



# Sisram Medical

Stock Code: 1696.HK

2023 Annual Earnings Presentation

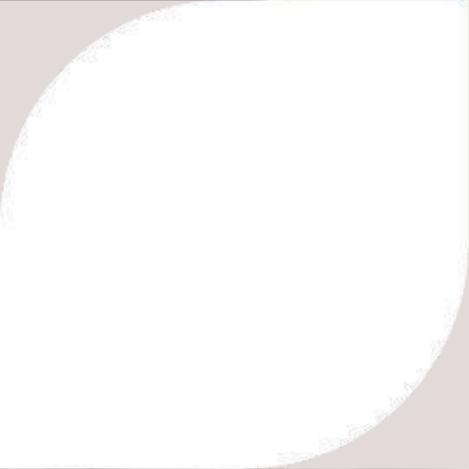
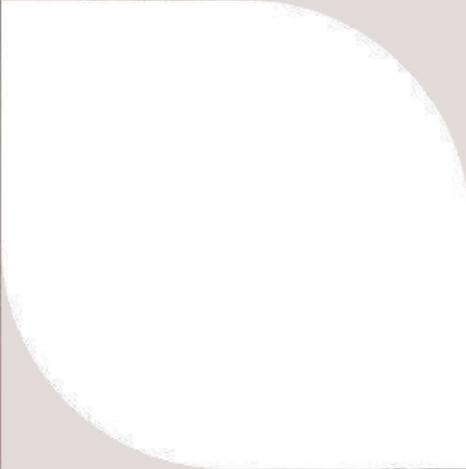


ENHANCING QUALITY OF LIFE

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# Agenda

**Performance Highlights**<sup>1</sup>

**Business Overview**<sup>2</sup>

**Financial Review**<sup>3</sup>

**Outlook & Strategies**<sup>4</sup>

**Appendix**<sup>5</sup>

PART

1

PERFORMANCE  
**HIGHLIGHTS**



# 2023 Key Highlights

**359.3M**

▲ +1.4% YoY

Revenues



**156.9M**

▲ +9.2% YoY

Rev. of  
North America



**109.7M**

▲ +11.8% YoY

Rev. of  
APAC



  
Injectables  
Rev.

**10.1M**

▲ +9.3% YoY

  
Gross profit  
margin

**61.1%**

▲ +4.1 p.p.

  
% of rev. from  
direct sales

**78%**

▲ +12 p.p.

# 2023

## Key Highlights

### Channel



- Completed a significant M&A deal with top Chinese distributor
- Established two important direct offices - Dubai & Japan and significantly advanced the current ones

### Key Progress



- Promoted core progress of Injectable Daxxify<sup>®</sup>, application accepted by NMPA\*
- Registration application of Profhilo<sup>®</sup> accepted by NMPA\*

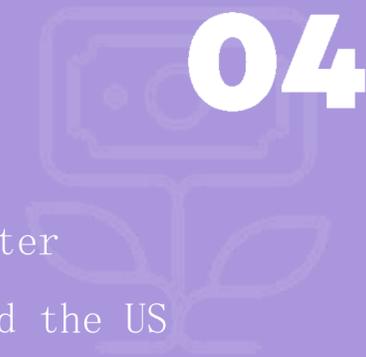
\*National Medical Products Administration

### Products



- Launched a new EBD product - Alma Veil
- Introduced consumables into market - LipoSense/CellFie
- Personal Care: Launched LMNT O<sub>2</sub>

### Marketing



- Launched the first Sisram Wellness Center
- Hosted Alma Academy events in Italy and the US

# 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 size is expected to expand at a CAGR of

**8.6%** from 2023 to 2027



**The Global Wellness Market is expected to reach in 2027:**

US\$  
**8.5**  
Trillion

**The world Wellness Market is currently estimated at \$5.6 trillion**

The wellness market focuses on three sectors:

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

Sources:

<https://globalwellnessinstitute.org/press-room/press-releases/globalwellnesseconomymonitor2023/>

<https://www.giiresearch.com/report/tbrc1414193-energy-based-aesthetic-devices-global-market.html>

<https://www.thebusinessresearchcompany.com/report/dermal-filler-global-market-report> <https://www.thebusinessresearchcompany.com/report/dental-equipment-and-supplies-global-market-report>

