

Sisram Medical 2023 Interim Earnings Presentation

Stock Code: 1696.HK

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Agenda

- Performance Highlights
- Business Overview
- Financial Review
- Outlook & Strategies
- Appendix



Part 1

Performance Highlights

H1 2023 Key Highlights



Revenues

\$171.6M

▼ -1.7% YoY



Rev. of North America

\$79.5M

▲ +13.7% YoY



Injectables Rev.

\$4.9M

▲ +29.6% YoY



Gross profit margin

61.4%

▲ +4.3 p.p.



% of rev. from direct sales

72.1%

▲ +7.3 p.p.

H1 2023 Key Highlights



Completed a significant M&A deal with top Chinese distributor



Developed 2 important direct offices – UK & Dubai*



Developed 3 new products – Alma Veil**/LipoSense/CellFie



Promoted core progress of Injectable Daxxify™, application accepted by NMPA



Launched the first Sisram Wellness Center



Enhancing brand awareness by launching collaboration with a global brand ambassador

*UK office: established at the end of 2022, but expansion continues in 2023.

**Alma veil launched in July

Sisram's global footprint

Location

Worldwide sales network across around 100 countries / jurisdictions

Channel

Revenue from direct sales accounted for 72.1% of total revenue in 2023H1

Strength

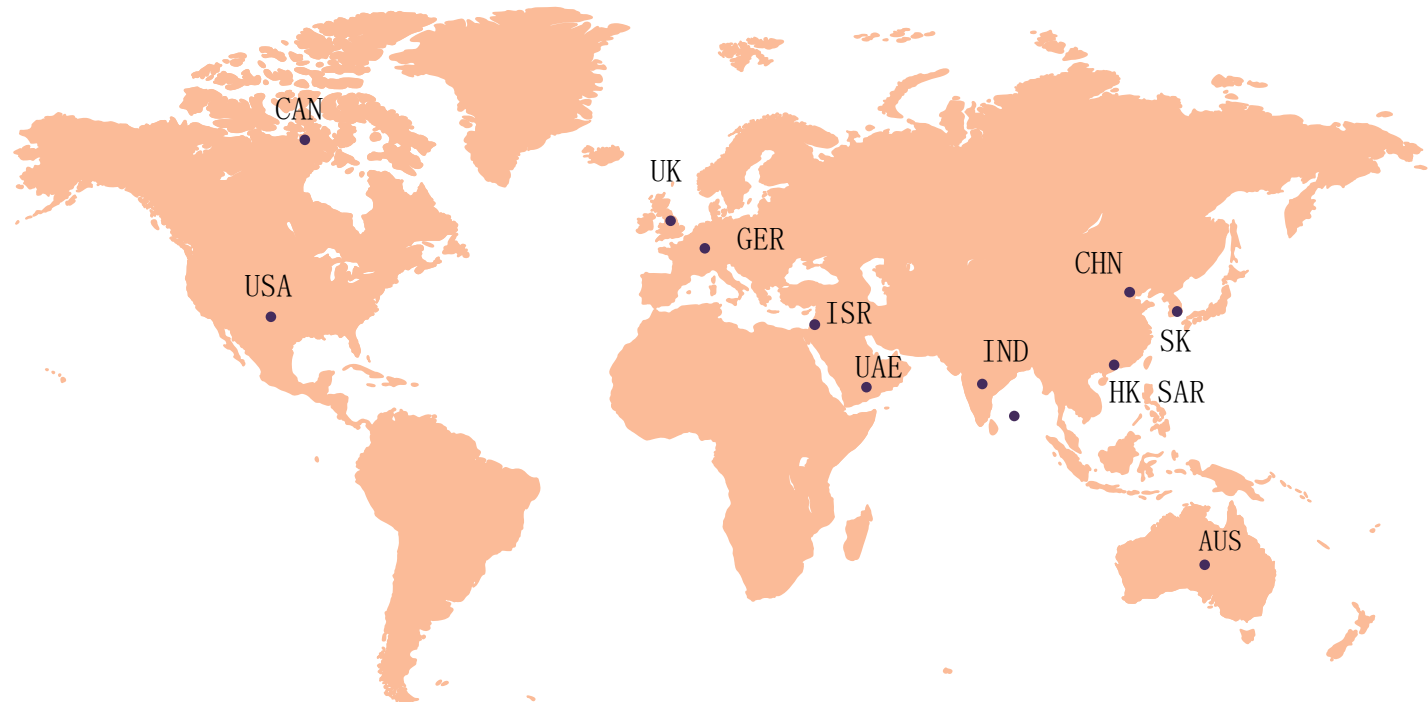
Well-diversified and balanced geographic coverage

10

Direct channels ●

100+

Distributors





Part 2

Business Overview

Beyond Treatment: Prioritizing Customer Journey

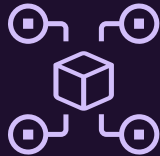
Customers are primarily driven by how they feel and what makes them feel their best, with their needs being more emotional than physical

Trust, credibility, loyalty, confidence, and joy, are the key factors that create customer delight and stand out through differentiation

Consumers today are looking for:



Medical grade
quality that
can be trusted



Digital
solutions



An easy, accessible,
and enjoyable daily
wellness routine



Overall
enhanced
quality of Life

Total Addressable Market

The Global Wellness Market is expected to reach:

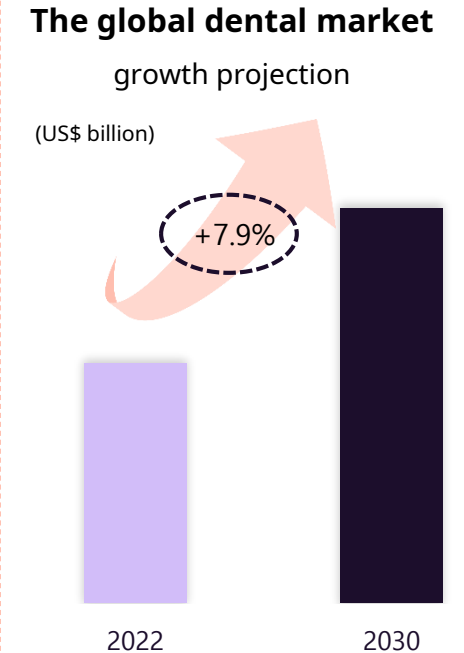
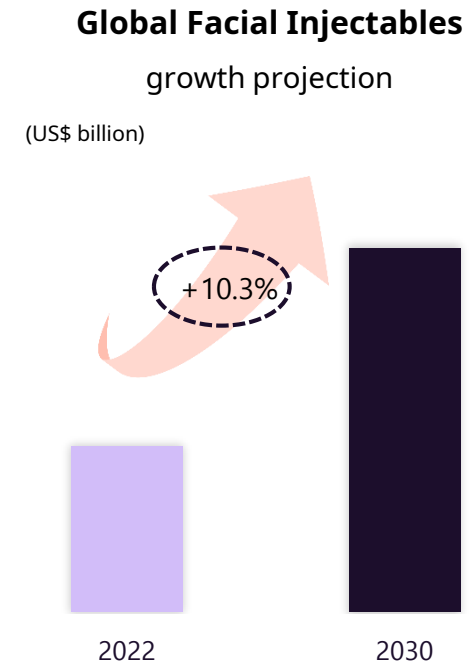
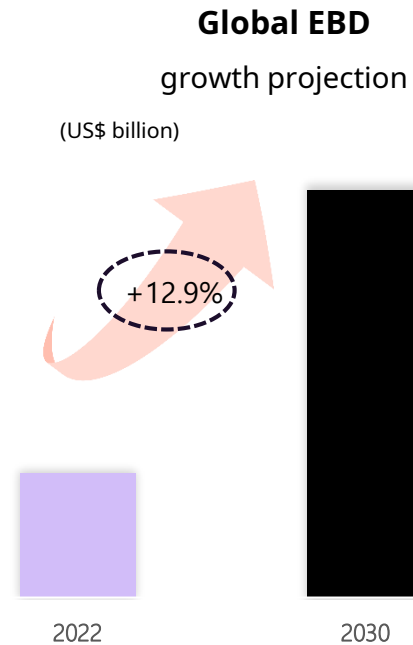
US\$
7.0 Trillion
By 2025

