

Sisram Medical Announces First-Half 2024 Financial Results

EBD segment maintained steady growth, with direct sales reaching a new all-time high

Hong Kong, August 21, 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 approached, including energy-based devices, injectables, aesthetics and digital dentistry, personal care, and more, today announced its unaudited consolidated interim results for the six months ended June 30, 2024 (the “**Reporting Period**”).

FINANCIAL OVERVIEW

- Revenue was US\$168.7 million, representing a decrease of 1.7%YoY.
- Revenues in APAC, Europe, and Middle East and Africa were US\$56.0 million, US\$24.0 million, and US\$15.4 million, increased by 15.5%YoY, 10.0%YoY, and 10.9%YoY, respectively. Revenue in North America was US\$67.0 million, representing a decrease of 15.7% YoY.
- The Energy Based Devices (EBD) segment achieved revenue of US\$149.3 million, representing an increase of 1.3%YoY.
- Portion of revenue derived from direct sales reached 86.1%, compared to 72.1% for the corresponding period in 2023.
- Gross profit margin increased to 62.4% for the Reporting Period, up from 61.4% for the corresponding period in 2023.
- The adjusted net profit was US\$16.7 million, representing a decrease of 19.4% YoY.

KEY ACHIEVEMENTS

Product portfolio expanded with significant R&D achievements

- Three new products were successfully launched with immediate market adoption and better-than-expected new order intake, reflecting strong customer confidence in Alma platforms.
 - Alma Harmony™: A new and innovative cutting-edge multi-modal anti-aging platform that was launched in North America. With FDA-cleared for over 130 indications, this product is tailored to address multiple signs of aging across all skin types and diverse demographics. Alma Harmony™ was launched in North America with immediate market adoption.
 - The Special Edition of Soprano Titanium™: A new and improved Alma’s flagship equipment platform for hair removal delivering 20% more energy, while remaining virtually painless. It effectively treats all skin and hair types with all-in-one TrioMax™ handpiece that combines the three of the most clinically validated laser hair removal

wavelengths – 755nm, 810nm and 1064nm. The product was warmly embraced by the market after its global debut.

- Alma IQ™: A whole new intelligent skin analysis and consultation solution. Alma IQ™ revolutionizes the consultation process by offering a visually engaging, interactive and automatic experience while addressing the patients' skin health concerns.
- Solidified Sisram injectables' global presence by the strategic partnership with Prollenium®, a Canadian premium CE and FDA approved dermal filler manufacturer, to distribute the renowned Revanesse® dermal fillers collection in several key markets including Germany, Austria, Switzerland, Australia, and New Zealand.
- Profhilo®, a next-generation hyaluronic acid injectable product exclusively distributed by the Company, was granted approval by the China Hainan Medical Products Administration as a designated medical device in April 2024.
- The Company's quality management system has been successfully audited and have been found compliant to the European MDR requirements, marking an important milestone as it is the first objective to achieve in order to certify the full portfolio.

Expanding direct reach aligns with strategy, accelerating market penetration while further enhancing global leadership.

- The direct sales portion continues to rise, reaching a new all-time-high: During the Reporting Period, the Company achieved double-digit growth in APAC, Europe, and Middle East and Africa. The growth achieved within the market conditions in Europe has further showcased the global competitiveness and recognition of the Company's brand and products.
- Strategically focus on the APAC market: The Company continued to strengthen the direct sales layout in APAC and actively promote the establishment of the direct sales office in Japan and post-investment integration in mainland China, aiming to achieve effective cost control and improve operational efficiency. With the generation of more substantial benefits, the energy-based devices segment met its performance target in China.
- Solidify our market dominance: The Company continued to promote product and technology R&D innovation. During the Reporting Period, new energy-based products were successfully launched in North America and the global market, and in terms of injectables business line, the registration process of both the long-lasting botulinum toxin product and the next-generation hyaluronic acid product have been actively promoted. Leveraging the advantages of a more diversified core product portfolio and differentiated services, the Company continued to strengthen competitiveness in market segments to consolidate the leadership position as a global consumer wellness group.