# Business Overview Our Offerings

## Core Business



A leading medical aesthetics energy-based device provider

B2B2C



Soprano Titanium



Harmony XL PRO



Alma PrimeX



Opus



Alma Duo

## Incubation

### LMNT.

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

B2C | D2C



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

B2B

## Key Development Injectables

EXCELLING INJECTABLES THERAPY

B2B2C

Offer skin boosters, dermal facial fillers and soon - a new generation of toxins



Profhilo®  
Skin Bio-remodeling Therapy



Daxxify®  
Long-lasting Toxin



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medical



**Injectables**

**LMNT.**



# Channel

## Sisram's Global Footprint

New Direct Channel in 2023

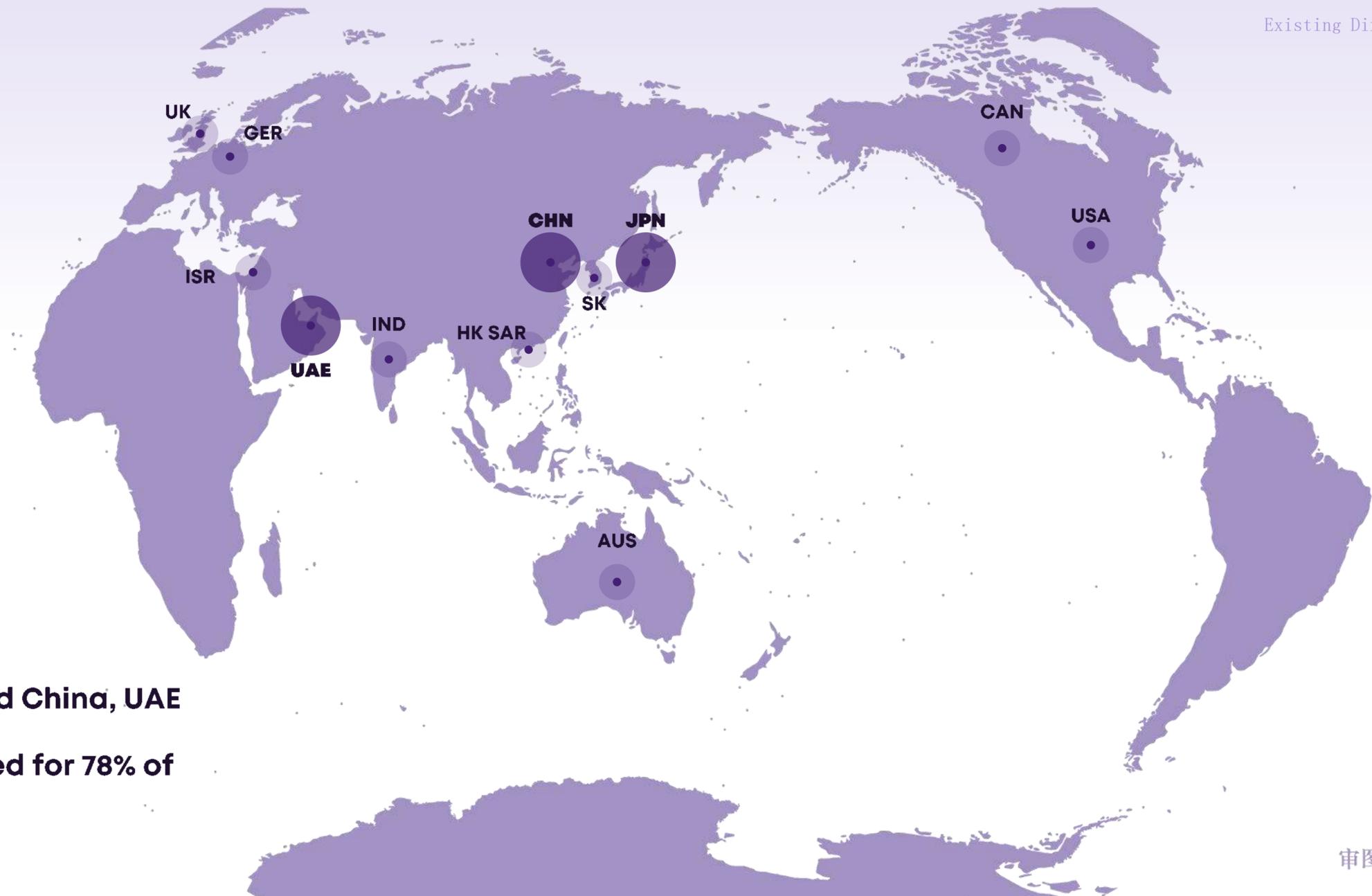
Existing Direct Channel

# 100+

- Well-diversified and balanced geographic coverage
- Worldwide sales network across around 100 countries / jurisdictions

# 78%

- New direct offices in 2023 – mainland China, UAE and Japan
- Revenue from direct sales accounted for 78% of total revenue in 2023



## Direct Entry into Chinese Market via M&A for Incremental Growth

On June 28<sup>th</sup> 2023, Sisram completed the acquisition of PhotonMed International, the leading Chinese distributor of energy-based devices.

### Strategic Impact

- A major step in Sisram's direct sales expansion and direct-to-consumer strategic layout
- Strengthen the Company's revenue, leadership positioning and brand recognition
- Deeper penetration in Chinese market

### Current Progress

- Strengthening post-investment integration and targeting to achieve minimum 450 million RMB revenue for the first year period after acquisition (H2 2023 – H1 2024)
- On-going investment in Chinese market for the long-term growth

# Products Enhancing R&D Capabilities

- Finished 20 clinical study and achieved 2 clearances of FDA in 2023
- Promote new products launch to keep leadership in the industry



## Technology

**61 registered patents  
and 18 patents pending\***

Utilizing 5 energy sources:

- Laser
- IPL
- Radio Frequency
- Ultrasound
- Plasma

## Product

**100+ applicators**

Meeting multiple needs of  
beauty seekers:

- Body Tightening
- Skin Rejuvenation
- Facial Contouring
- Hair Removal
- Sexual Wellness

## Treatment

**50+ product platforms**

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.

# Body

## 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



Alma PrimeX



Accent Prime

# Skin

## 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



## 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



## 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%

Derma Clear



REJUVE



SINON



Pixel CO<sub>2</sub>



ALMA Q



## Alma Hybrid

- Skin rejuvenation and scar revision
- The first and only device to bring together 3 powerful energies (CO<sub>2</sub>, 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



# Hair

## 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



## Alma TED

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

# Sexual Wellness

## 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)



## FemiLift

A state-of-the-art, minimally-invasive outpatient gynecological solution, FemiLift incorporates Pixel CO<sub>2</sub> technology to provide optimal feminine wellness to patients of any age. A single solution with a variety of applicators treating a wide range of feminine indications, FemiLift delivers quick and effective results, with no pain and minimal downtime



## New product launch to promote the innovation of vascular laser treatment



Alma Veil

- Alma Veil™ has been launched in North America in 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

## Accessories launched in surgical line to increase consumable revenue



BeautiFill

- FDA regulatory clearance for two complementary accessories for Alma's BeautiFill™ system intended for laser assisted liposuction and skin tightening
- Introduced them to market

LipoSense™ – increase the safety of procedure by real-time measurement of the treated area temperature

CellFie™ – for re-injection in medical procedures involving the harvesting, concentrating and transferring of autologous adipose tissue harvested with a lipoplasty system

# Products

## New products launch to strengthen the product portfolio and competitiveness

# Marketing

## Strengthening global brand recognition

Alma **Academy**

### Ambassador Collaboration

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



### Alma Academy

Hosted Alma Academy events in Italy and the US, showcasing our products to enhance brand visibility and drive revenue contributions



### 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





 **Sisram**  
medical

**Alma**

**Injectables**

**LMNT.**

 **copulla**

# Key Development Injectables

With the knowledge and practice accumulated in the treatment of a variety of medical aesthetic clinical indications by energy-based devices, Sisram strengthens the synergistic empowerment of EBD and injectables, providing professional customers with a unique combination of medical aesthetic effects, bringing best experience for consumers.

## Main Products



BDDE free and one of the highest concentrations of HA on the market

### REVANCE®

First and only FDA approved neuromodulator product candidate with long-acting duration

### PROLLENIUM®

The Revanesse® line of hyaluronic acid (HA) dermal fillers (CE and FDA Approved) made with state-of-the-art production methods, optimal ingredients, and rigorous quality testing to help to rejuvenate, smooth, lift and contour

