



Sisram Medical

H1 2022 Earnings Presentation

Stock Code: 1696.HK



Disclaimer

This presentation and the accompanying slides (the “Presentation”) which have been prepared by Sisram Medical Ltd (the “Company”) do not constitute any offer or invitation to purchase or subscribe for any securities, and shall not form the basis for or be relied on in connection with any contract or binding commitment whatsoever. This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, on the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all-inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of or any omission from this Presentation is expressly excluded.

Certain matters discussed in this presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation, including, amongst others: whether the Company can successfully penetrate new markets and the degree to which the Company gains traction in these new markets; the sustainability of recent growth rates; the anticipation of the growth of certain market segments; the positioning of the Company's products in those segments; the competitive environment; general market conditions and potential impacts on reported results of foreign currency fluctuations relative to the U.S. Dollar. The Company is not responsible for any forward-looking statements and projections made by third parties included in this Presentation.

Agenda

H1 2022 Highlights

Business Overview

H1 2022 Financials

H2 2022 Outlook & Strategy

Appendix



From “Illness” to “Wellness”

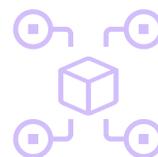
The Market is Changing, Sisram Embraces and Promotes the Change

Traditional healthcare practices of reactive, symptom-based treatments are challenged by a proactive, wholesome perspective aimed at preventing future illnesses.

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

Financial Highlights for H1 2022



Revenue

US \$174.5M

+39.3% YoY



NA Revenue

US \$69.9M

+42.2% YoY



APAC Revenue

US \$47.9M

+42.0% YoY



Adjusted Net Profit*

US \$24.9M

+27.5% YoY



Direct Channel(%)

64.8%

+5.1 p.p. YoY

Major Achievements for H1 2022

Business Line Expansion

Alma

New Product Launched

Alma TED& CBD + Professional Skincare Solution™

copulla FASHION

Fuzhou Rick Brown Investment

an innovative bio-glass developer and manufacturer

Injectables

Tianjin Xingsiyi Investment

R&D of silk fibroin-sodium hyaluronate composite gel and facial implant thread products

LMNT.

A New Personal Care Brand

and launched the first home-use device - LMNT One

Customer Experience Improvement

Major Achievements for H1 2022

Growing Direct Operation Strategy

Established a new direct office in the United Kingdom to support European growth strategy



Professional Events

- Alma Academy Spain
- Alma Academy USA



Launched of Global Customers Experience operation

Focusing on driving customer centricity approach, and improving overall customer experience