The world wellness economy is currently estimated at \$4.4 trillion

The wellness market is focused on 3 sectors:

1. healthy eating, nutrition, and weight loss
2. personal care and beauty; and
3. physical activity.

The global EBD market size is expected to expand at a CAGR of 12.9% from 2022 to 2030



Sources:

<https://globalwellnessinstitute.org/industry-research/2022-global-wellness-economy-country-rankings/>

<https://www.fortunebusinessinsights.com/dental-market-106251>

<https://www.grandviewresearch.com/industry-analysis/facial-injectables-industry>

<https://www.gminsights.com/industry-analysis/energy-based-aesthetic-devices-market>

Business Overview – Our Offerings



A leading medical aesthetics energy-based device provider

B2B2C

Soprano Titanium



Harmony XL PRO



Accent XL Gold



Opus



Alma Duo



Injectables

EXCELLING INJECTABLES THERAPY

Offer skin boosters, dermal facial fillers and soon – a new generation of toxins and fat dissolving injectables

B2B2C

Profilo
Skin Bio-reform Therapy



Daxxify™
Long-lasting Toxin



Personal Care, immersing the essence of wellness into consumers' daily routine

B2C | D2C

First Home-use
LMNT. One



CBD+
Professional Skincare Solution



A holistic value proposition for professional dentistry practitioners as well as patients

B2B



Channel: being direct in Chinese market through M&A to yield incremental contribution

- On June 28th 2023, Sisram completed the acquisition of PhotonMed International Ltd ("PhotonMed"), the leading Chinese distributor of energy-based devices, and is establishing a direct operation in mainland China
- A major step in Sisram's direct sales expansion and direct-to-consumer strategic layout, aimed at strengthening the Company's revenue, product positioning and brand recognition while advancing its deep cultivation and penetration in the Chinese market

The Chinese market has always been a key area of focus for us, and we will keep investing in this strategic market to facilitate our long-term growth

Alma Enhancing R&D Capabilities

- R&D specialists increased by 26.6% compared to the corresponding period in 2022
- With new products launch every year

Technology

**60 registered patents
and 14 patents pending***

Multiple technologies:

- Laser
- IPL
- Radio Frequency
- Ultrasound
- Plasma
- Shockwave

Product

100+ applicators

Turning technology into
product design

- the output
- power
- mode of operation
- applicators, etc.

Treatment

50+ treatment systems

Addressing varied customer
requirements with dozens
of treatment options

- Non-invasive
- Minimally invasive
(surgical)
- Beauty

*Totals are worldwide (i.e., not a specific country only)

*Does not include design patents. A design patent covers <only> the appearance of a device, not how it works



Products: New products launch to strengthen the product portfolio and competitiveness



Soprano Titanium



Alma Opus

Successfully introduced 2 products into new territories

Soprano Titanium™

Alma's flagship platform for hair removal – The breakthrough applicator makes treatments much faster and virtually painless, significantly cutting treatment times and ensuring a more comfortable experience for patients

Alma Opus

- A non-invasive RF platform for skin resurfacing and face tightening, featuring fractional RF technology and the unique Opus plasma applicator
- After a successful launch in the US market, Alma Opus was officially introduced to the Global market in H1 2023. It received fantastic feedback, especially from leading markets like China.

New product launch to promote the innovation of vascular laser treatment

- Alma Veil™ has achieved market introduction readiness, to be launched in North America in H2 2023
- The system effectively targets a wide range of common dermatological and vascular conditions including vascular lesions with 532 nm, deeper vascular lesions with 1064 nm, and skin quality concerns without downtime using MicroPulse™, seamlessly integrated into a single handpiece



* 25 July 2023,
launch in America

Alma Veil



Products: Accessories launched in surgical line to increase consumable revenue

- FDA regulatory clearance for two complementary accessories for Alma's BeautiFill™ system intended for laser assisted liposuction and skin tightening
- The R&D of accessories not only provides the possibility for subsequent product upgrades, but also increases the company's potential consumable revenue

LipoSense™ - a smart fiber and adipose tissue delivery system intended to increase the safety of procedure by real-time measurement of the treated area temperature

CellFie™ - a complementary kit intended for the closed-loop processing of micro fragment adipose tissue for re-injection in medical procedures involving the harvesting, concentrating and transferring of autologous adipose tissue harvested with a lipoplasty system



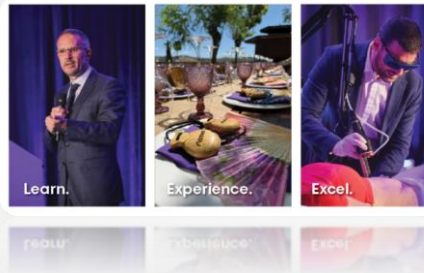
Alma Marketing: Creating global brand awareness

Superstar Collaboration



Enhanced brand awareness by launching long-term collaboration with a global brand ambassador

Alma Academy



Held Alma Academy events in Italy and US, to show the products and contribute to the revenue

Sisram Wellness Center



Launched the first Sisram Wellness Center (June). A unique physical center located in downtown Chicago, enabling the company to interact daily with professionals and patients, better understand their challenges, and help professionals integrate quickly and efficiently into the industry

Injectables

Sisram's injectables operation offers skin boosters, dermal facial fillers and soon – a new generation of toxins and fat dissolving injectables.