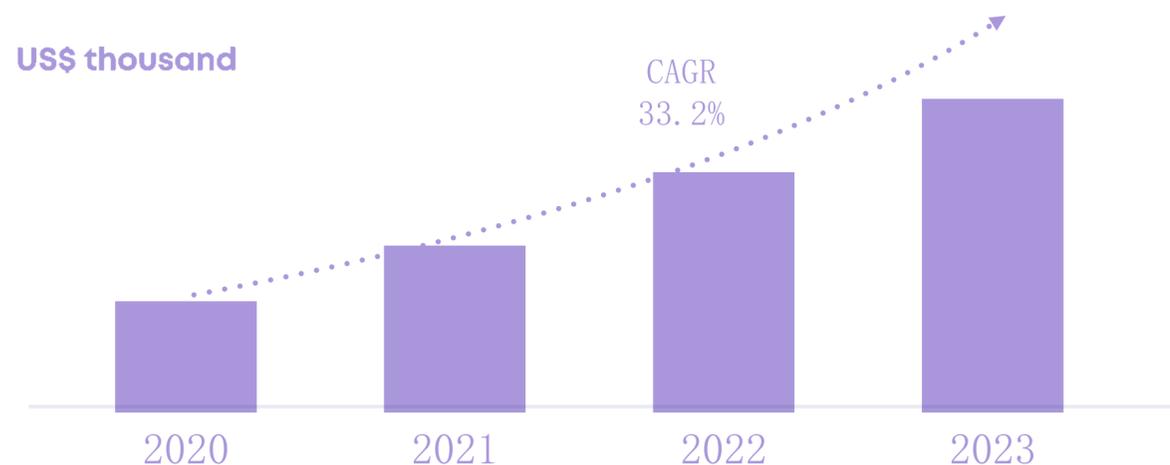
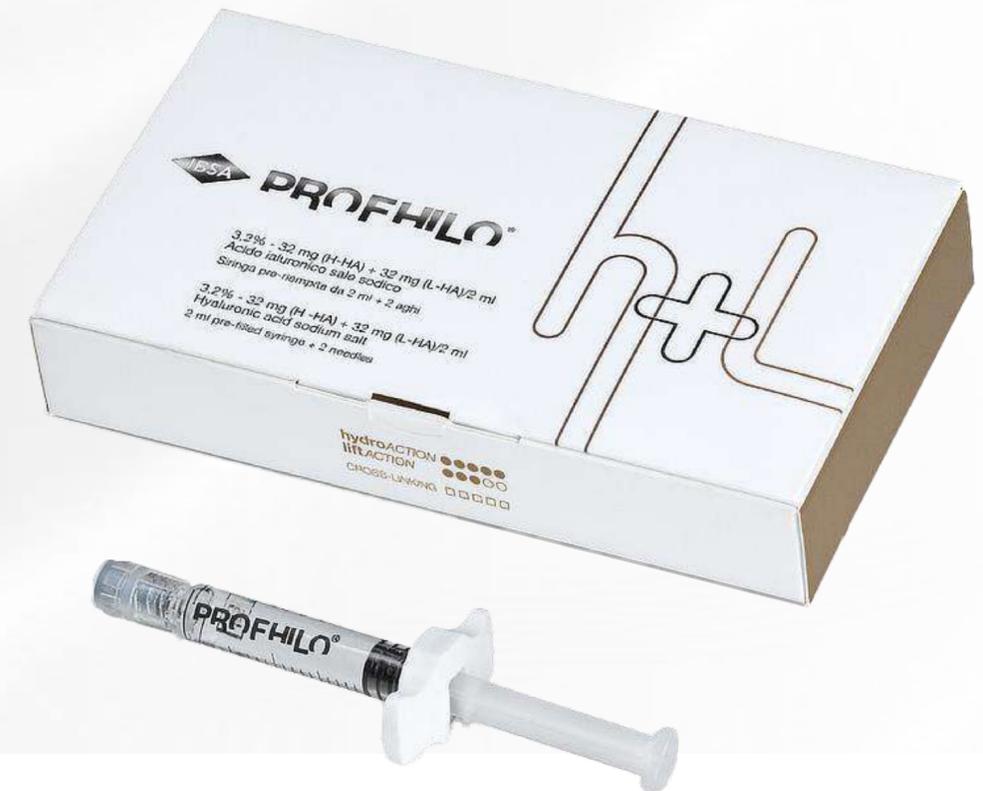
## Strategic Investments

**RAZIEL**  
Therapeutics

**Silk Fibroin**



- Introduced “Profhilo” skin bio-remodeling treatment in Israel, Hong Kong S.A.R and India. Soon in China
- BDDE-free (without the use of chemical cross-linking agents) with the patented NAHYCO® technology
- One of the highest concentrations of HA on the market (64 mg / 2 ml)
- Stimulating natural collagen and elastin production



### Key Progress

The registration application of Profhilo®, an injectable product exclusively distributed in Mainland China, was accepted by the NMPA\*

\*National Medical Products Administration

# REVANCE® | Daxxify®

- First FDA approved true innovation in neuromodulator formulation in 30 years
- Generally safe with no human serum albumin (HSA) or animal proteins and U.S.-based manufacturing
- 6 months median duration; up to 9 months for some patients
- Long-duration, fast-onset, and the appearance of improved skin quality

## Key Progress

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

\*NMPA: National Medical Products Administration



# PROLLENIUM® | REVANESSE®

- The Revanesse® line of hyaluronic acid (HA) dermal fillers made with state-of-the-art production methods, optimal ingredients, and rigorous quality testing to help to rejuvenate, smooth, lift, contour
- Exclusive distribution rights for the renowned Revanesse® dermal filler collection in several key markets including Germany, Austria, Switzerland, Australia, and New Zealand\*

\* Refer to the voluntary announcement disclosed on 8 Jan 2024



# Strategic Investments

## **RAZIEL** Therapeutics

- JS-001 (RZL-012) has completed Phase IIb clinical trial and achieved primary endpoint
- The active ingredient of JS-001 is synthesized small molecule and the dosage form contains no human or animal-derived ingredients. Preclinical and clinical studies have confirmed that JS-001 injection can induce apoptosis of fat cells at the injection site, thereby reduce the thickness of the fat layer and achieve local contouring

## **Silk Fibroin**

- Two key products: silk fibroin sodium hyaluronate composite gel and facial implant threads
- Silk fibroin is a kind of natural fiber with the highest biological safety. Silk fibroin has low immunogenicity and excellent angiogenesis ability, and is completely degradable



 **Sisram**  
medical

**Alma**

**Injectables**

EXCELLING INJECTABLES THERAPY

**LMNT**

 **copulla**

# LMNT. | Personal Care

- LMNT by Alma is a personal care brand, delivering the company’s legacy of technology and knowhow in light-based aesthetic solutions into consumers’ home. FDA cleared, and clinically validated, LMNT gives an immediate glow, as well as long-term results
- 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)

## Products

**LMNT One**

2022



**LMNT O<sub>2</sub>**

2023



## Marketing

### China

**90+**

Collaborated with 90+ KOLs/KOCs

**>30%**

Achieved YoY growth of above 30% in terms of GMV

### North America

**~300**

available in around 300 Clinics in US

### Channels

Tmall, JD, REDBOOK, Douyin, POZION and other vertical channels

**>100%**

2x the market share on Tmall

### One Stop Shop

Alma's holistic approach and philosophy include EBD in clinics and extending to home-environment via clinics