Agenda

H1 2022 Highlights

Business Overview

H1 2022 Financials

H2 2022 Outlook & Strategy

Appendix

Total Addressable Market

The world wellness market was valued

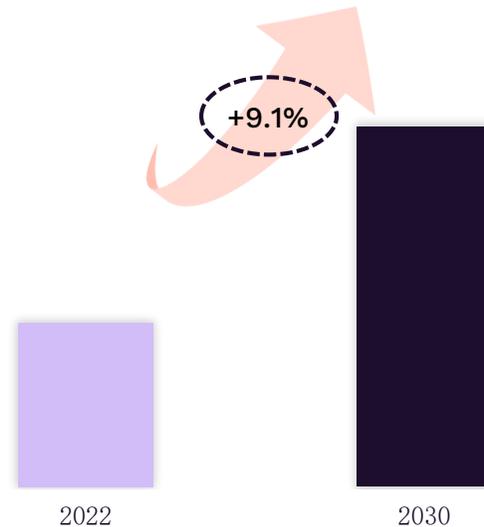
US\$
7.0 Trillion
By 2025

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

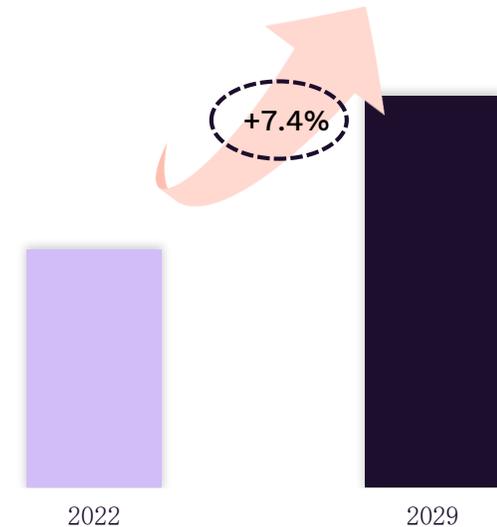
Both worldwide and in most countries, the wellness market is concentrated in three sectors: 1) healthy eating, nutrition, and weight loss; 2) personal care and beauty; and 3) physical activity.

The global facial injectable market size is expected to expand at a CAGR of 9.1% from 2022 to 2030.

Global Facial Injectables growth projection
(US\$ billion)



The global dental market growth projection
(US\$ billion)



Sources:
<https://globalwellnessinstitute.org/industry-research/2022-global-wellness-economy-country-rankings/>
<https://www.fortunebusinessinsights.com/dental-market-106251>
Global Facial Injectable Market Size Report, 2022 - 2030 (grandviewresearch.com)

Business overview



A leading Medical Aesthetics Energy Based Device provider.

B2B2C



Home-use brand, immersing the essence of wellness into consumers' daily routine.

B2C, DTC



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

B2B



Injectables

EXCELLING INJECTABLES THERAPY

Comprehensive portfolio offering skin boosters, dermal facial fillers and soon – a new generation of toxins and fat dissolving injectables.

B2B2C



Injectables

LMNT.



Alma

Specializing in combined technologies & customers' centricity

5

Utilizing 5 energy sources:
Laser, Light, Ultrasound,
Radiofrequency and Plasma

51

Registered patents,
12 patent pending

over

40M

Over 40 million treatments
conducted worldwide

over

30K

Installations for
professional customers



Strong R&D Capability

R&D Capabilities

- 79 R&D specialists, which is 10% of Sisram's employees
- Leading the industry with 2-3 new products launched every year

01

Technology

51 registered patents and 12 patents pending

Multiple technologies:

- Laser
- IPL
- Radio Frequency
- Ultrasound
- Plasma

02

Product

100+ applicators

Turning technology into product design

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

03

Treatment

50+ treatment systems

Addressing varied customer requirements with dozens of treatment options

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



Injectables



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 medical effective portfolio, bringing real value to their patients and driving improved consumer satisfaction.





Alma

Injectables

LMNT.

copulla FASHION

Injectables Portfolio

Revenue derived from injectables **increased 31.3% YoY to US\$3.8 mm in H1 2022.** Establishing a strategic and branding plan for injectables **for EMEA and APAC markets.**



- 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

Future Dev.

RAZIEL
Therapeutics

REVANCE[®]

Raziel

- JS-001 is the first injectable product for the aesthetic treatment of fat removal in Greater China areas
- According to the clinical study data, on the 84th day after a single injection, the volume of submental fat of the clinical trial participants was reduced by 15% on average