The synergy between Alma's cumulative knowledge and practice treating multiple medical and clinical indications via energy-based devices, and Sisram's injectables operation, provides our professional customers with a unique medically effective portfolio, bringing real value to their patients and driving improved consumer satisfaction.



Injectable Portfolio



- BDDE free and one of the highest concentrations of HA on the market
- Partnering with IBSA Derma, for the distribution of its products in Israel, HK, India and mainland China

REVANCE®

- First and only neuromodulator product candidate with long-acting duration
- Sublicence agreement with Fosun Industrial for the commercialization of Daxxify™ by Revance in July 2021 in Great China Market



- Injectable product for fat removal
- Minority investment in Tianjin Juvestar in Dec. 2020 in China
- Juvestar owns the exclusive licence of the product in Great China Market

Silk Fibroin

- Sodium hyaluronate composite gel and facial implant thread based on silk fibroin
- Minority investment in Tianjin Xingsiyi, a R&D company in Jan. 2022

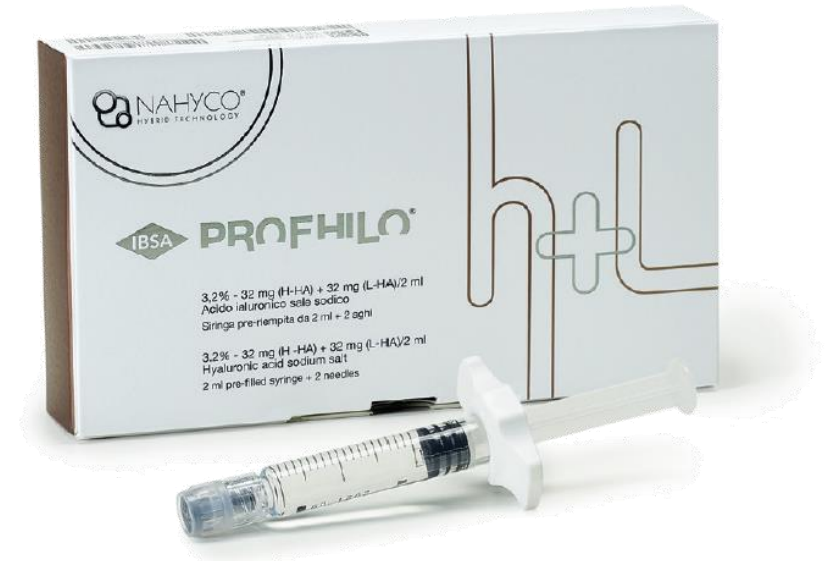
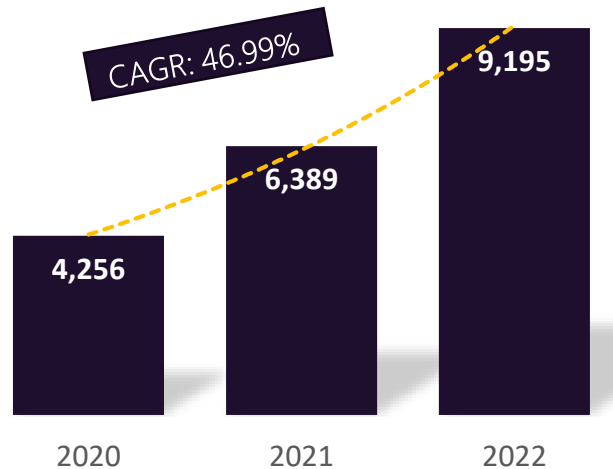
Injectables



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 and India
- 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

US\$000



Injectables

REVANCE®

Daxxify™:

- First true innovation in neuromodulator formulation in 30 years
- First and only long-lasting peptide formulated neuromodulator
- 6 months median duration; up to 9 months for some patients
- Year long results with as few as two treatments per year for some patients
- Long duration achieved with similar core active ingredient as other approved neuromodulators

Key Progress

The drug registration application of **Daxxify™** was accepted by the NMPA*

*NMPA: National Medical Products Administration



LMNT.



TURN YOUR LIGHT BACK ON

LMNT products are designed to utilize nature's power to enhance our body's healing process and are subjected to the highest medical grade wellness standards of Sisram's group

LMNT targets the consumer market, using a unique channel combination (Sisram's existing B2B channels as well as T-mall partner and European e-commerce channels)



Your aesthetic supplement





Regions



Already launched:

May 2022 China

June 2022 Italy

2023 N. America

Future: expected to be launched in more regions step by step, especially those covered by Sisram's direct channels

Products



2022 LMNT One

2023 will launch a new product

Future: expected to launch more new products in the same series and new lines into the market



- A global end-to-end digital dentistry service, challenging existing dentistry workflow by creating an ideal, assisted digital workflow
- Copulla's mission is to enable cost-effective and efficient measurement, design and production process for restoration dentistry treatments via a digital platform, covering all aspects from intra-oral scanning to final dental appliance delivery
- Combined the leading dental equipment distributor – Sisram Dental, market educator, and manufacturer of CAD/CAM dental appliances in China, catering to a significant portion of the professional market – dental clinics and dental labs



**Your Digital
Co-Pilot**



- R&D phase I – completed
- Study and analysis - Digital dentists for evaluation & improvements



- R&D phase II – debugging of the software UI/UX adjustments
- Full integration of CRM & ERP
- Complete QA & training

