

Sisram Medical Announces First-Half 2023 Financial Results

Expanding Sisram's Ecosystem Offerings and Increasing Direct Sales Reach

Hong Kong, August 23, 2023 -- Sisram Medical Ltd (the “**Company**” or “**Sisram**”, 1696.HK; together with its subsidiaries collectively referred to as the “**Group**”), a global consumer wellness group, featuring a distinguished synergistic ecosystem of business building blocks and consumer-focused branding, including energy-based devices, injectables, aesthetics, digital dentistry, personal care, and more, today announced its unaudited consolidated interim results for the six months ended June 30, 2023 (the “**Reporting Period**”).

FINANCIAL HIGHLIGHTS

- Revenue was US\$171.6 million, decreased 1.7%YoY. In addition to the influence of the current macroeconomic environment on the European market, the downtick is attributed to the short period during which resources were reallocated to transition to a direct sales model in strategic markets. Sisram recently made such transitions in China, Dubai, and the United Kingdom.
- The injectable business recorded revenue of US\$ 4.9million, increased by 29.6% YoY.
- Gross profit amounted to US\$105.3 million, increased by 5.7% YoY; gross profit margin increased by 4.3% to 61.4% for the Reporting Period. The performance was attributed to higher revenue derived from direct operation offices and a more profitable product mix.
- Corresponding to the Company's strategy of expanding global reach via direct offices, revenue from direct sales amounted to 72.1% of total revenue, compared to 64% reported for the first half of 2022.

KEY ACHIEVEMENTS

Business development

- **M&A Achievement:** The Group completed the 60% acquisition of PhotonMed, China's leading energy-based device distributor and Alma's strategic partner. After consolidation, revenue from the Chinese energy-based device market is expected to grow significantly in H2 2023.
- **Expansion of direct sales layout:** Establishment of a direct sales subsidiary in Dubai to develop the Middle East market, and further advancement of the direct sales business in the United Kingdom, consistent with the Group's growing global direct sales strategy.
- **Launching of the first Sisram Wellness Center (June).** The flagship complex opened in downtown Chicago, enabling the Company to interact daily with professionals and patients, better understanding their challenges, and helping those professionals to integrate quickly and efficiently into the industry.

Research and development

- Launched two products into new territories and brought a third to market introduction readiness:
 - Soprano Titanium™: Following FDA regulatory clearance, it was introduced in the North American market; Alma Opus debuted in international markets outside the US, marking entry into a new global segment.
 - Alma Veil™: epitomizing the innovation of vascular laser treatment, will be launched in North America in H2 2023 and become a new revenue contributor for the Company.
 - Besides, Alma's BeautiFill™ system received FDA regulatory clearance for its two complementary accessories, representing major potential gains in consumable sales. The system itself is intended for laser assisted liposuction and skin tightening,
- IBSA product completed clinical trial for registration in China; The drug registration application of Daxxify was accepted by the National Medical Products Administration in April.
- Incubated business:
 - The Group continued to expand its technological core competence and invest R&D resources in the incubated personal care brand LMNT.
 - Copulla, the innovative platform that provides a one-stop-shop for dentists, successfully completed a commercial pilot with leading KOLs in Israel, establishing solid ground for the transition to commercial phase and scale-up of procedures volume.

Brand awareness

- Formulated and commenced collaboration with a new global brand ambassador, showcasing Sisram's brand values and vision to end-consumers.
- Alma Academy events were successfully conducted, including Alma Academy Italy and Alma Academy US, which brought together thousands of physicians, global key opinion leaders (KOLs), and business partners worldwide.

INTERIM DIVIDEND

- The Board resolved not to declare any interim dividend for the six months ended June 30, 2023.

STRATEGY & OUTLOOK

Continue to implement the strategy of direct sales and open new direct operations in strategic markets

Throughout 2023, the Group's strategic endeavors focused on cultivating the North American and Chinese markets, while also exploring growth opportunities in Europe and the rest of the Asia Pacific regions. In addition, a primary focus lies in seamlessly integrating and optimizing direct sales channels in China, with a strong emphasis on boosting market

penetration. This strategic move aims to enhance Sisram's customer engagement and improve its market position.

Expanding Sisram's offerings, customized to consumers' unique needs

Sisram will continue expanding its offerings through its unique wellness ecosystem, providing partners and consumers with effective and trustworthy solutions for their needs. In addition to traditional sectors, the company is actively establishing a presence in distinct markets and enhancing the product's market impact within specialized niches. On a global scale, China serves as the pioneering market for Sisram Medical within the wellness ecosystem. The company is devoted to ensuring a successful entry into the Chinese market for its injectable products such as Daxxify and IBSA products, while concurrently assembling a professional team to facilitate the commercialization preparations.

Enhance brand presence among end-consumers

Sisram sees elevating brand awareness among end-consumers as a key step in bolstering brand recognition and meeting demand for the Company's solutions. In North America, those efforts extend to empowering a post-sales team to further stimulate sales activities, as well as promoting Sisram's wellness ecosystem. Within the Chinese market, a major priority is heightening brand awareness for the LMNT personal care line and revealing the potential of the wellness ecosystem.

Mr. Liu Yi, Chairman and Executive Director of Sisram, commented: "Following the first half of 2023, we've achieved significant milestones in strategic deployment. We are also acutely aware of the untapped potential within the convergence of health and beauty. In the second half of the year, our dedication remains resolute as we intensify efforts to elevate our brand influence and refine the quality and expansion of our business and services. This strategic focus will be particularly directed towards our key markets, Asia Pacific, and North America. Additionally, our unwavering commitment extends to the Chinese market. As a core market, we're capitalizing on distribution-to-direct sales shift, deepening cultivation, and driving sustainable growth."

Mr. Lior Dayan, CEO of Sisram and Alma, said: "The first half of 2023 was pivotal for Sisram, as we continue our transition from a product-centered approach to a customer-centric approach and present significant achievements in building our unique wellness ecosystem. Our strategic expansion, introduction of cutting-edge products, and investment in brand recognition will pave the way for our continued successful growth as we expand globally and gain market share. By prioritizing the customer journey and delivering exceptional experiences, we are confident that our long-term collaborations with our valuable partners will contribute to the Group's ongoing growth and success in the evolving wellness industry, and we anticipate even greater advances in the near future."

About Sisram Medical Ltd

Sisram Medical Ltd (1696.HK) is a global consumer wellness group, featuring a first-of-its-kind synergistic ecosystem of business building blocks and consumer-focused branding, including energy-based devices, injectables, aesthetics, digital dentistry, personal care, and more. The company is majority-owned by Fosun Pharma, one of China's leading healthcare groups. On September 19, 2017, Sisram Medical went public, becoming the first Israeli company ever to trade on the Main Board of the Hong Kong Exchange.

Sisram Medical – Enhancing Quality of Life

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