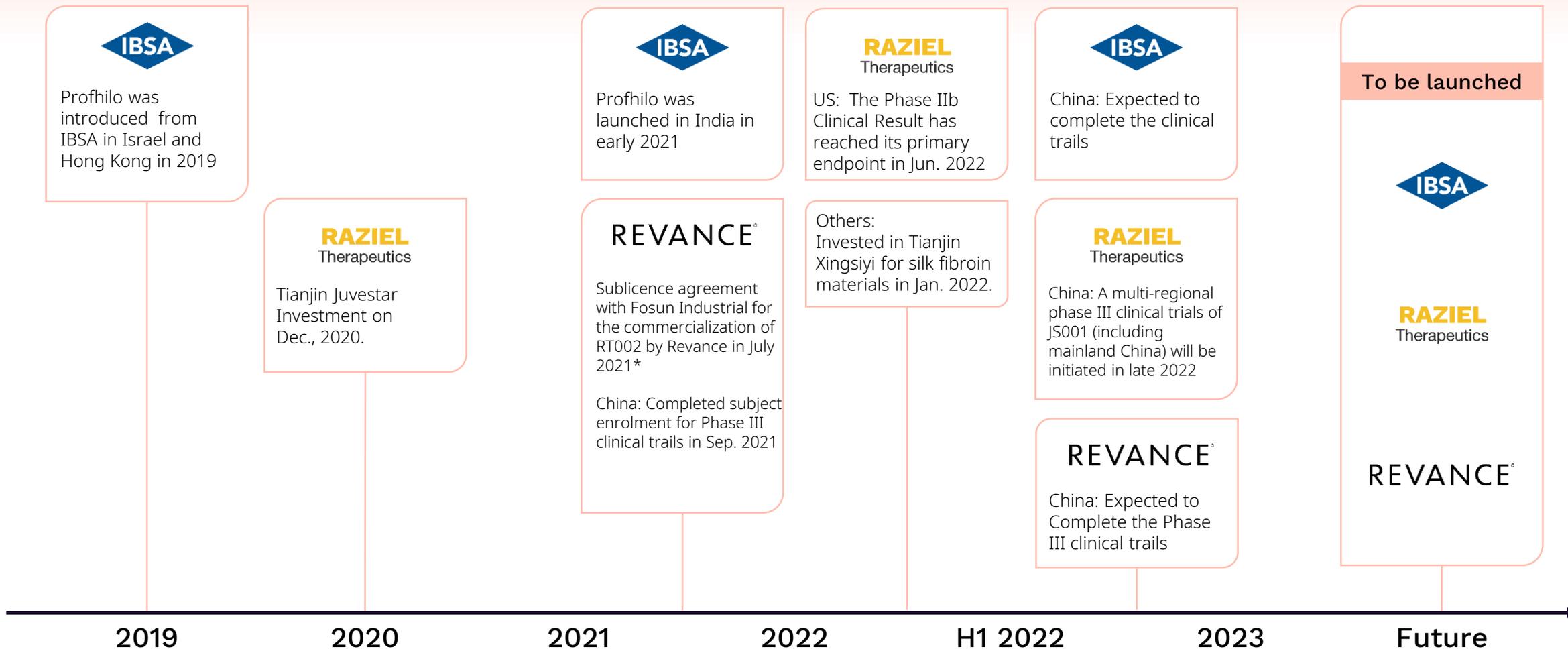
Revance

- RT002: first and only neuromodulator product candidate with a proprietary peptide formulation

Others

- Tianjin Xingsiyi: A company research and develop of sodium hyaluronate composite gel and facial implant thread based on silk fibroin

Injectables Portfolio Pipeline





Alma

Injectables

LMNT.

copulla
FASHION

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 is targeting 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

LMNT Updates



CHINA

- Launched in May 2022
- Available on a leading e-commerce marketplace Tmall to C-end customer
- Average sales price in China c. 700 dollars



ITALY

- Launched in June 2022
- Leveraging the Italian launch through online and clinic channels with strong product demonstration from KOLs



USA

- Plan to launch in a pilot mode in H1 2023
- Official grand launch in H2 2023



Copulla and Foshion, the two brands composing Sisram's aesthetics and digital dentistry division:



A leading dental equipment distributor, market educator and manufacturer of CAD/ CAM dental appliances in China, catering for a significant portion of the professional market – dental clinics and dental labs.

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.