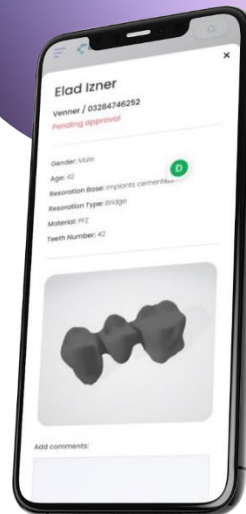
Initial Visit



Scan & mobile app photo upload



Design



Manufacture



Treatment



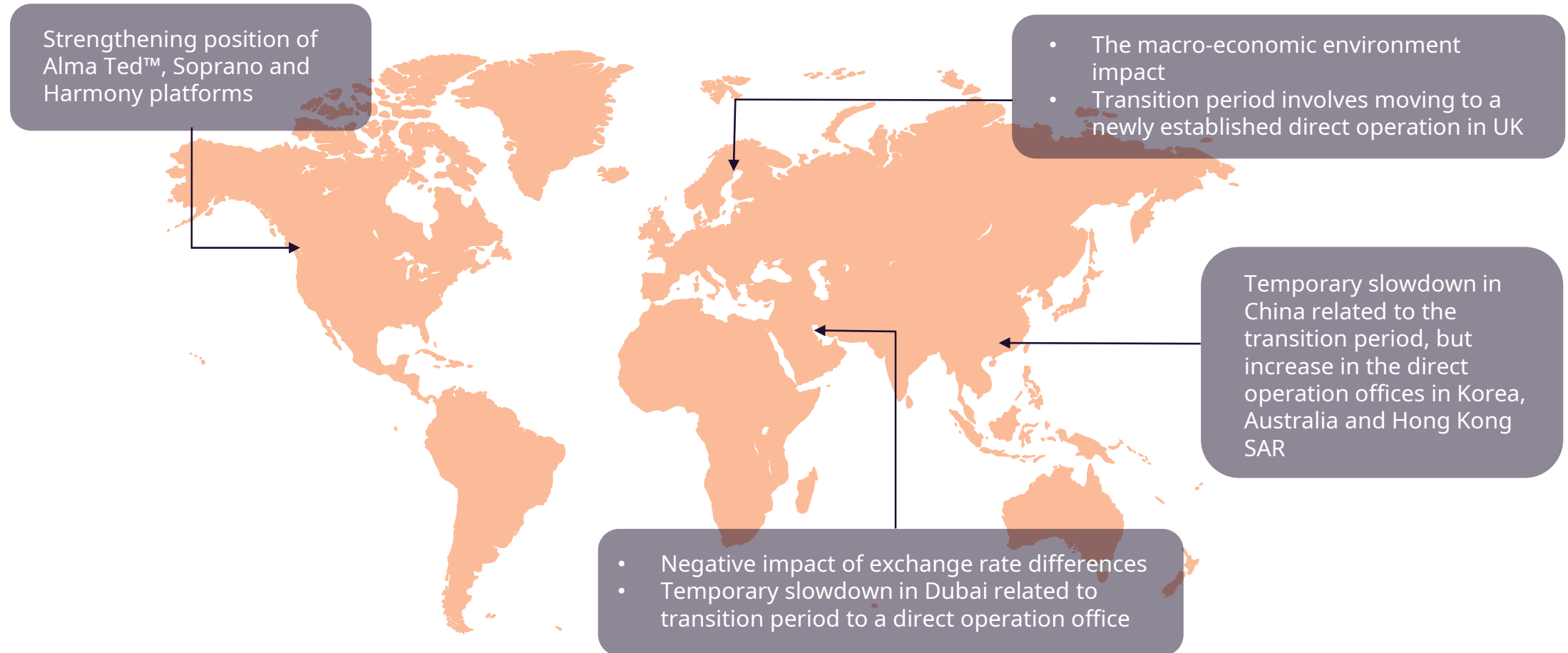


Part 3

Financial Review

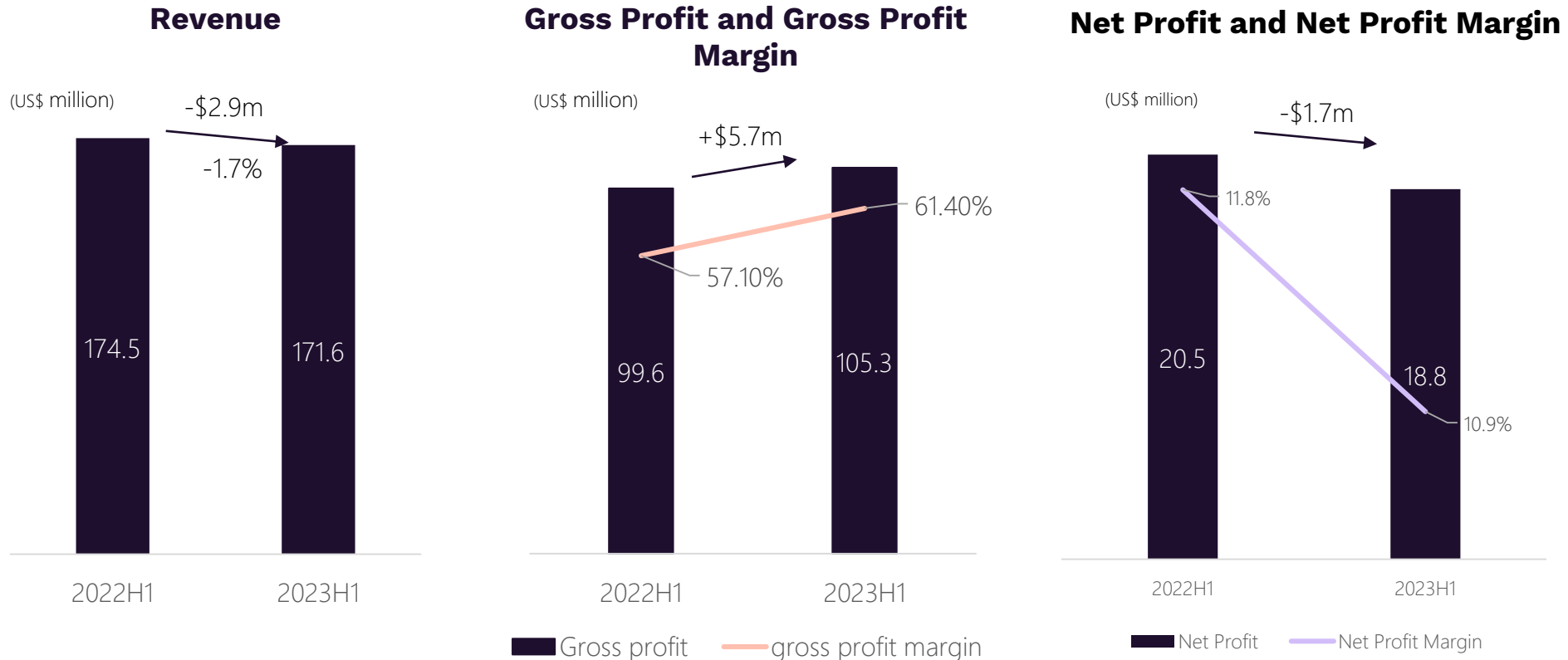
Sisram's Global Performance Overview

Although the European market is variable, the North American and Asian markets are performing well. In the Chinese market, Sisram completed major acquisitions in H1 2023 and expects strong contributions from these in H2