## Regions

**China**

May 2022

**Italy**

June 2022

**North America** 2023



**Alma**

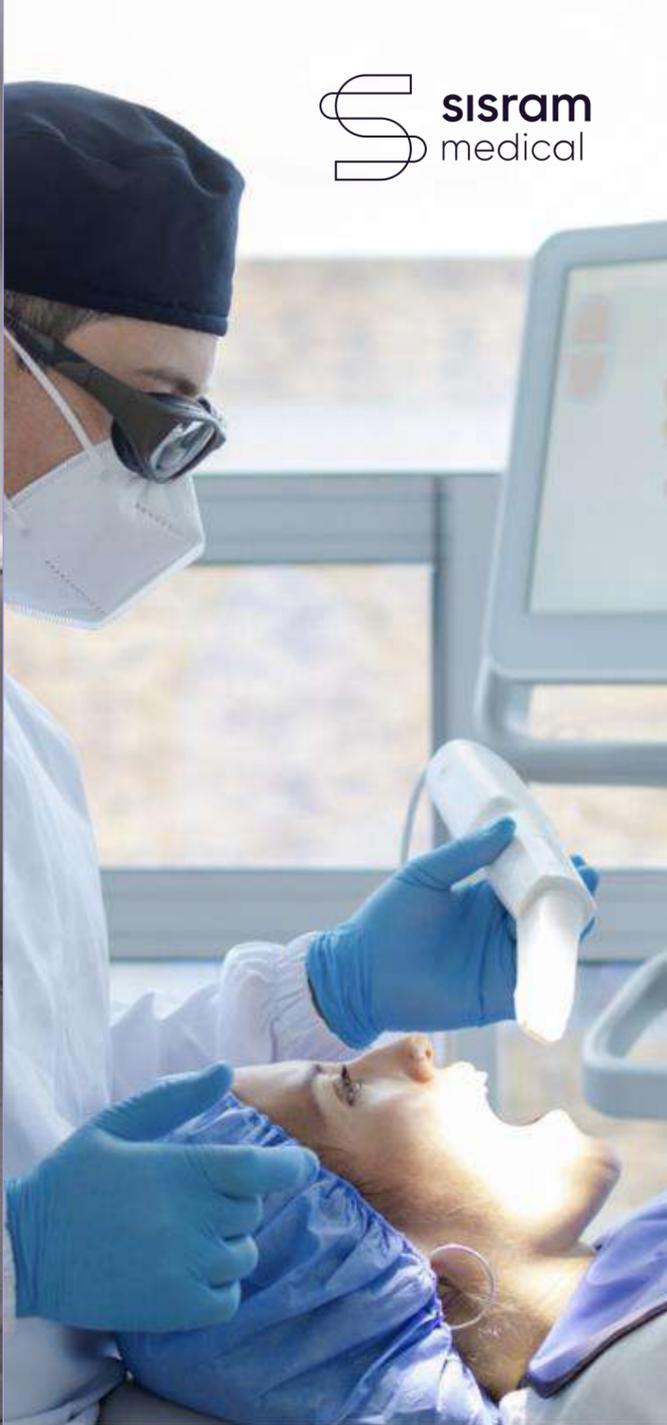


**Injectables**

EXCELLING INJECTABLES THERAPY

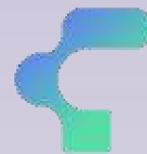


**LMNT.**

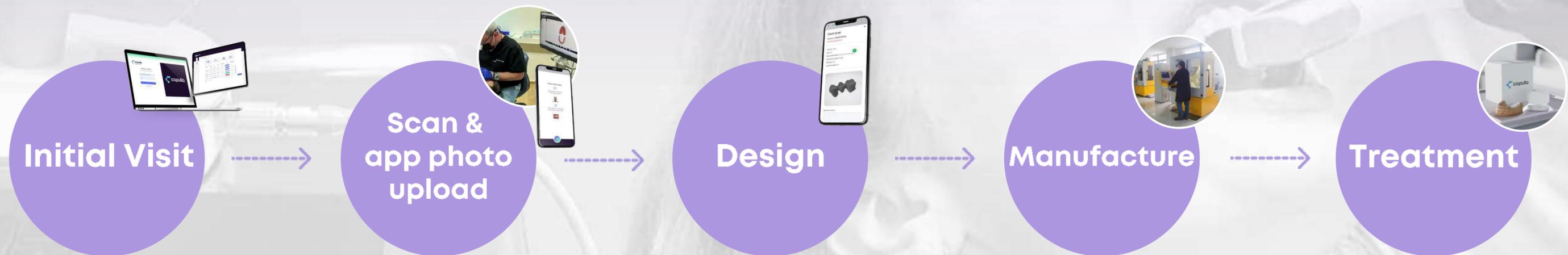


**S** **sisram**  
medical

**copulla**

 **copulla** | **Aesthetic and Digital Dentistry**

- 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 processes for restoration dentistry treatments via a digital platform, covering all aspects from intra-oral scanning to final dental appliance delivery



## Completed

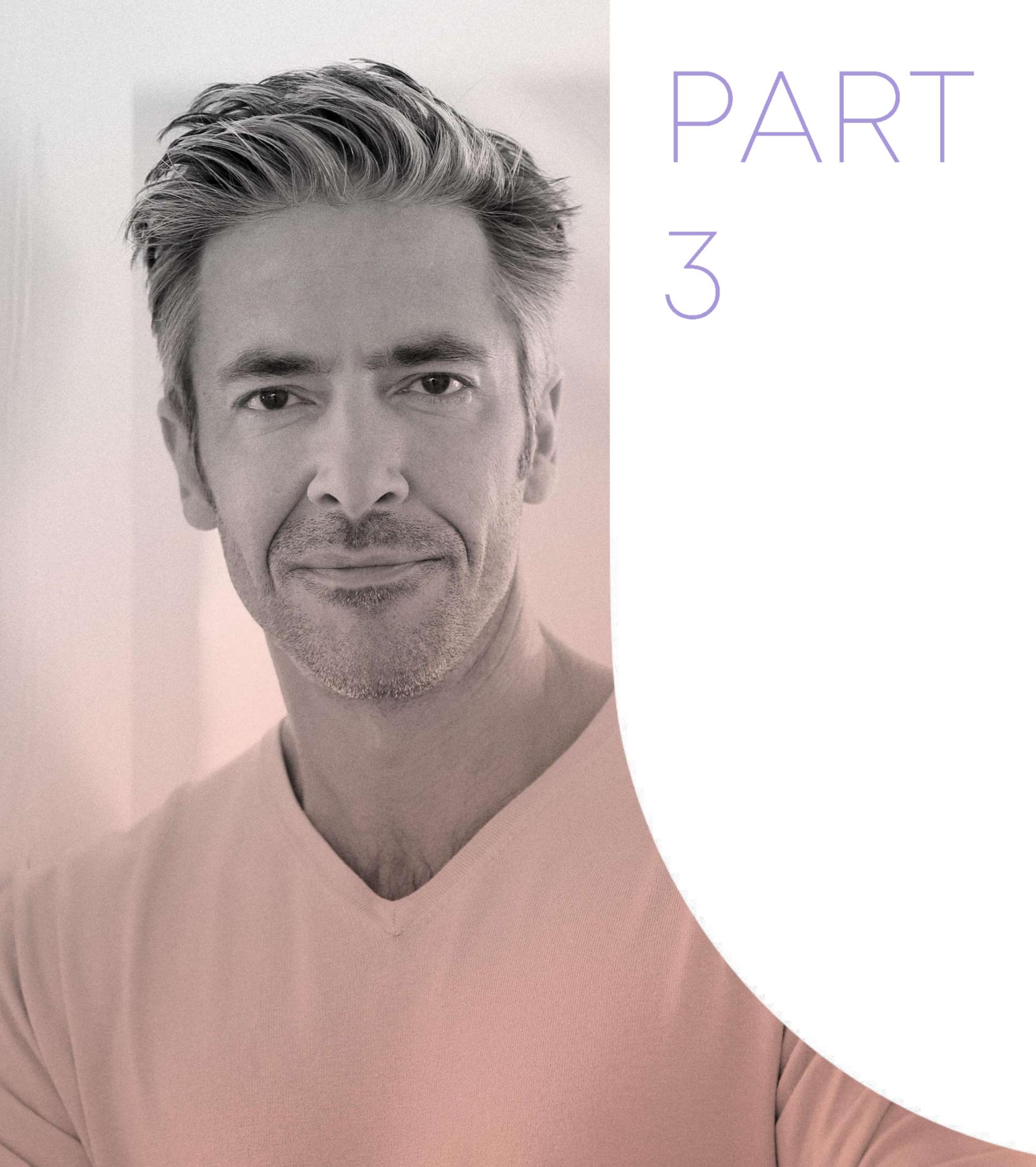
- Study and analysis - Digital dentists for evaluation & improvements
- R&D phase II - debugging of the software: UI/UX adjustments
- Complete QA & training

