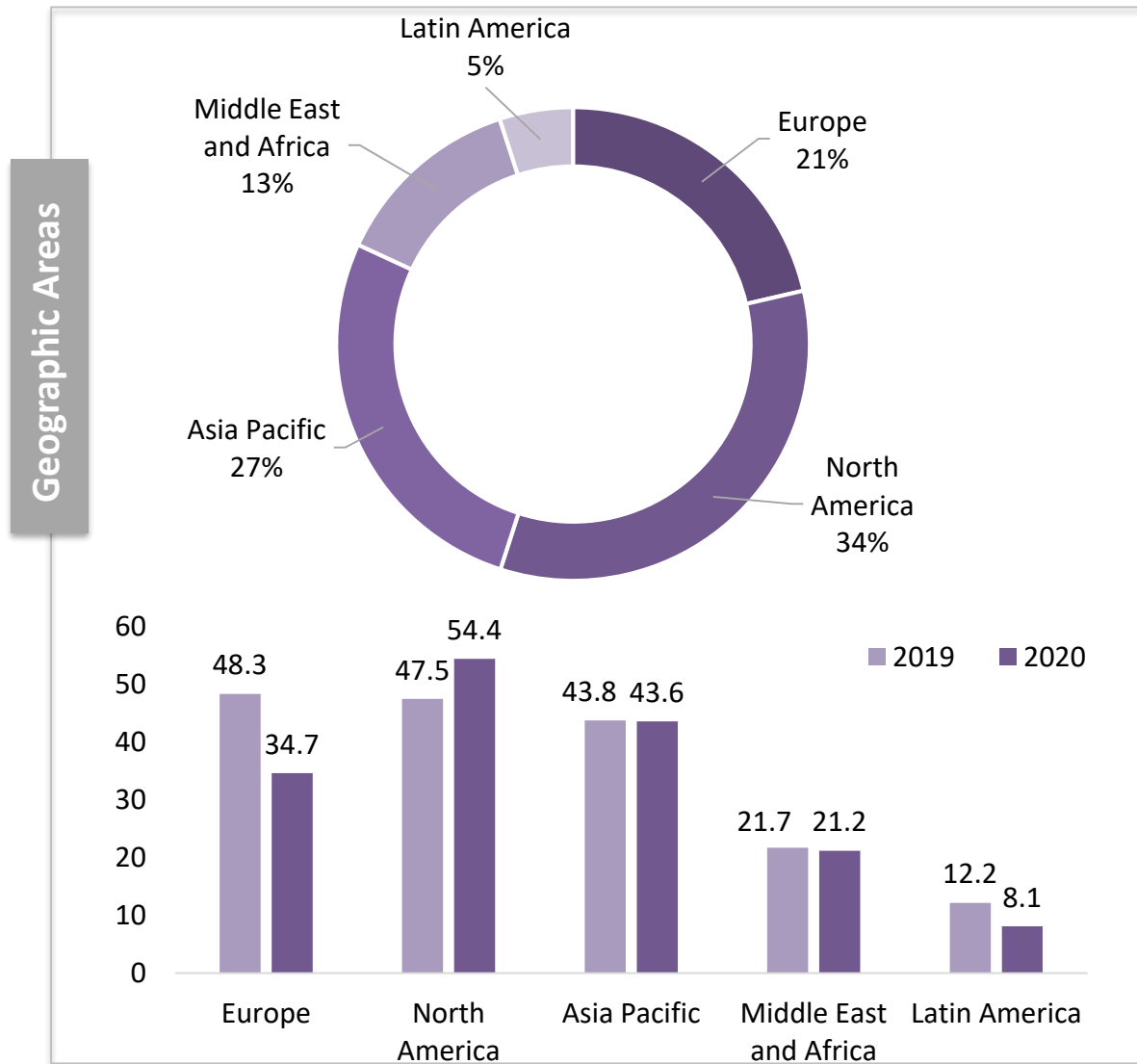
Key Financial Data 2020

(USD million)