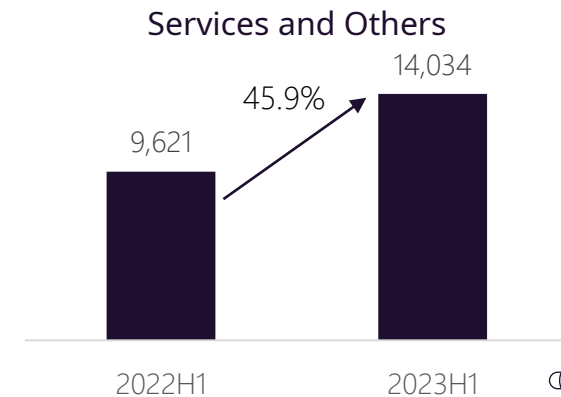
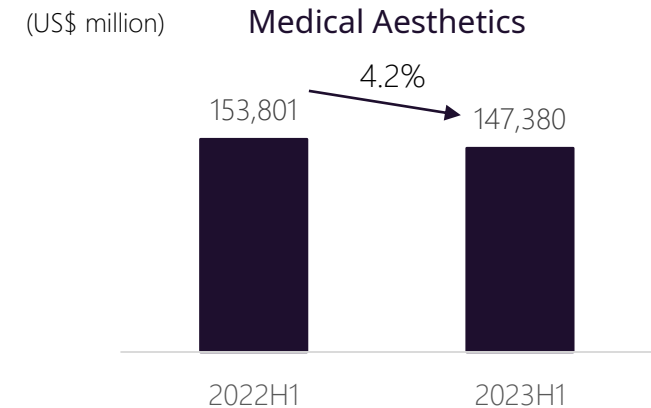
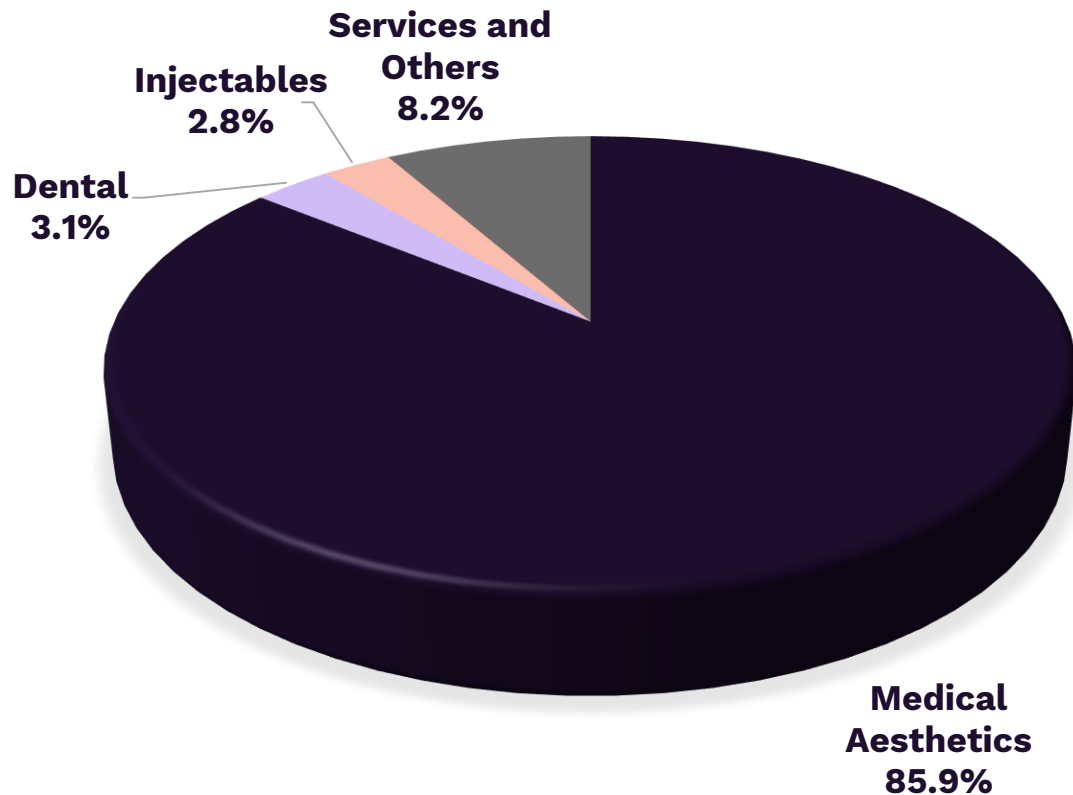
H1 2023 Financials

- Despite global challenge in H1 2023, the increase in the proportion of direct sales and the increase in gross profit and gross margin reflect the company's strategic direction over the years
- Some one-time expenses for initial setup and exceptional expenses related to new brand ambassador project to enhance brand awareness offset the increase in net profit



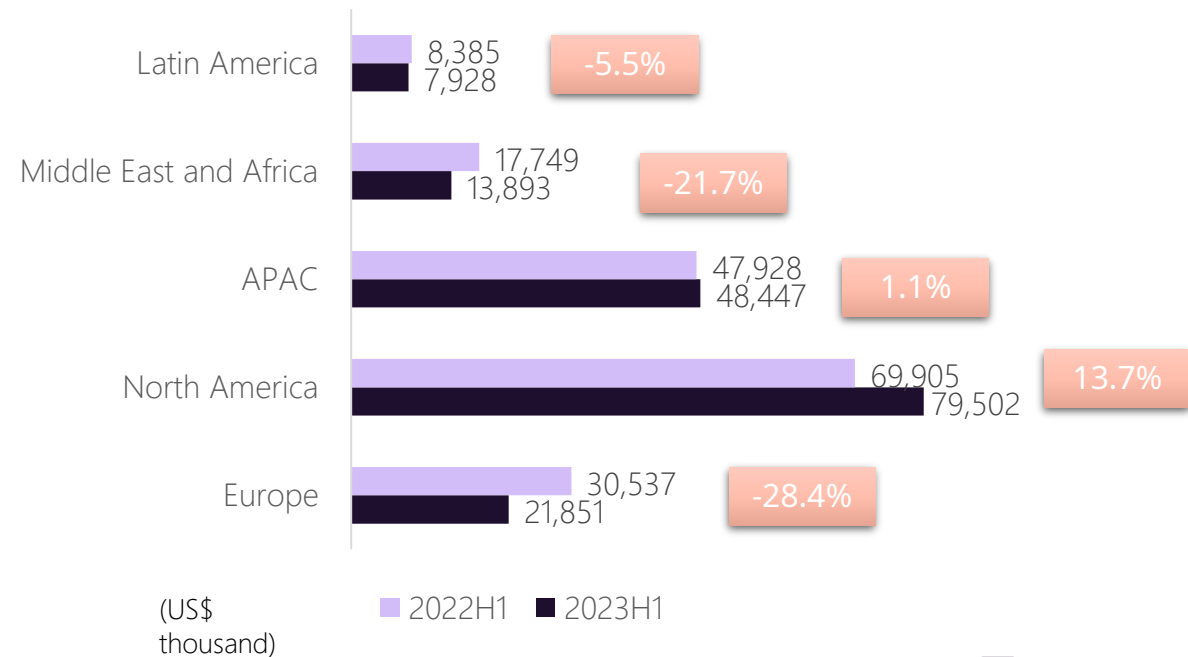
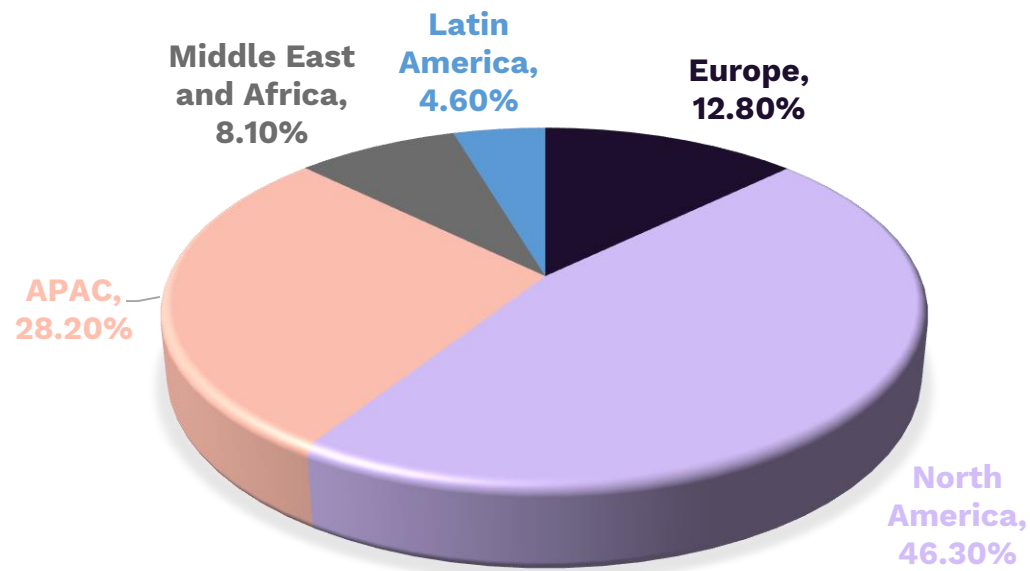
H1 2023 Financials – revenue breakdown by segments