## In Process

- Expansion of pilot services sites
- Full integration of CRM & ERP

PART  
3

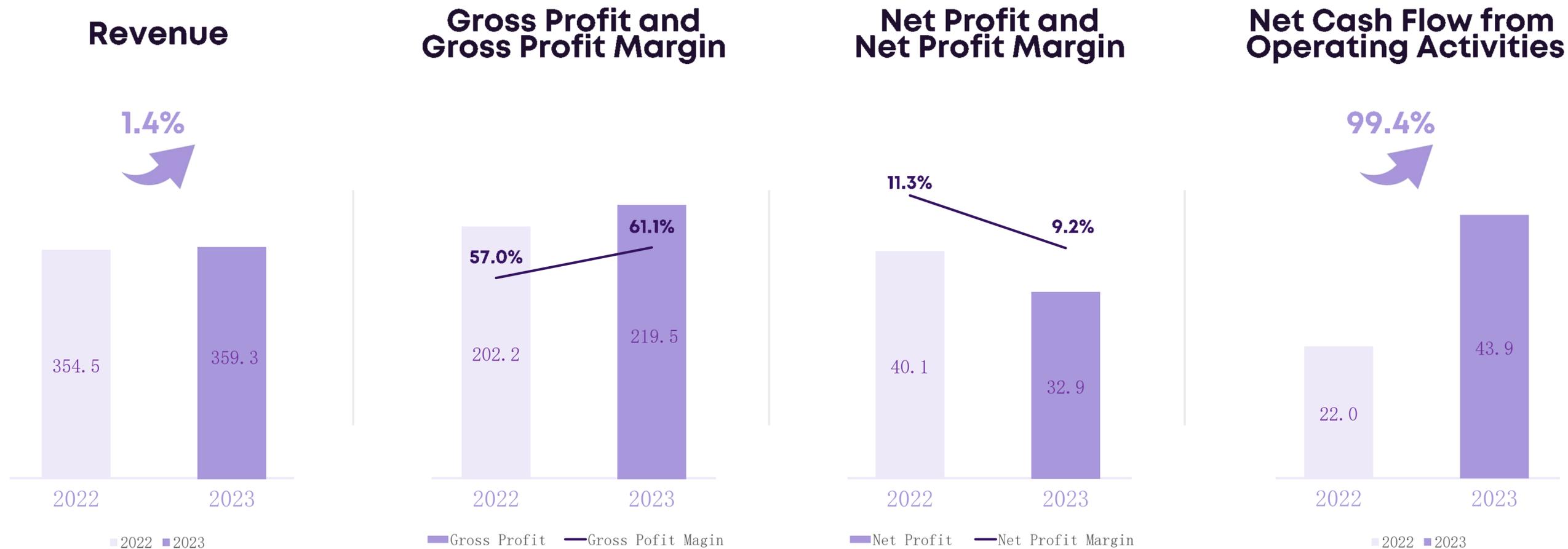
FINANCIAL  
**REVIEW**



# 2023 Financials

- Despite global challenges in 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 of direct offices and exceptional expenses related to new brand ambassador project to enhance brand awareness offset the increase in net profit

US\$ million

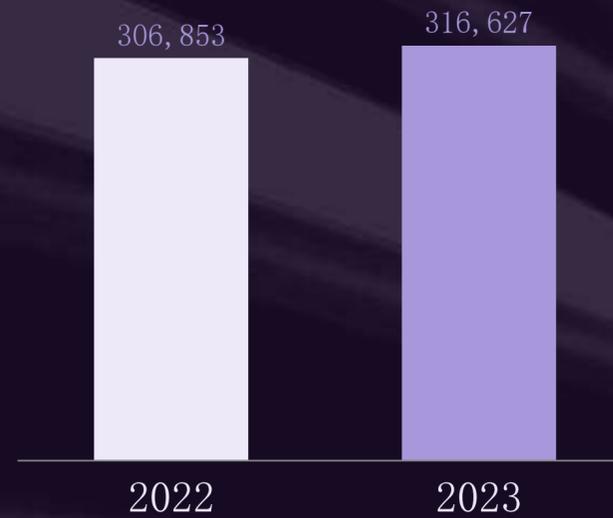
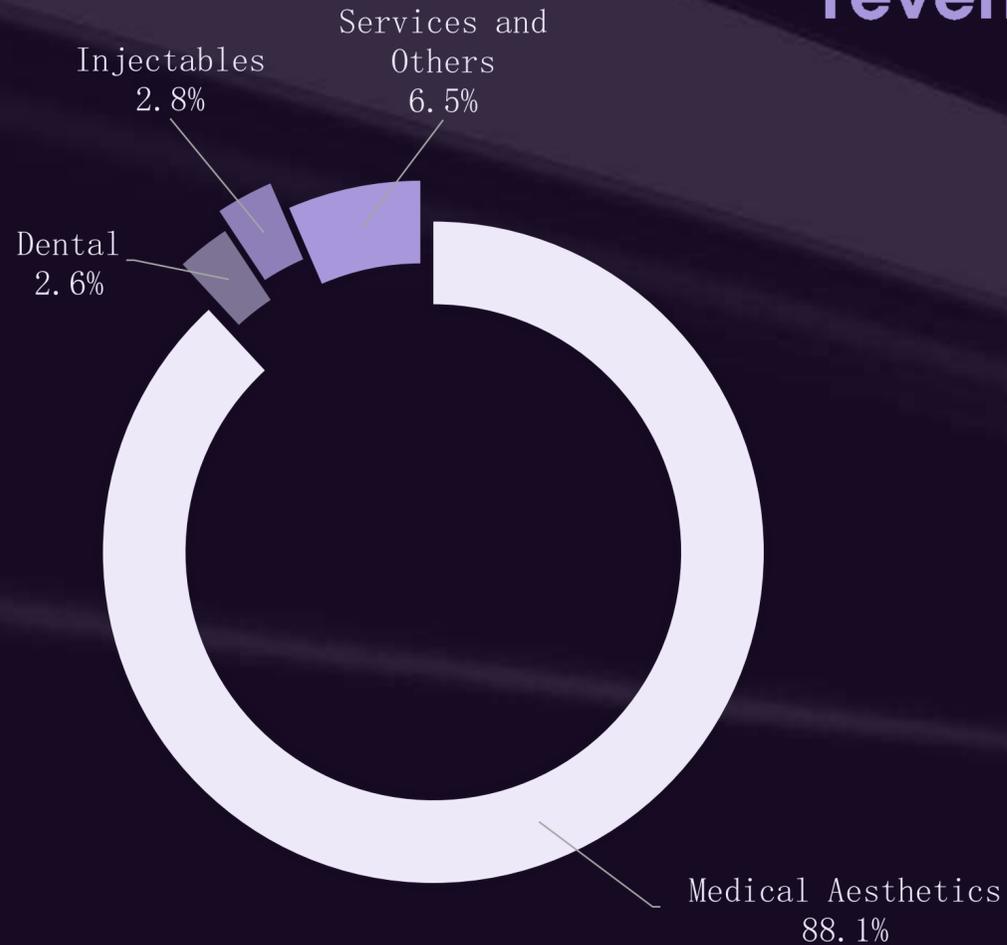