Revenue Breakdown

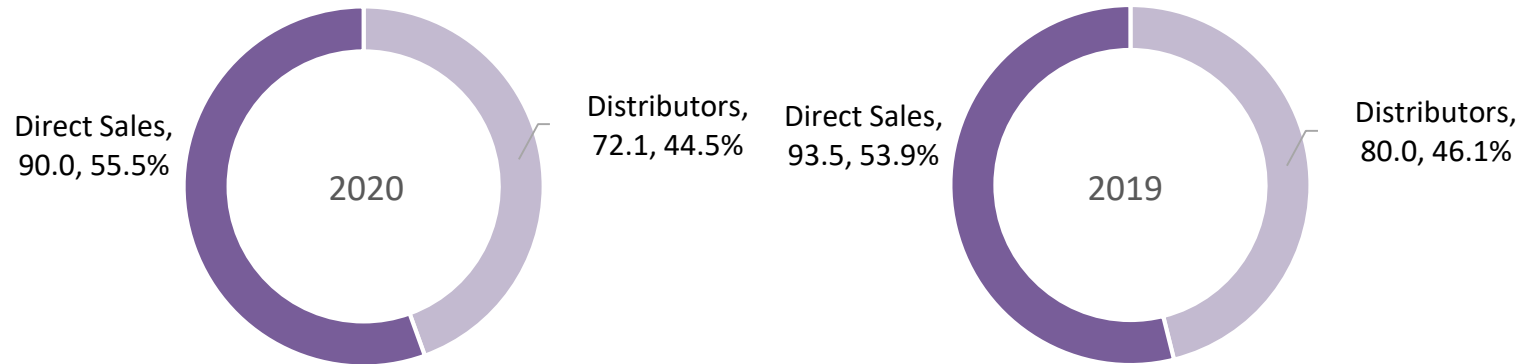
(USD million)



* Revenue breakdown by product categories do not include deferred revenue

Selling and Distribution

(USD million)

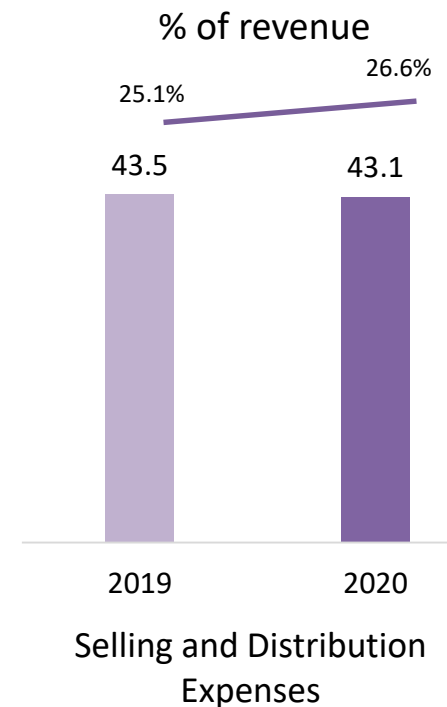


Increase in % of direct sales revenue

- Revenue derived from direct sales amounted to 55.5% in 2020
- Direct operation can shorten the supply chain, gain a higher brand visibility and ensure consistent communication with customers

Selling and Distribution Expenses

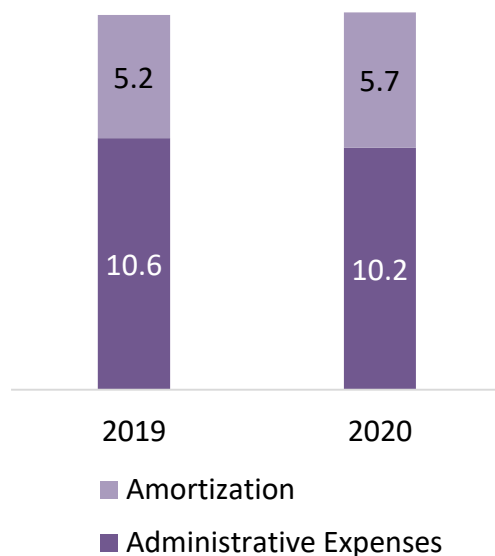
- Selling and distribution ratio increased from 25.1% to 26.6% as we maintained our daily operation with minimal cutbacks during Covid-19



Operating Expenses

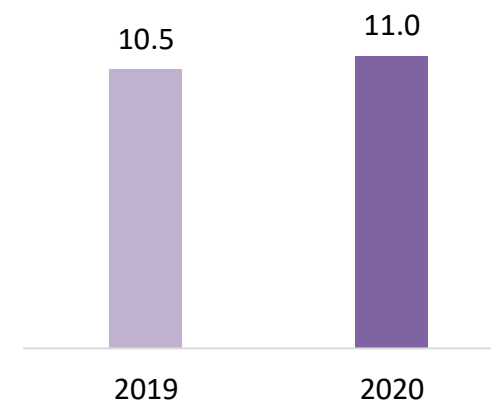
(USD million)

Administrative Expenses



- Administrative expenses of the Group increased by 0.3% to US\$15.9M from US\$15.8M for the corresponding period in 2019.
- Amortization of other intangible assets arising from company's acquisitions.

