

Sisram Medical Ltd, Announces Its Interim Results for the First Half of 2021 Demonstrating an Impressive Performance Led by Global Business Expansion and R&D Breakthroughs

Hong Kong, August 22, 2021 -- Sisram Medical Ltd (“**Sisram**”; stock code: 1696.HK; together with its subsidiaries referred as the “**Group**”), an operational holding company specializing in medical aesthetics technology for wellness, today announced its unaudited interim results for the six-month ended June 30, 2021 (the “**Period**”).

HIGHLIGHTS

- Revenue accounted for US\$125.2 million, increased by 74.7% YoY;
- Gross profit amounted to US\$71.48 million, increased by 79.1% YoY;
- Gross profit margin increased to 57.0% for the Period from 55.6% YoY;
- Profit for the period attributable to owners of the parent was US\$16.38 million, increased by 197.6% YoY;
- R&D investment increased by 62.5% to US\$8.05 million, compared to US\$4.96 million YoY; 2 new products were launched – (i) “Alma Duo” - Men's wellness treatment platform launched in North America, for natural performance restoration; (ii) “Alma PrimeX”- a non-invasive body contouring and skin tightening platform, launched globally;
- The Group entered into a sub-license agreement with Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. (“Fosun Industrial”) for the commercialization of “RT002” Injectable
- The Group has acquired the entire share capital of Shanghai Foshion Medical System Co., Ltd (“Foshion”) to further enhance its dental business line.

Emphasis on R&D innovation and diversified business investments accompanied by global commercialization capabilities

During the COVID-19 pandemic, Sisram adhered to its long-term business strategy, utilizing its

financial resources to sustain its operational resilience. This enabled the Group to pursue new business opportunities, safeguard its sustainable growth and strengthen its global commercialization network, recording a total revenue of US\$125.3 million for the Period, representing an increase of 74.7% and adjusted net profit of US\$19.6 million, representing an increase of 126.2% compared to corresponding period in 2020.

During the Period, Sisram has further strengthened its direct business operation in leading territories, with proportion of direct sales revenue increased from 54.2% to 59.7% YoY. The increase is attributed to a continuous improvement in products and services quality, accompanied by investments in brand visibility deriving brand preference among the target clientele. With a successful supply-chain control mechanisms, swift response to changing market conditions, gross profit increased by 79.1% to US\$71.48 million from US\$39.9 million and gross profit margin increased to 57% for the Period from 55.6% on a year-to year basis. The Group registered an impressive 115.1% revenue growth YoY in North America, amounting to US\$49.15 million. The Group further bolstered its business presence in the APAC market, with revenue increase of 54.9%, amounting to US\$33.7 million, mainly attributed to a strong business performance in China, Japan and Australia.

Sisram's R&D investments increased by 62.5% to US\$8.05 million from US\$5.0 million for the corresponding period. During the Period, the Group launched 2 new products, "Alma Duo" and "Alma PrimeX".

Forward thinking digital transformation, focused on business diversity and glocalization methodology

Sisram perceives digital transformation as a future growth engine. During the Reporting Period Sisram invested US\$1.22 million in IT infrastructure upgrade. This ongoing significant investment is dating back to the beginning of 2019 and is planned to continue. Global ERP System implementation across subsidiaries, initial implementation of global CRM system and full implementation of global HR system are merely few Information Technology projects conducted during the Period.

On the operational front, Sisram focused on addressing the pandemic effect by (i) enhancing inbound materials visibility in response to decline in suppliers "on time delivery" performances (ii) exercising alternative outbound logistics options to deal with low airlines availability and (iii) providing required Information Technology tools allowing employees to work from home when

applicable. Alma's new campus is operating according to 'LEAN' manufacturing methodology to ensure smooth and efficient material flow.

Realizing the Group's Global Wellness Eco-system strategy

Adhering to the Group's global consumer wellness eco-system strategy, the Group engaged in several business development initiatives during the Period as follows:

On April 22, 2021, Sisram Tianjin, a wholly-owned subsidiary of the Group, Shanghai Fosun Pharmaceutical (Group) Co., Ltd. and Qianda (Tianjin) International Trading Co., Ltd. entered into a Share Purchase Agreement to acquire the entire issued share capital of Foshion in consideration of RMB312 million (the "Foshion Acquisition"). Foshion is one of the one of the leading dental equipment marketing and digital platforms in Mainland China.

On July 14, 2021, Sisram Tianjin entered into the sublicense agreement with Fosun Industrial for the commercialization of an injectable pharmaceutical drug product containing DaxibotulinumtoxinA ("RT002"). The product is the first neuromodulator with long-acting duration for the treatment of aesthetic indications

On July 29, 2021, Alma, the operating subsidiary of the Group, exercised the call option, purchasing the remaining 40% equity interest of Nova. Upon completion, Nova will become a wholly-owned subsidiary of the Company.

Mr. Lior Dayan, CEO of Sisram and Alma, said: "During the first half of 2021, Sisram demonstrated its forward-thinking resilient approach and strategy, expanding its business lines globally amidst the pandemic with the establishment of new eco-system building blocks such as dental and personal care. We will continue to follow our eco-system strategic planning by organic growth, extended investment and diversified cooperation, further strengthen our R&D capabilities, products portfolio and distribution channels, consolidate the core competitiveness of each business unit and provide customers with an excellent experience ".

Looking forward, Sisram intends to follow its constructive innovative strategy by evaluating and implementing innovative technologies, ventures, and synergies, so as to bolster its global position. Throughout 2021, the Group will strategically focus on digitalization, brand and eco-system building and lean innovation. Sisram intends to expand its presence and business in China via its subsidiary, Sisram Tianjin, and leverage Fosun Pharma's resources in China to capture a larger market share.

Mr. Liu Yi, Chairman and Executive Director of Sisram, said: “Sisram values R&D, lean operations and excellent service. We have achieved rapid development in terms of product portfolio and service diversification, global channels expansion, as well as operation capability, and maintained strong competitiveness in the global market. As a core member of Fosun Pharma’s Med-Tech Division, as well as a core platform of Fosun’s wellness ecosystem, we will continue to be customer-centric, and focus on technology and innovation under the fast development pace of the medical aesthetics industry. By improving our technology and clinical practice, we will provide customers with primum products and services, so as to promote the healthy and long-term development of the industry.”

About Sisram Medical Ltd

Sisram Medical Ltd (1696.HK) is the global leading provider of energy-based surgical and medical aesthetics solutions. The company is majority held by Fosun Pharma, a leading healthcare group in China. Sisram Medical successfully went public on September 19, 2017, as the first Israeli company listed on the Hong Kong Exchange Main Board. Sisram Medical’s core subsidiary, Alma, is a global leading provider of energy-based surgical and medical aesthetics solutions and is active across over 90 countries and jurisdictions worldwide. Flagship systems of Sisram Medical include (i) the “Soprano” family, primarily used for laser hair removal; (ii) the “Harmony” family, a versatile multi-application platform that can be used to treat more than 65 different FDA-cleared indications; (iii) the “Accent” family, primarily used for body contouring and skin tightening; (iv) “FemiLift”, a minimally invasive treatment system for various feminine conditions; and (v) “BeautiFill” by LipoFlow platform, the first and only energy-based device cleared by the FDA for autologous fat grafting. In addition, Sisram Medical also entered the injectables market, with products available in Israel, Hong Kong and India.

Sisram Medical – Enhancing Quality of Life

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