# 2023 Financials

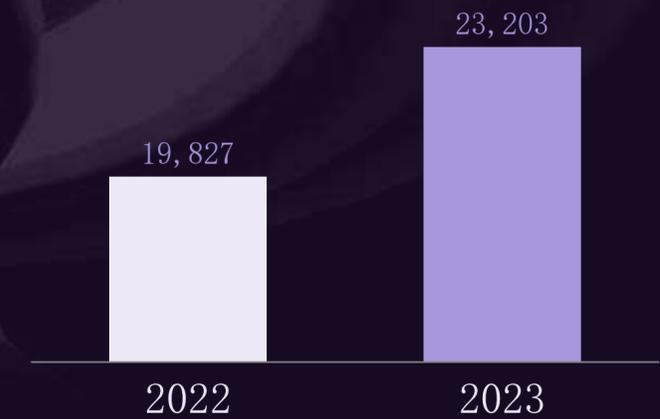
- 3.2% increased in Business of Medical Aesthetics, mainly due to expansion of addressable indications into hair restoration segment and the growth in new direct sales
- 17.0% increase in Services and Others, reflecting recurring revenue from existing clients and demonstrating strong bond between the Company and its customers

## revenue breakdown by segments

US\$ thousand



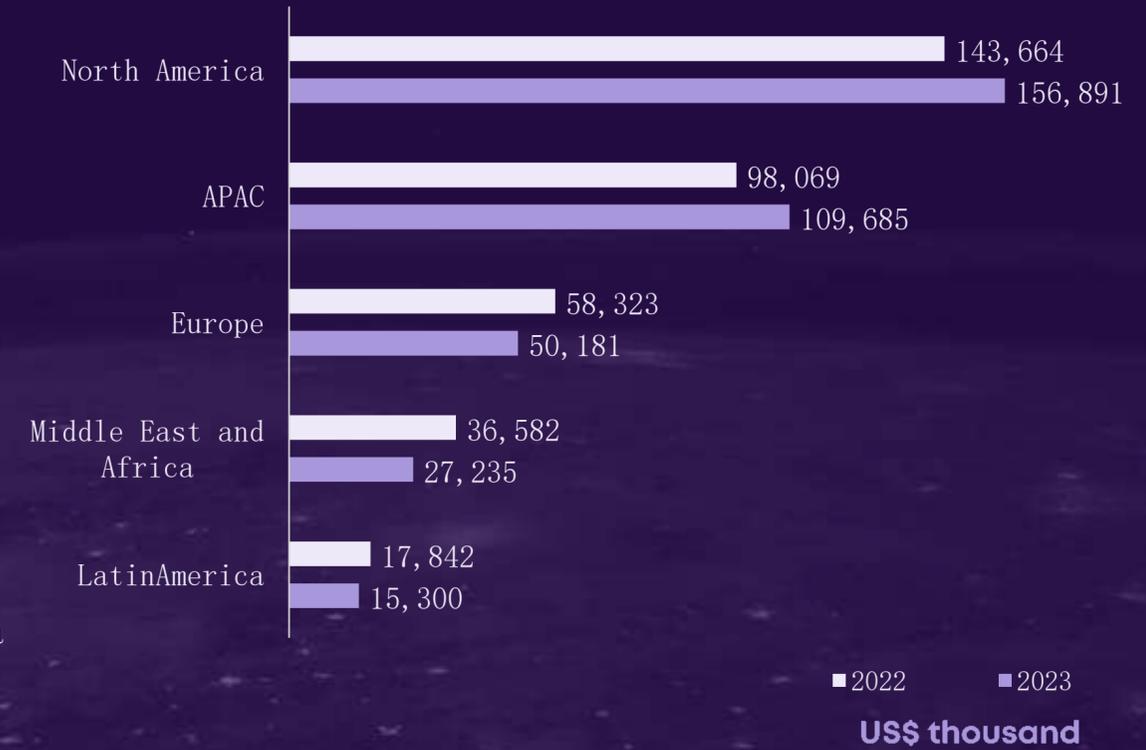
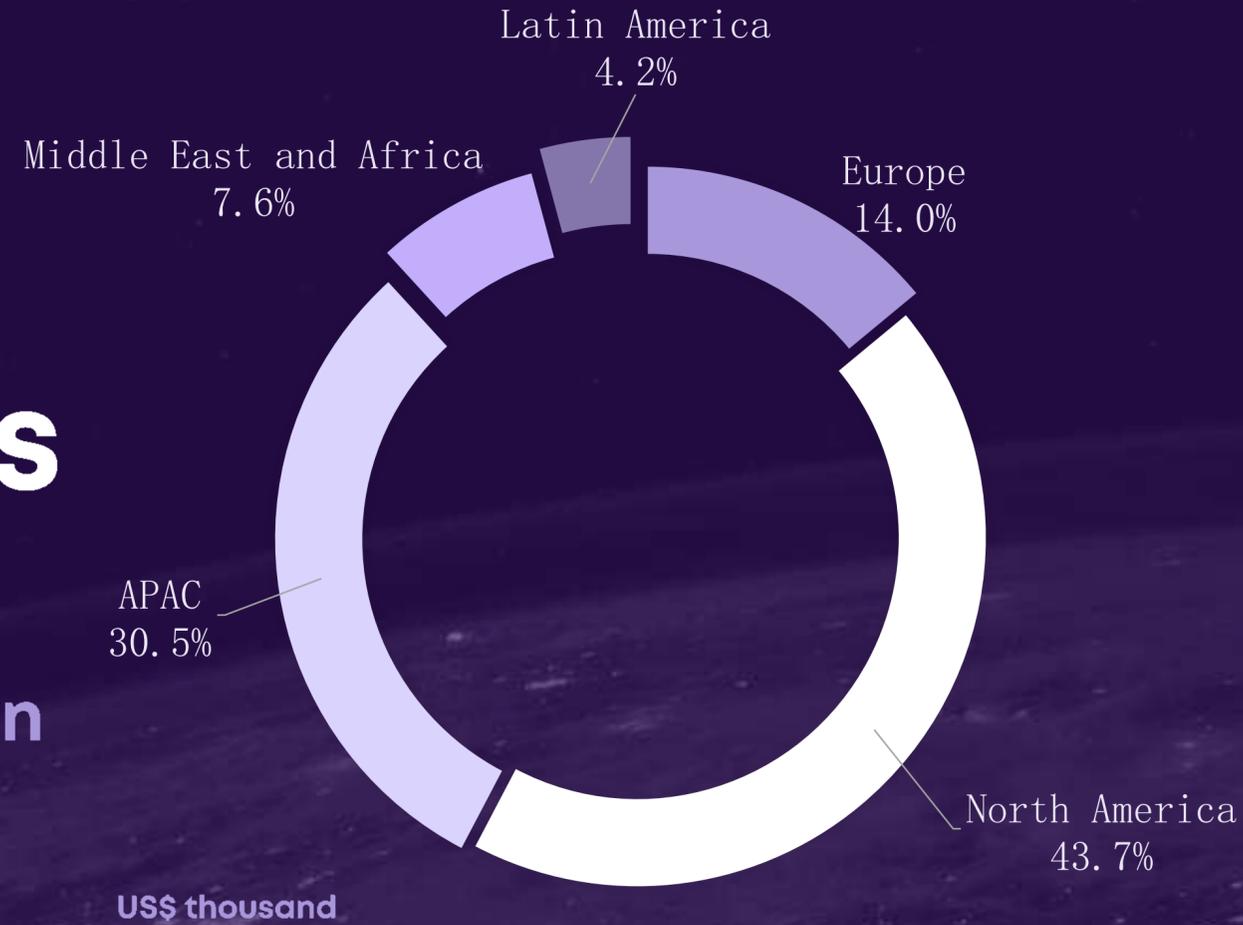
Medical Aesthetics