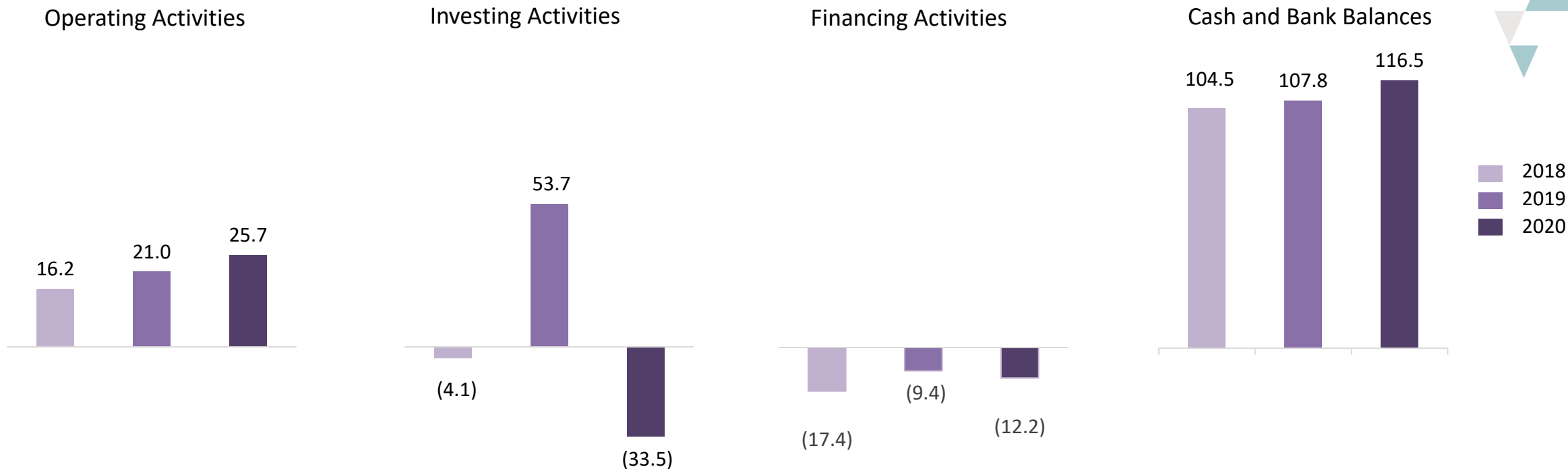
Research & Development Expenses



- Most of the increase in the R&D was due to higher regulation expenses (validation and Biocompatibility).
- Focusing on **30 clinical and preclinical studies** (sponsored & ISTs) during the reporting period, in the aesthetics, dermatology, plastic surgery, and gynecology fields.
- **4 studies** are intended to support FDA clearances submissions for additional clinical indications and treatment platforms.

Cash Flow & Turnover

(USD million)



Operating activities

Days sales outstanding was 90 days in 2020 compared to 102 days in 2019

Investing activities

- 2020 mainly attributed to the increase of US\$ 25.0M in term deposits and US\$ 9.5M in purchase of plant and equipment.
- 2019 mainly attributed to the release of Short-term Deposits at the sum of US\$ 62.6M.

