

Sisram Medical Ltd Announces 2021 Record Annual Results.

Strong Performance Led by Synergistic Development of Four Main Business

Lines Under One Ecosystem.

Hong Kong, March 16, 2022 -- Sisram Medical Ltd (the “**Company**” or “**Sisram**”, stock code: 1696.HK; together with its subsidiaries referred as the “**Group**”), a global consumer wellness group, featuring a never-before-seen synergistic ecosystem of business building blocks and consumer-focused branding, ranging from medical aesthetics capital equipment, via injectables therapy, aesthetic dentistry, personal care and more, today announced its audited consolidated annual results for the year ended December 31, 2021 (the “**Reporting Period**”).

FINANCIAL HIGHLIGHTS

- Revenue for the year ended December 31, 2021 was US\$294.3 million, increased by 81.6% as compared to the revenue for the previous year.
- Profit for the year ended December 31, 2021 was US\$32.5 million, increased by 121.5% as compared to that for the previous year.
- Net cash flows from operating activities for the year ended December 31, 2021 was US\$32.4 million, increased by 25.8% as compared to that for the previous year.
- Significant growth in all regions, mainly in North America and APAC. Revenue in North America for the year ended December 31, 2021 was US\$112.0 million, increased by 105.8% as compared to that for the previous year. Revenue in APAC for the year ended December 31, 2021 was US\$85.2 million, increased by 95.3% as compared to that for the previous year.

BUSINESS HIGHLIGHTS

- R&D investments increased by 42.3% YoY to US\$15.6 million with 2 new products launched: “Alma Duo” and “Alma PrimeX”.
- Continued the development of two new business lines – (i) Copulla – a new, innovative digital dentistry service; (ii) LMNT, a personal care brand, now launching a light-based skin rejuvenation home use device.
- The Group entered into a sub-license agreement with Fosun Industrial for the commercialization of “RT002” Injectable, the new generation of neurotoxins for medical aesthetics use. The Group’s existing injectables distribution operation, registered a revenue growth of 50.1% year over year.
- The Group entered into an investment agreement at the amount of RMB 2.6 million for the establishment of Tianjin Xingsiyi, a research & development, technical services and

supply operation for silk fibroin-sodium injectables and facial implant thread products.

- The Group has acquired the entire share capital of Shanghai Foshion Medical System to further enhance its dental business line.
- The Group purchased the remaining 40% equity interest in its Israeli distributor, Nova Medical. Upon completion, Nova Medical is a wholly-owned subsidiary of the Company, rebranded as Alma Israel.

FINAL DIVIDEND

- The Board has resolved to declare a final dividend of HK\$0.157 (inclusive of tax) per Share for the year ended December 31, 2021.

Business Growth Projection for 2022

Based on an increase in the demand for the Company's products and the backlog of orders as of December 31, 2021, barring any unforeseen circumstances or material change in market conditions, the Group expects to record a significant growth in revenue of over 35.0% in the first half of 2022 as compared to the revenue recorded in the corresponding period in 2021.

Record results, strong subsidiaries performance, overall geographic performance uptake, continued investments in R&D and strong business development momentum

In 2021, Sisram's established global sales and distribution network recorded a total revenue of US\$294.3 million for the Reporting Period, representing an increase of 81.6% when compared to 2020. All regions revenue increased substantially during the Reporting Period with North America demonstrating an increase of 105.8%, Asia Pacific with an increase of 95.3%, Latin America with an increase of 76.3%, Europe with an increase of 49.7% and Middle East & Africa with an increase of 45.2%.

The gross profit increased from US\$90.3 million in 2020 to US\$166.9 million in 2021, representing an increase of US\$76.6 million. The gross profit margin in 2021 amounted to 56.7%, representing an increase of 1% compared to 55.7% in 2020. The establishment of direct operation offices in chosen territories has enabled the Company to shorten the supply chain, increase the average selling price, gain a higher brand visibility and ensure consistency among the communications with the target clientele. During 2021, revenue derived from direct sales has surpassed revenue derived from distributors with 62.0% attributed to the former and 38.0% to the latter.