Services and Others

# 2023 Financials

## revenue breakdown by geography



### ▲ North America

+9.2% revenue increase in North America - Continuous success of hair restoration segment

### ▲ APAC

+11.8% revenue increase in APAC - Successful operation of our direct operation offices such as China, India, Korea and Australia

### ▼ Europe

-14.0% revenue decrease in Europe - Challenging macroeconomic environment, and high interest rates impacting our customers decision to purchase capital equipment and Russia - Ukraine conflict

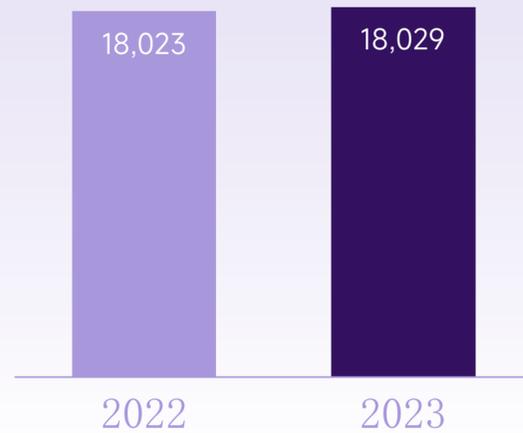
### ▼ Middle East and Africa

-25.6% revenue decrease in Middle East and Africa - New Israeli Shekels exchange rate impact vs. 2022 and the conflict in Israel

# 2023 Financials

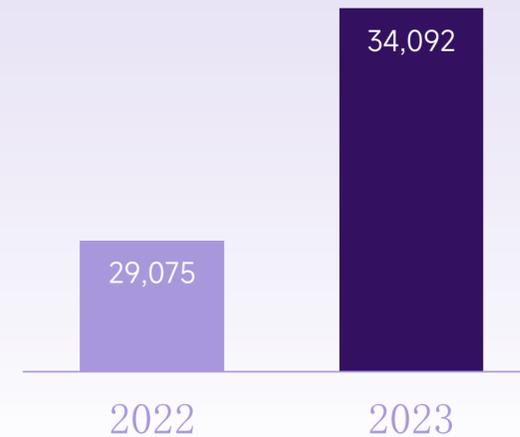
## Expenses and Inventory

US\$ thousand



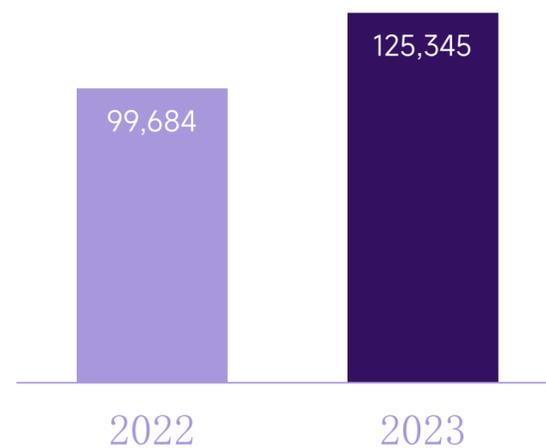
- Clinically and regulatory supported development of new generations of Sisram leading products
- Innovative research of new applications, to keep our competitive edge as leading innovator

### Research and development expenses



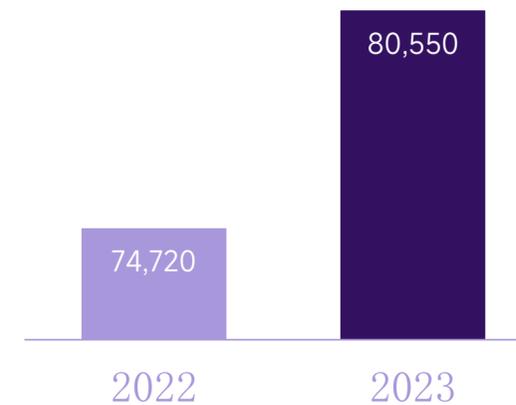
- Amortization of intangible assets
- Headcount cost attributed to our newly established direct offices

### Administrative expenses



- Higher expenses from direct operations and new office openings
- Investment in incubated business units
- Exceptional expense related to new brand ambassador project to enhance brand awareness

### Selling and distribution expenses

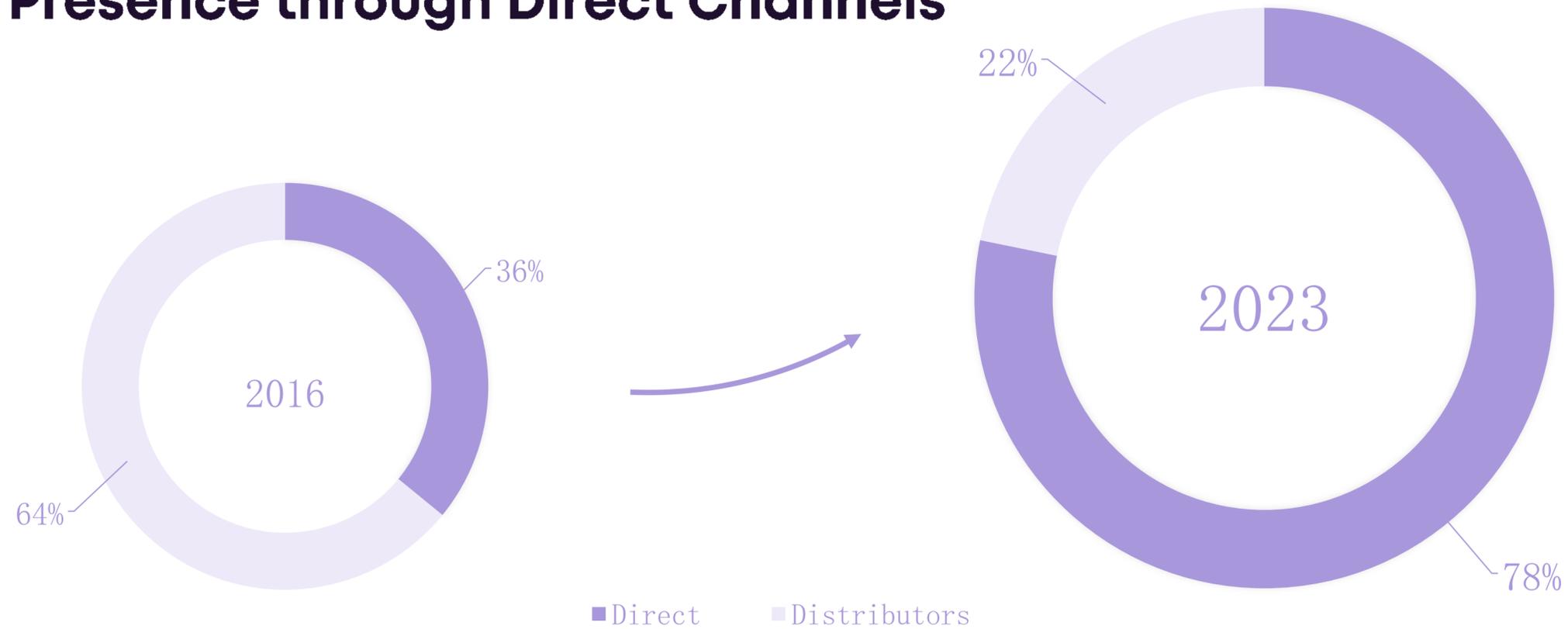


- The company is extending the inventory purchase to support new subsidiaries and to avoid material shortages