Copulla CAD/CAM app (v1) development completion in 1H2022- Collect big data of customers and dentists, to better understand end users' needs and improve users' experience

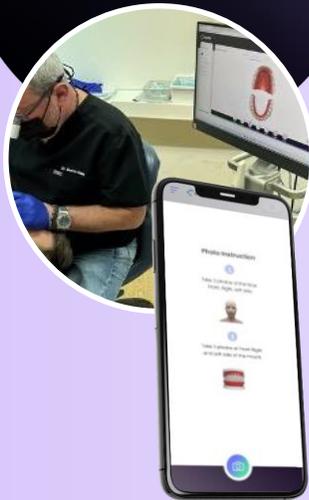
H1 2022 Achievements

Entered an investment with Fuzhou Rick Brown Bio-technology Company Limited, which is an innovative bio-glass developer and manufacturer for aesthetic, computer assisted design and manufacturing of restoration material and unique non-invasive veneers

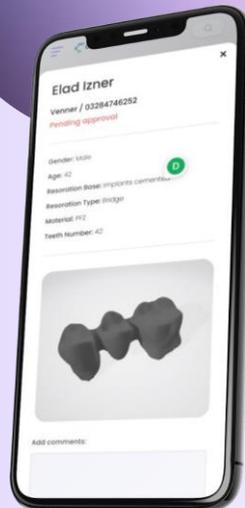
Initial Visit



Scan & mobile app photo upload



Design



Manufacture



Treatment



H1 2022 Product Launches

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.

CBD+ Professional Skincare Solution™



The first professional skincare solution that combines the scientific benefits of full-spectrum cannabidiol (CBD), shown to visibly reduce redness and calm the appearance of stressed skin, which will be used as consumables and mainly applied after the treatment of Energy Based Device to enhance the results.

LMNT one



The first product from Sisram's at home personal care brand, LMNT One is a light-based skin rejuvenation treatment designed to achieve skin rejuvenation through multiple dimensions giving an instant glow and promoting collagen production.