- 4.2% declined in Business of Medical Aesthetics, mainly due to the economic recession in some markets, the Russia-Ukraine war, and partly due to the transition period of distribution to direct sales
- 45.9% increase in Services and Others, which shows the stickiness and stability between company's business and customers



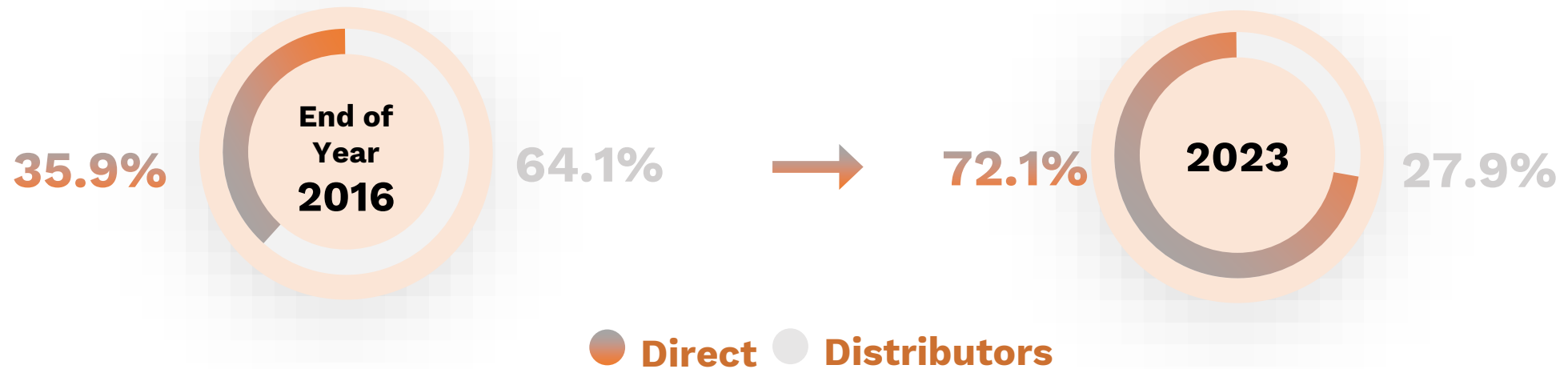
H1 2023 Financials – revenue breakdown by geography

- +13.7% revenue increase in North America - Strengthening position of Alma Ted™, Soprano and Harmony platforms
- +1.1% revenue increase in APAC - Increase revenue in the direct operation offices in Korea, Australia and Hong Kong, partially offset by temporary slowdown in China related to the transition period following acquisition of our leading distributor
- -28.4% revenue decrease in Europe - The macro-economic environment affecting European market performance, alongside the conflict between Russia and Ukraine and transition period involves moving from a distribution model to a newly established direct operation in UK
- -21.7% revenue decrease in Middle East and Africa - Temporary slowdown in Dubai related to transition period to a direct operation office



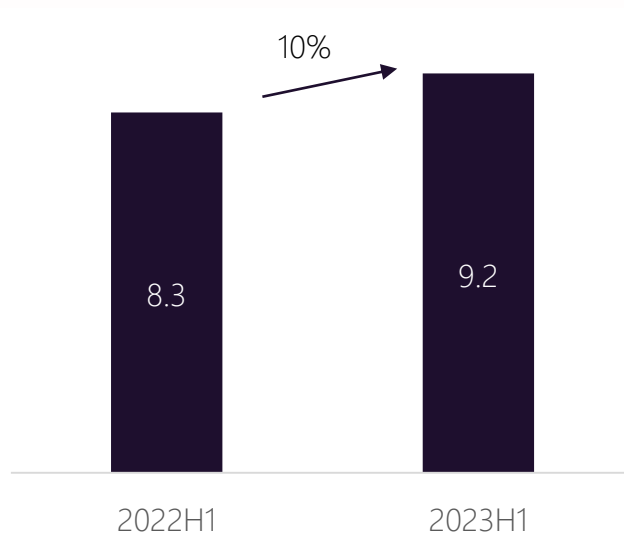
Direct Global Presence

- The direct sales achieved a revenue of US\$118.5 million (excluding Dental) for the Reporting Period, representing an increase of 12.1% when compared to the corresponding period in 2022
- Revenue derived from direct sales amounted to 72.1% in 2023 of total revenue versus 35.9% of the total revenue in 2016



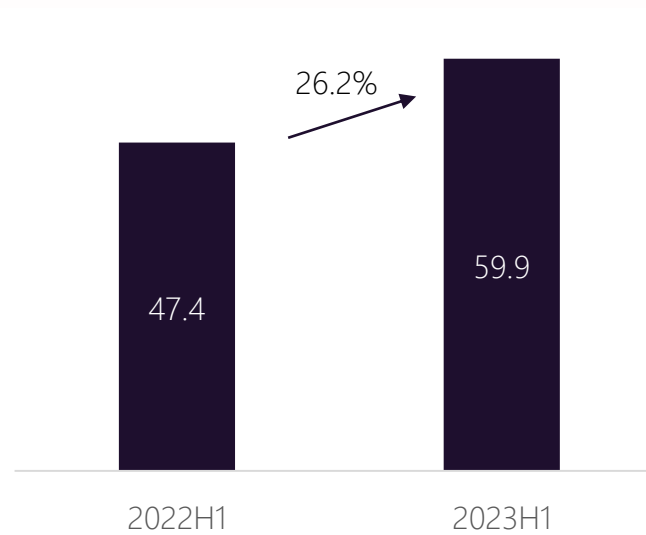
H1 2023 Financials – Expenses and Inventory