### Inventories

# Global Expansion

## Enhancing Global Presence through Direct Channels



**▲ 280.9 M**

The direct sales achieved a revenue of US\$280.9 million, representing an increase of 19.6% compared to 2022

**▲ 12 p.p.**

representing an increase of 12 p.p. when compared to the corresponding period in 2022

**▲ 78%**

Revenue derived from direct sales amounted to 78% in 2023 of total revenue versus 36% of the total revenue in 2016

PART

4

OUTLOOK  
**STRATEGIES**



# Five Pillars of Our Success

## R&D DRIVEN

Strong and disruptive R&D capability to lead the industry



## GLOBAL PRESENCE

Strengthen our distribution channels and direct operations



## WELLNESS

Broadening our reach into adjacent domains of wellness & creating a medical grade wellness brand



## CONSUMER FOCUS

Actively targeting the end-user with a unique multi-channel approach and commitment to quality



## OUR BRAND

Successfully translating our vision & strategy into a tangible and recognizable consumer brand



# Key Drivers In Future

APAC and North America, as important strategic markets, are the main revenue growth engine of Sisram in the future. Sisram will strengthen the layout of the strategic markets and investment to enhance business coverage and penetration.

## APAC Market

- Deepen the market penetration in direct sales channels
- Strategically develop the injectable business and accelerate registration applications
- Pilot market to demonstrate the wellness ecosystem

## North American Market

- Strengthen revenue-driven product sales
- Excel in customer journey with exceptional customer experience and satisfaction
- Pilot projects on the wellness ecosystem offerings

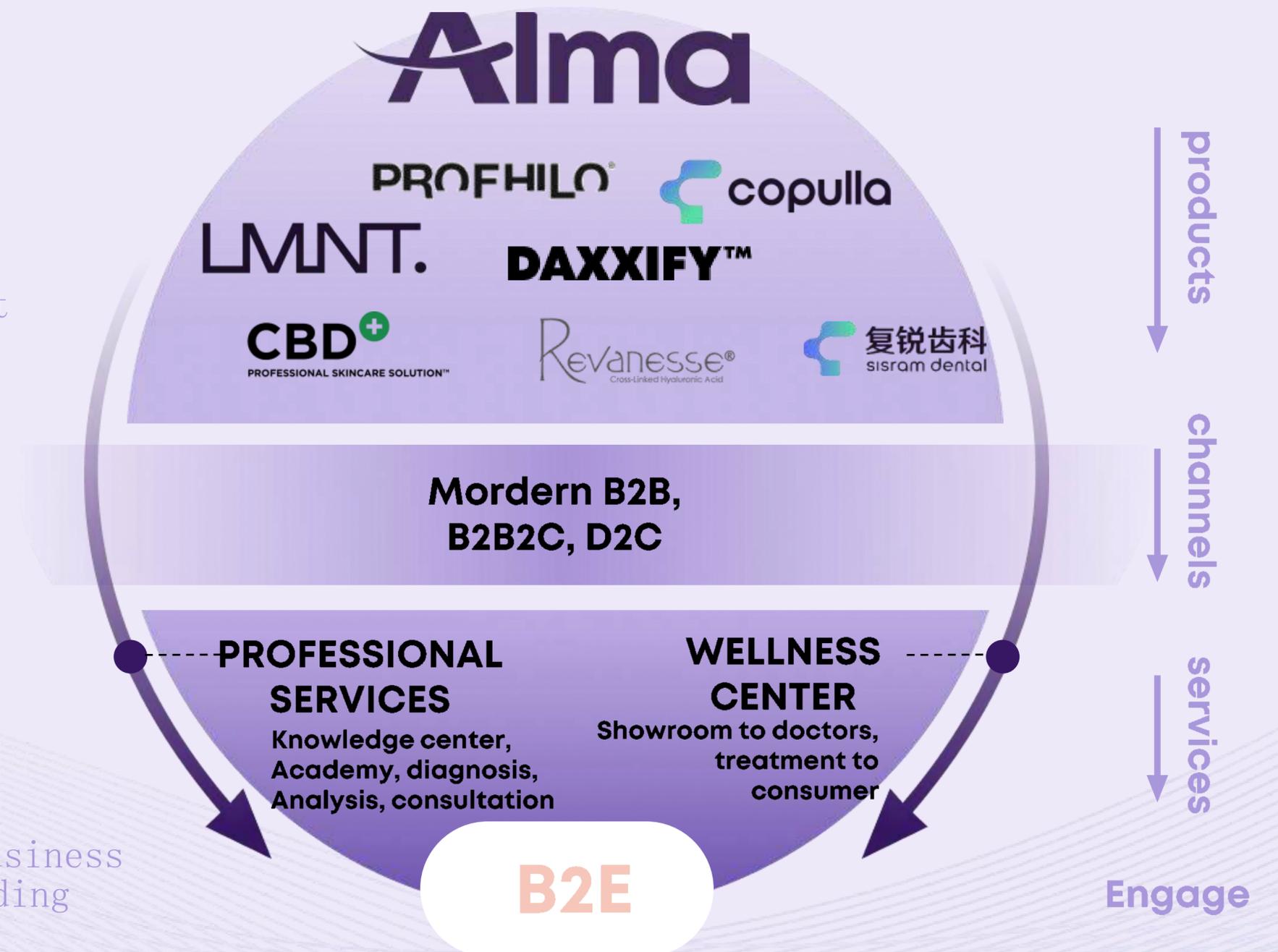
# BUILDING SISRAM Wellness EcoSystem

Operating within the Greater Wellness Market

Vision of “Enhancing Quality of Life”

Unique Business to Everyone (B2E)  
industry-disrupting approach

First-of-its-kind synergistic ecosystem of business building blocks and **consumer-focused** branding



# Growth Engines

## Direct channels

- Expand global footprint through a direct-sales approach

## Innovation

- Leading the industry with game-changing EBD platform launches

## Increase brand awareness

- Enhance customer experience and create customer journeys based built trust and loyalty

## M&A opportunities

- Enrich the wellness ecosystem by strategic investments

## Expanding Ecosystem offering

- Expanding the injectables and personal care with high-end products
- Combined therapy of EBD, injectable, dental and personal care products

Non-Organic  
Growth

Organic  
Growth



# PART 5

**APPENDIX**



Sisram  
medical

MEDICAL GRADE WELLNESS | MEDICAL GRADE WELLNESS | MEDICAL GRADE WELLNESS