Net Profit Adjustments

(USD million)

	2020	2019
PROFIT FOR THE YEAR	14.7	21.9
Adjusted for:		
Amortization of other intangible assets arising from the Alma acquisitions	4.6	4.6
Amortization of other intangible assets arising from the Nova acquisitions	1.1	0.6
Contingent consideration arising from acquisitions	0.6	0.6
Deduct: deferred tax arising from other intangible assets	-0.8	-0.7
Total Adjustments	5.5	5.0
Adjusted net profit	20.2	27.0
Adjusted net profit margin	12.4%	15.5%



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Outlook for 2021

Our efforts throughout 2021 will strategically focus on strategic branding, digitalization, eco-system building and lean innovation

Management Guidance

- A **significant revenue growth of over 40%** is expected in the first half of 2021, compared with the revenue achieved in the first half of 2020
- China and North America expected to demonstrate strong growth

Strategic Branding

- Plan to complete the strategic branding project during the first half of 2021
- Developing the global branding and positioning of Sisram as a leading player in the greater wellness industry

Digitalization

- Aiming to create customer centric operation and to facilitate decision making based on customer data
- Digitizing existing processes, creating new ones and centralizing data

Outlook for 2021

We plan to focus on the following targets:

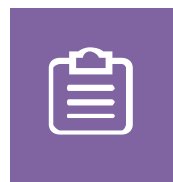
Reconstruction

- Reconstruction of organization structure and operation
- The leading player in the global medical aesthetic industry



R&D and Clinical Studies

- Focusing on Pre-juvenation, regenerative medicine and combined technologies
- Clinical studies to support local regulatory requirements



IoT Service

- Cloud base application for smart clinic management
- Cooperating with Alibaba in China and with Amazon in North America.



Business Branch Expansion

- Completing IBSA registration in China and introducing additional products in injectables
- New products and technologies via a private label / ODM model



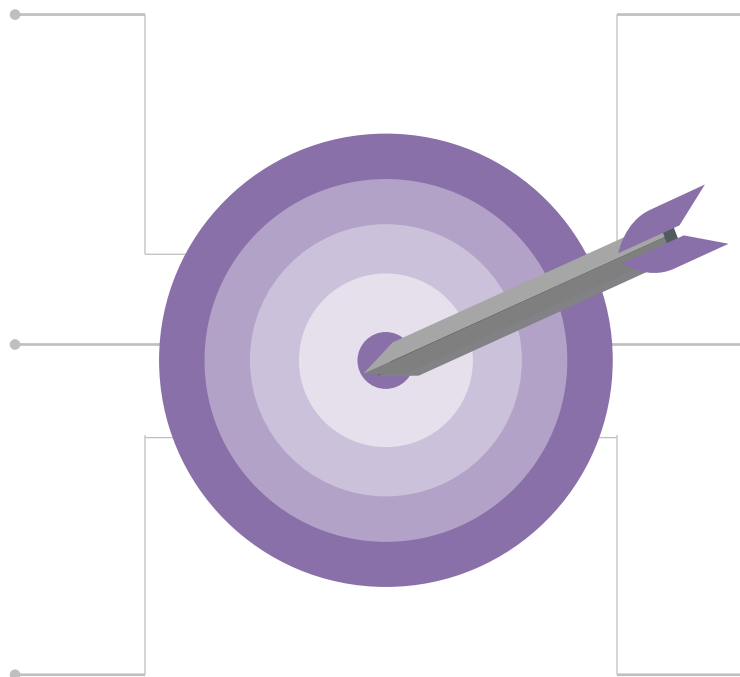
Market Share Growth

- Growth in direct operation regions
- Continuing strong momentum in North America
- Exploring untapped direct operation opportunities



Merger & Acquisition

- Following eco-system strategic plan
- To strengthen R&D capabilities, products portfolio and distribution channels



Outlook for 2021

Expansion of China Business



Synergy with Fosun

- Leveraging Fosun's resources in China to capture a larger market share (for surgical, injectables, beauty and cosmeceuticals segments).
- Exploring multi strategic collaboration and resources integration with Fosun Pharma and Fosun group.
- Sharing distribution channels and customers with other related business

Sisram Tianjin

The China office will handle various business activities addressing the evolving ecosystem and potential synergies between Sisram and its majority shareholder, Fosun Pharma. Amongst the first activities the new office will oversee are:

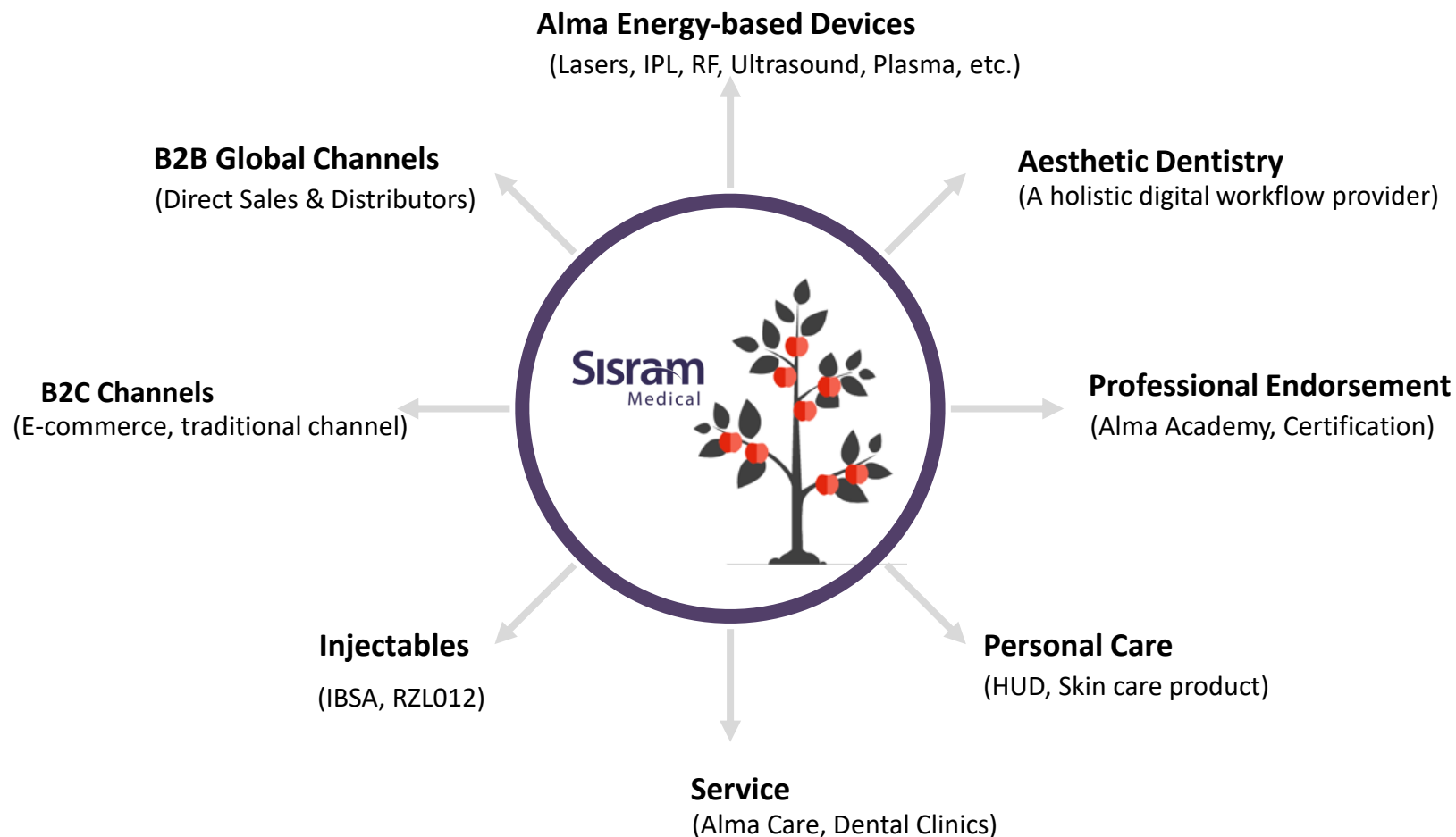
- Aesthetic dentistry
- Registration of dermal facial fillers with NMPA
- Expansion of the injectables category offering
- Establishment of a regional service center and regional warehouse

Sisram Medical Strategic Growth Plan



Sisram Medical Strategic Growth Plan

Sisram Medical is committed to **establish a wellness eco-system and become the leading player in the global medical aesthetic market** with our vision and mission of “Enhancing Quality of Life”.