Research and development expenses (US\$ million)



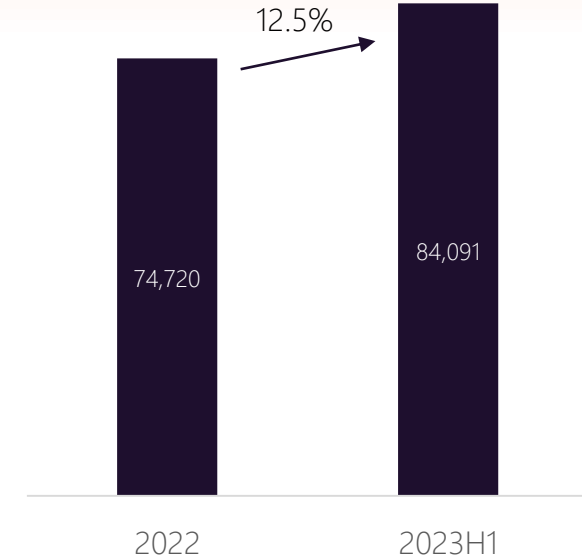
- To expand the technological core competence and invest R&D resources in our incubated personal care brand LMNT

Selling and distribution expenses (US\$ million)



- Higher expenses from our direct operation and the opening of new direct operation offices (one-time expenses for initial set up)
- investment in incubated business units
- exceptional expense related to new brand ambassador project to enhance brand awareness

Inventories (US\$ '000)



- To avoid shortages and meet the growing global demand, the Group is developing a strategic inventory management plan and a strategic raw material purchasing plan a year ahead



Part 4

Outlook & Strategy

Key drivers in future

NA and China as key drivers of the revenue

North American Market

- Strengthening Revenue-Driven Products
- Advancing key subdivision areas
- Expand Post-Sales Team
- Pioneering New Product Launches
 - Alma Veil
 - BeautiFill
- Promote Wellness Ecosystem
 - personal care
 - The Sisram Wellness Center

Chinese Market

- Seamless Integration and Market Penetration in China
- Strategic Build-Up of Injectable Business
 - Establishing a Robust Commercial team
- Vigilant NMPA Application Monitoring
 - Energy-based devices
 - Daxxify™
 - Profhilo
- Amplifying LMNT Personal Care Brand Awareness
- Unveiling Sisram Wellness Ecosystem Potential

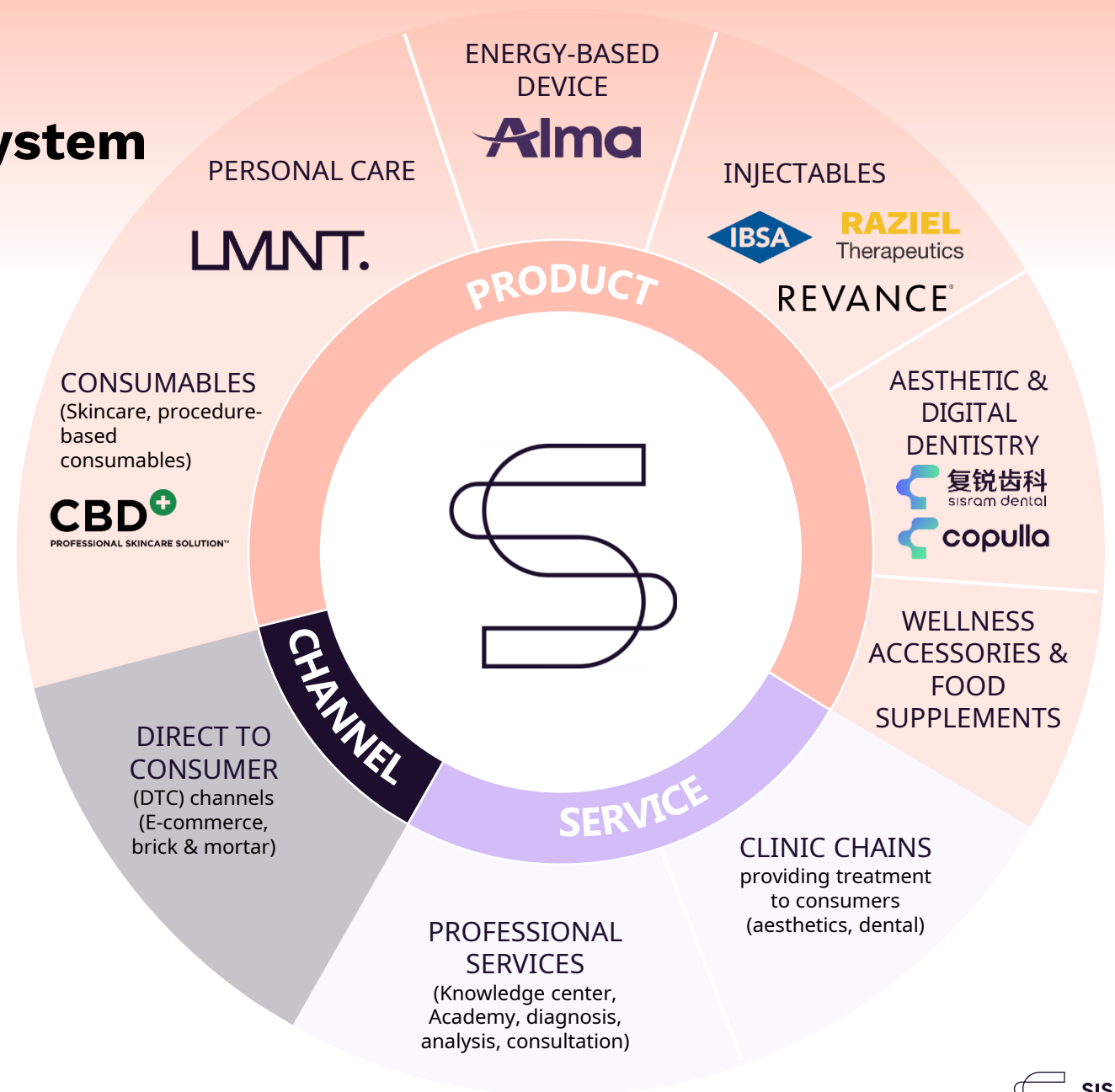
Building Sisram Medical EcoSystem

Operating within the **Greater Wellness Market**

First-of-its-kind Synergistic Ecosystem of business building blocks and **consumer-focused branding**

