

Sisram Medical Announces 2023 Annual Results

Revenues of US\$359.3M, with the direct sales portion reaching a record high

Hong Kong, March 20, 2024 -- 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 and digital dentistry, personal care, and more, today announced its audited consolidated annual results for the year ended December 31, 2023 (the “**Reporting Period**”).

FINANCIAL HIGHLIGHTS

- Revenue was US\$359.3 million, increased by 1.4% YoY.
- Revenue portion derived from direct sales for the year ended December 31, 2023 was 78% of total revenue, as compared to 66% for the corresponding period in 2022.
- Gross profit margin increased from 57.0% to 61.1%.
- Net cash flows from operating activities was US\$43.9million, increased by 99.4% YoY.
- Revenues in North America and in Asia Pacific were US\$156.9 million and US\$109.7 million, increased by 9.2% and 11.8%, respectively.

FINAL DIVIDEND

- The Board has resolved to declare a final dividend of HK\$0.158 (inclusive of tax) per share for the year ended December 31, 2023.

KEY ACHIEVEMENTS

Continuously innovating in R&D and advancing registration progress

- Launched three EBD products into new territories:
 - Soprano Titanium™: Alma’s flagship equipment platform for hair removal was introduced to North America market following regulatory FDA clearance.
 - Opus: A non-invasive RF equipment platform for skin resurfacing and face tightening was introduced to international markets outside the US.
 - Alma Veil™: Launched in North America, Alma Veil™ is a platform that effectively targets a wide range of common dermatological and vascular conditions using three best-in-class technologies seamlessly integrated into a single handpiece.
- Expanding Sisram’s injectables line offering: 1) the NMPA has accepted registration application of the biostimulator Prophilo® and the long-lasting neurotoxin DAXXIFY® ; 2) the Company has entered into a strategic partnership with Prollenium®, a Canadian FDA-approved dermal filler manufacturer, to expand its injectables product portfolio and offer a unique combination of premium dermal filler with energy-based devices to enhance the effectiveness and longevity of various common aesthetic treatments.
- Personal Care brand LMNT launched the 2nd generation of product LMNT O₂.

- FDA clearances and CE clearances:
 - Received the clearance from the U.S. FDA for marketing VorFat System, which adopts a new technique of micronized fraction of the adipose tissue independently developed by the Company.
 - Obtained 2 additional FDA clearances related to the Soprano and Harmony product families and 1 CE clearance for Opus.
- On the clinical research front, the Group has conducted 20 clinical and preclinical studies during the Reporting Period, in the aesthetics, dermatology, plastic surgery, and gynecology fields.

Maintaining market leadership while expanding direct sales channels

- Reinforce APAC leadership: The Group completed the acquisition of PhotonMed, China's leading energy-based device distributor and Alma's strategic partner. The Acquisition strengthens the Company's direct-to-consumer strategy and reinforce the group leadership positioning and brand in Asia Pacific market.
- New direct offices: new direct offices in Japan and Dubai. Both will start with the business of energy-based devices and gradually expand into the Company's wellness ecosystem business units.
- Existing direct offices: accelerated the business expansion of the existing direct channels to achieve the rapid revenue growth. Direct sales revenue increased by 19.6% compared to the last corresponding period.

Brand recognition and Global Brand Awareness

- 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.
- Launching Sisram's first Wellness Center in downtown Chicago: it offers a comprehensive range of advanced medical aesthetic services in skin health, beauty, and wellness. The concept center allows physicians to experience the Alma flagship devices, gaining practical experience while being guided by professional clinical personnel. It enables the Company to gather valuable insights from end-users, placing their needs and aspirations at the forefront, so as to strengthen the Company's brand image and solidify its market position, which represents a momentous step towards the Company's strategic goals.

Strategy and Outlook

Consistent growth driven by the direct sales strategy

Since the Company clarified its going-direct sales strategy in 2016, the proportion of revenue generated from direct sales has increased from 36% to 78%. In 2023, direct sales marked a record all-time high, amounting to US\$281 million, demonstrating not only the effectiveness of the strategy but also highlighting the Company's significant impact on the

global market. Looking ahead, as the Company continues to expand its global operation, Sisram will refine and enhance its direct sales strategy. The Company will intensify the efforts in penetrating direct channels, ensuring closer engagement with clients while maintain a customer-centric approach to drive growth. Additionally, the Company will prioritize maintaining the leadership position in key markets such as the Asia Pacific and North America, further enhancing brand recognition and customer service to solidify the market dominance. Moreover, Sisram will explore non-organic growth avenues to facilitate long-term expansion.

Embracing near-future technologies, enriching product portfolio and strengthening customer relationships

Based on the company's long-term strategy, Sisram will continue to execute its strategy by evaluating and implementing near-future technologies to strengthen the innovation in EBD segment. The Company will also continue expanding its offerings through Sisram's unique wellness ecosystem and become the leading company offering such a comprehensive and synergetic product line with strategical focus on utilizing the building blocks of injectables, skincare, and personal care, especially to prepare for the launches of DAXXIFY® and Profhilo® in China. In addition, the company complemented the clinic-centric strategy as the pioneering market for Sisram Medical within the wellness ecosystem. Combined with the strategy of modern B2C, the company provide high value, high demand of advanced product portfolio, to enhance the customer journey and ensuring effective execution of its sales strategy.

Mr. Liu Yi, Chairman and Executive Director of Sisram, commented: “Over the past decade, the Company has firmly embraced business diversification and comprehensive growth, evolving from a singular focus on energy-based devices to a diverse portfolio encompassing injectables, personal care, aesthetics, digital dentistry, and beyond, thus establishing a global wellness ecosystem. Moving forward, we will capitalize on the varying regional economic growth, prioritizing business diversification and expanding direct sales as our strategic initiatives. This approach will drive synergistic growth, enhance our direct sales presence in key global markets, and solidify the development of our unique wellness ecosystem. We will remain true to our original aspirations, guided by the spirit of innovation, as we continue to forge a brighter future ahead.”

Mr. Lior Dayan, CEO of Sisram and Alma, said: “This period year marked a significant turning point for Sisram as we laid the strategic foundation for the year to come, extending our global footprint and expanding our unique ecosystem, bringing high value to the clients. Our emphasis on creating long-term Partner-Patient relationships with exceptional experiences for patients, driving innovation, and building brand recognition will undoubtedly set the stage for our continued leadership and growth in new markets.”

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, ranging from Energy Based Devices, injectables, aesthetics and digital dentistry, personal care and more. The company is majority-owned by Fosun Pharma, one of China's leading healthcare groups. Sisram Medical went public on the Main Board of the Hong Kong Exchange in September 2017.

Sisram Medical – Enhancing Quality of Life

<http://www.sisram-medical.com>

For media inquiries, please contact:

Ever Bloom (HK) Communications Consultants Group Limited

Orianna Ou / Yinmei He

+852 3468 8171

sisrammed.list@everbloom.com.cn

For Investor Relations inquiries, please contact:

IR@sisram-medical.com