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Major EBD Map – Medical Aesthetics



Soprano

- Sisram's flagship family for the treatment of hair removal
- 3 combined wavelengths (755nm, 810nm & 1064nm) covering all skin types
- ICE technology that continuously cools skin and facilitates range-controlled temperature
- Smart clinic data center – a cloud-based business development tool that offers continuous access to live data



Harmony

- Over 65 FDA-cleared indications of skin remodeling, vascular lesions, pigmented lesions, skin tone & texture, hair removal, acne, tattoo removal and more
- Nearly 20 distinct laser, light and ultrasound technologies
- Offers a wide range of combinations that can be tailored to each patient's needs



Accent Prime

- Body contouring and skin tightening
- Received FDA approval for Accent family of body contouring systems since 2007
- Guided ultrasonic wave technology combined with AlmaWave 40.68MHz Radio Frequency technology for optimal long-lasting results



Alma Hybrid

- Skin rejuvenation and scar revision
- The first and only device to bring together 3 powerful energies (CO2, 1570nm and IMPACT ultrasound), designed for a wide range of ablative and non-ablative treatments
- Smart software serves as a tool to customize treatment, enabling a matrix of options, including: skin type, the area being treated and other parameters

Major EBD Map – Medical Aesthetics



ThermoLift

- Skin tightening and body contouring
- Patented technology that operates via a single electrode and can deliver concentrated radiofrequency at various depths of the skin, allowing for focused and deep heating of skin tissue
- Personalized and painless anti-aging treatments



DermaClear

- deep cleansing, nourishment, and hydration
- Unique 360° rotating tip and powerful suction action enable a deep cleansing process and extraction of impurities, while ensuring highly effective penetration of solutions into the skin
- Pre-laser skincare treatment for enhanced results



Legato II

- Scars, stretch marks, various skin imperfections using microplasma and IMPACT ultrasound technologies
- Microplasma is a fractional ablative technology that effects the Nitrogen ions present in the air, creating a controlled spark that penetrates the skin surface and leaves a crater up to several hundred microns deep surrounded by thermal damage



Pixel CO2

- Complete solution for skin imperfections
- Alma Pixel CO2 is a highly flexible system for char-free tissue ablation, vaporization, excision, incision and coagulation of soft tissue. Deploys a fractional delivery method which creates pixel-sized perforations in the skin, leaving the surrounding tissue intact

Major EBD Map – Aesthetics Precision



Alma-Q

- Pigmented lesions, tattoo removal, skin remodeling, vascular lesions & carbon peel
- presents the most powerful triple mode Nd:YAG laser, featuring Q-switched, Long Pulsed and Quasi-Long Pulsed modes on a single, dedicated platform
- Double Pulse technology offers up to 2,000mj per pulse, an extraordinarily short pulse width of 7nsec



Pico Clear

- Skin rejuvenation and tattoo removal
- Shortest pulse duration of 300 – 350 picoseconds, enabling high peak power
- Two sequential pulses within a single lasing cycle, instead of one, to enhance the photoacoustic impact as well as add a thermal effect



Sinon II

- Pigmented lesions and multi-color tattoos
- Q-switched Ruby laser (QSRL, 694nm wavelength) with an extraordinarily short pulse width of only 20nsec
- The safest and most precise laser treatment solution available for pigmented lesions and multi-color tattoo removal.



Arion

- Hair removal and superficial pigmented lesions
- Alexandrite laser with 755nm wavelength for skin type I-IV
- 70 watt power and repetition rates of up to 5Hz make ARION one of the fastest and most powerful alexandrite laser systems on the market.

Major EBD Map – Surgical



FemiLift

- Minimally-invasive CO2 laser solution for various feminine concerns: Stress Urinary Incontinence (SUI), Vaginal Atrophy, Dryness and Recurring Infections
- CO2 laser, pain-free, no downtime
- Wide variety of applicators including diagnostic probe, pre-set robotic applicator, tightening and rejuvenation applicators



BeautiFill by LipoLife

- Liposuction and fat grafting
- The first Laser-based fat transfer technology to standardize the process, time and quality of fat transfer methods with the least amount of adipose disruption.
- Simultaneous lasing and suctioning for tighter skin and reduced treatment time
- Fat grafting with fat vitality higher than 95%



VascuLife

- Varicose veins
- 1470nm laser wavelength – ideal for endovenous laser ablation (EVLA)
- Time-saving adjustable pullback speeds: Adjustable for 1, 2, 3, or 4 mm/sec based on vein diameter
- Automatic “Pull & Cool” model: New treatment modality allowing for pre-set “cooling” breaks at 1 cm intervals



ENTelligence

- Precision CO2 laser technology for ENT and oral indications
- Char-free tissue ablation, vaporization, incision, excision and coagulation
- Optimal treatment results and minimal tissue damage using layer-by-layer ablation and depth penetration control

Thank You !