Unique **Business to Everyone (B2E)** industry-disrupting approach

Vision of “Enhancing Quality of Life”



Growth Engines

Consistent innovation

- Leading the industry with new platform launches every year
- Development of consumables and skin

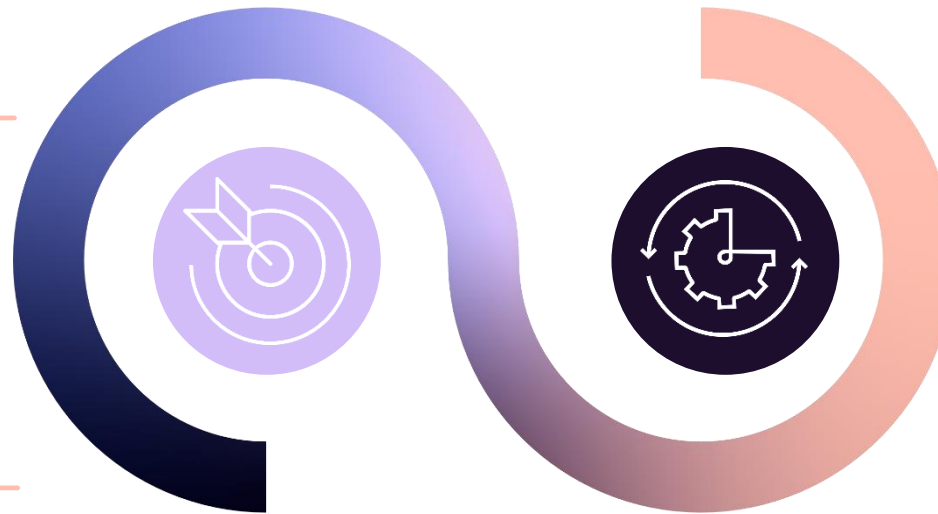
Increase brand awareness

- Create strong brand awareness through product, marketing and customer experience
- Enhance customer experience and customer success rate

IoT Service/subscription model

- Cloud base application for smart clinic management
- Cooperated with B2B leads across different territories

Organic & Non-Organic Growth



Direct channels

- Direct operations in more regions to strengthen market position
- Establish new direct offices for further enhancement of direct sales globally

Comprehensive solutions

- Combined therapy of EBD, injectable, dental and personal care products
- Synergy between different business lines

M&A opportunities

- Focus on business development for director operation
- BD for injectable

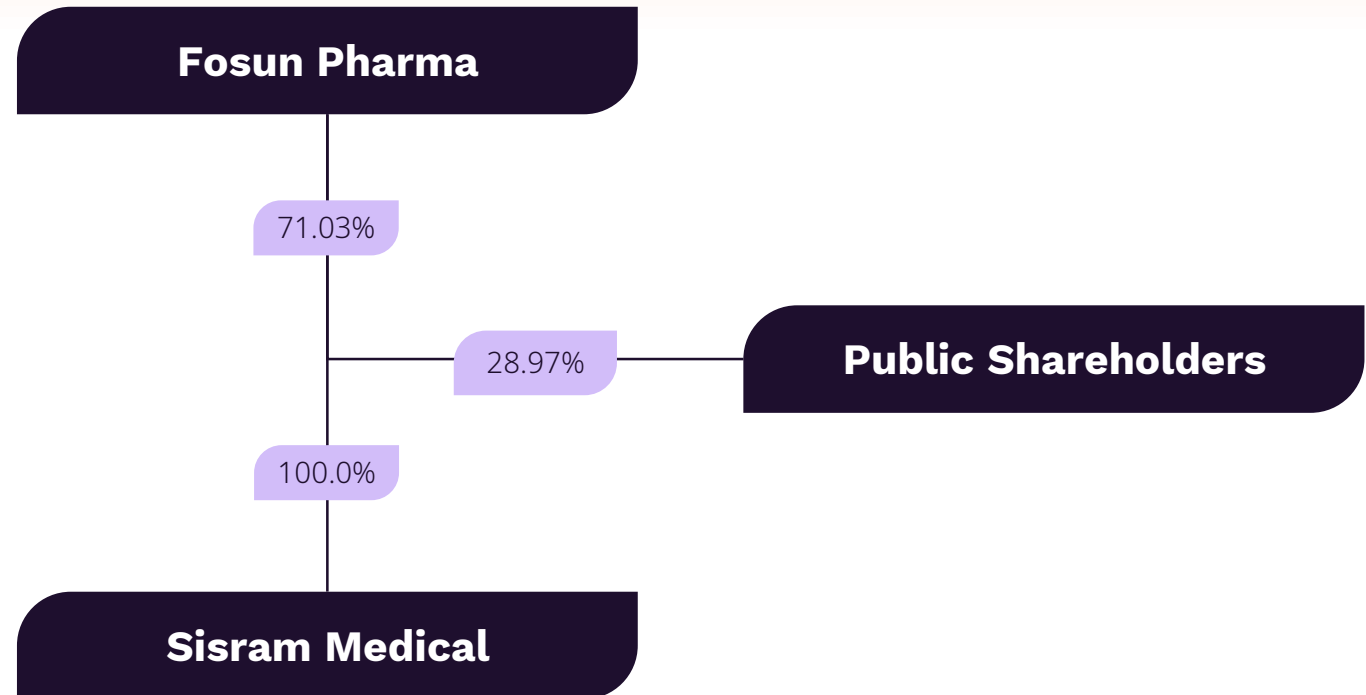
A black and white photograph of a woman with long, dark, wavy hair, smiling broadly and looking slightly to her right. She is wearing a light-colored, short-sleeved top. The image is framed by a white, rounded rectangular border on the left and bottom sides.

Part 5

Appendix

Shareholder structure

(as of 30 Jun. 2023)



Flagship Series

Soprano

Harmony

Accent

Soprano Titanium



- 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 XL PRO



- 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 patients' needs

Alma PrimeX



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



Innovative Series

Opus



- Skin resurfacing
- Opus Plasma® is the first-of-its-kind Fractional Plasma® technology
- Addressing superficial to complex textural and skin-quality concerns that are traditionally corrected with conventional fractional resurfacing lasers or full-field ablative resurfacing lasers, but with less downtime and a higher safety profile

Alma Duo



- A revolutionary treatment for men to stimulate better blood flow and restore his natural sexual performance
- Focused low-intensity extracorporeal shock wave therapy (LI-ESWT) for long-lasting results (at least 2 years post treatment)

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

Alma TED



- An ultrasound-based system with a proprietary tip engineered with Impact Delivery™ that offers a non-invasive, non-traumatic option to address the market's growing hair loss concerns.

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%