Continued enhancement of Company's global brand, aiming to drive demand and growth for our partners

- Focusing on enhancing business relationships, the Company held two Alma Academies, Alma's flagship event, in North America and Barcelona, which generated a record-breaking intake of new orders. In addition, during the Reporting Period, the Company participated in leading international industry congresses worldwide including IMCAS to further enhance global brand exposure and impact.
- By leveraging the strategic collaboration with the global brand ambassador, the Company maximized global brand impact to help partners effectively promote and sell the Company's wellness solutions, as well as enhance brand awareness and deliver the philosophy and vision of the Company among end-consumers. Based on social media reach and media coverage, the campaign has reached so far a cumulative number of more than 300 million people worldwide.
- With shifting the business mindset from product approach to clinic-centric approach (from B2B to B2E), the Company continued to promote technology and product innovation by expanding its offering of high-value and high-demand advanced products, such as diagnostic tools with consultancy experience, one-of-a-kind skincare product line and high-end injectables portfolio to create end-to-end customer journey.

Strategy and Outlook

Enriching Sisram wellness ecosystem with high-value offering and maintaining leadership in strategic markets

In the second half, Sisram will continue to execute our strategy by evaluating and implementing near-future technologies. The Company will further penetrate the Chinese market to achieve the targets. In North America market, the Company will activate its existing client base and develop new client relationships with new products to secure a larger market share. Overall performance in H2 2024 is expected to exceed that of the first half of the year. At the same time, the Company will continue to expand its high-end injectables product portfolio and accelerate the registration and commercialization of DAXXIFY®, the world's first long-lasting botulinum toxin product, and Profhilo®, a high-end biostimulator, in mainland China. With a comprehensive injectables portfolio and a dedicated, seasoned sales force, Sisram aims to accumulate strength for its strategic growth engine.

In the future, Sisram will continue to focus on the stable development of its core business while actively developing new growth engines, allowing for greater flexibility to ramp up quickly as market conditions improve.

Strengthen direct sales layout, enhance market penetration and segment impact, and increase market share

Relying on advanced and excellent products and firm strategic practices, the Company's core energy-based devices segment maintained steady growth, and the Company achieved a double-digit growth in markets outside North America in the first half of 2024. In the second half of 2024, the Company will continue to implement the strategy of the direct sales in APAC and North America. Leveraging its diversified offerings, the Company will continue to enlarge install base and expand customer base to enhance overall competitiveness and impact in

market segments. Finally, we are aiming to provide consumers with high quality, high value, full cycle, and personalized medical-grade wellness solutions and services.

Mr. Liu Yi, Chairman and Executive Director of Sisram, commented: “Looking forward to the second half of 2024, we will continue to leverage our core strengths to foster steady growth and sustainable development. Adhering to value creation, we will continue to expand localized R&D and production layout and implement our direct sales expansion strategy to promote localization development in the global market. At the same time, the Company will enhance regional market penetration while optimizing cost control and improving operational efficiency. Moreover, by synergizing internal strengths with strategic external cooperation, we are dedicated to creating more value for clients and prioritizing journey for consumers with a diverse product portfolio and high-quality one-stop services, as well as to enhancing the overall profitability of the Company over the long term.”

“Today, Sisram is reporting a new all-time high in direct sales revenue, up 14 percent from a year ago,” said **Lior Dayan, CEO of Alma and Sisram**. “This milestone highlights the profitability and success of our direct-sales strategy, which allows us to navigate through market trends effectively, maintaining our leadership as a premium leader and enabling long-term relationships with partners and clients. During this period, we have enriched our core EBD product portfolio with three successful launches of new Alma platforms, each one setting new standards in the industry and creating even more value for our partners.”

He continued, “In the second half, we will continue to expand our unique wellness ecosystem with high-value and synergetic offerings, with a strategic focus on utilizing the building blocks of energy-based devices and injectables to enhance patient results, elevate clinic practice, and increase patient satisfaction. With a clear long-term strategy that emphasizes driving innovation, building brand recognition, and increasing patient lifetime value to support our partners growth, we are confident in maintaining leadership and driving 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 approach, 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>

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