For the Reporting Period, the Group recorded an adjusted net profit of US\$40.3 million representing an increase of 100.0% when compared with the corresponding period of 2020.

The adjusted net profit margin for the Reporting Period was 13.7%. The net cash flow from operating activities amounted to US\$32.4 million, representing an increase of 25.8% when compared to 2020.

In 2021, Sisram continued its substantial R&D efforts, with 13% of corporate employees being R&D specialists. During the Reporting Period, R&D expense increased by 42.3% to US\$15.6 million from US\$11.0 million for the corresponding period in 2020. During the Reporting Period, the Group launched 2 new products, “Alma Duo” and “Alma PrimeX”, as well as expanded two business lines, “Copulla” – a new, innovative digital dentistry service, and “LMNT”, a personal care brand, now launching a light-based skin rejuvenation home use device.

Continued Investments in Digital Transformation and Production Ramp-up

In 2021, Sisram continued the development of its digital core architecture with vast investments in Information Systems and Digitalization, encompassing traditional ERP and CRM modules, IoT solutions for professional capital equipment, marketing automation and consumer access. Over the past 3 years (2019-2021), Sisram invested more than US\$6.5 million in information systems, upgrading its ERP and CRM infrastructure, migrating to cloud-based systems to serve the entire growing and diverse eco-system and implementing new digital tools for Internal organization management, external engagement mechanisms between the organization and the market and cyber security.

On the operational front, Sisram focused on addressing the pandemic effect by investing in production ramp-up to accommodate the growing global demand and improve quality performances KPI's such as FPY (First Pass Yield) and new platforms critical failure.

A Never-before-seen Synergistic Ecosystem Composed of 4 Pillars

Sisram's Wellness Group is a never-before-seen synergistic ecosystem of business building blocks and consumer-focused branding, ranging from medical aesthetics capital equipment, via injectables therapy, aesthetic dentistry, personal care and more.

As of 2021 Sisram is operating 4 business lines. The Medical Aesthetics business line, led by Alma, registered a revenue increase of 73.4%. The Injectables business line registered a revenue increase of 50.1% year over year. In 2021, Sisram integrated the activity of Shanghai Foshan Medical System into Sisram, while developing Copulla's digital dentistry service. The Personal Care business line, LMNT by Sisram Medical, is a home-use brand, immersing the essence of wellness into consumers' daily routine.

Looking forward, **Mr. Liu Yi, Chairman and Executive Director of Sisram**, said: “As a core member of Fosun Pharma's medical device sector, as well as the core platform of Fosun's ecosystem, we have always insisted on customer-centric philosophy and focused on technology and innovation, to continuously improve our product power and competitiveness to respond to the rapid development of the industry. In 2022, based on our charted strategy, we will continue to promote Sisram’s ecosystem, and steadily expand the product portfolio and ecological interoperability between Sisram’s ecosystem, Fosun Pharma's medical device sector, and even Fosun's greater ecosystem, so as to provide customers with advanced technologies and products through the enhancement of technological applications. We will also promote the sustainable and sound development of the industry by improving clinical applications. In addition, we shall meet the market demand of the aesthetic industry through our diversified product portfolio and market strategy.”

Mr. Lior Dayan, CEO of Sisram and Alma, said: “The Group's efforts during 2022 will strategically focus on expanding direct operation in strategic markets to secure market access for both professional and consumer clientele, improve digital infrastructure and tools, drive awareness and preference to our global consumer brand and leverage it to globally introduce new products and services.”

About Sisram Medical Ltd

Sisram Medical Ltd (1696.HK) is a global consumer wellness group, featuring a never-before-seen synergistic ecosystem of business building blocks and consumer-focused branding, ranging from medical aesthetics capital equipment, via injectables therapy, aesthetic dentistry, personal care and more. 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 – Enhancing Quality of Life

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