Strong Global Sales and Marketing Support

Location

Worldwide sales network across around 90 countries / jurisdictions

Channel

Revenue from direct sales accounted for 64.8% of total revenue in H1 2022

Strength

Well-diversified and balanced geographic coverage

800+

Employees worldwide

9

Direct channels 

100+

Distributors





Agenda

H1 2022 Highlights

Business Overview

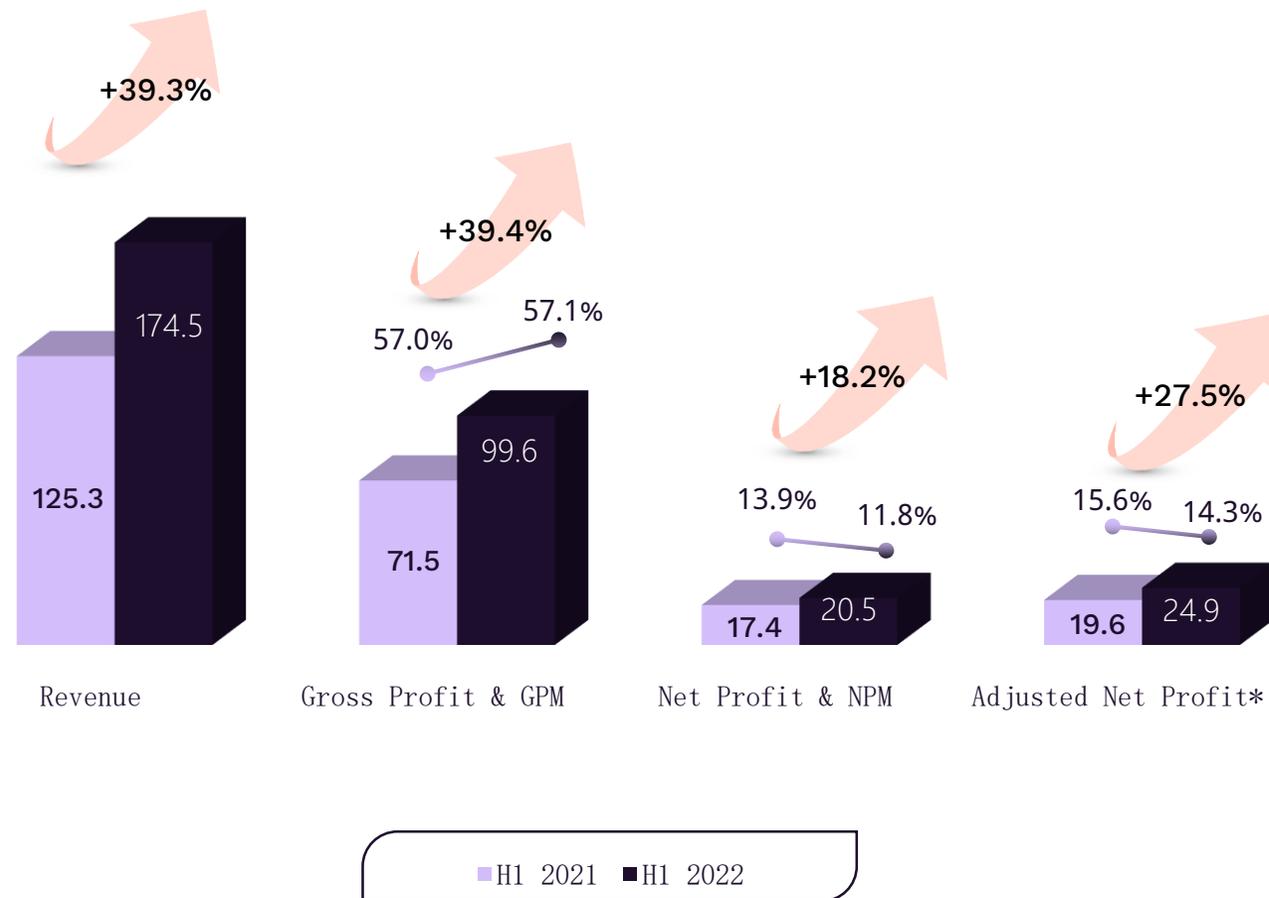
H1 2022 Financials

H2 2022 Outlook & Strategy

Appendix

H1 2022 Key Financials

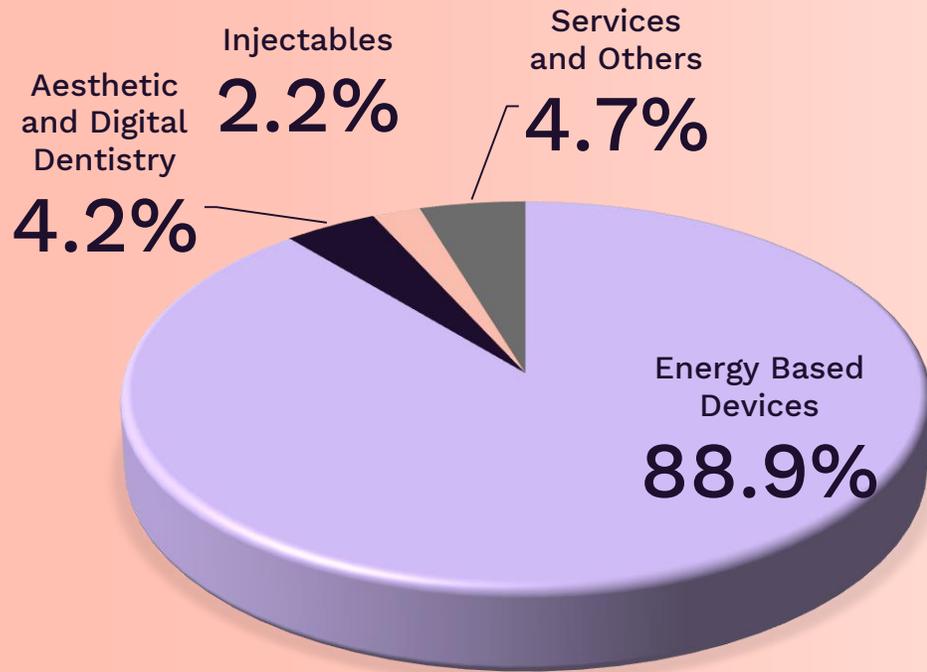
(\$US MM, YOY %)



*Adjusted for: RSU Expenses (US \$1.6 million in H1 2022, and US \$0 in H1 2021) and others

Revenue Breakdown - By Segments

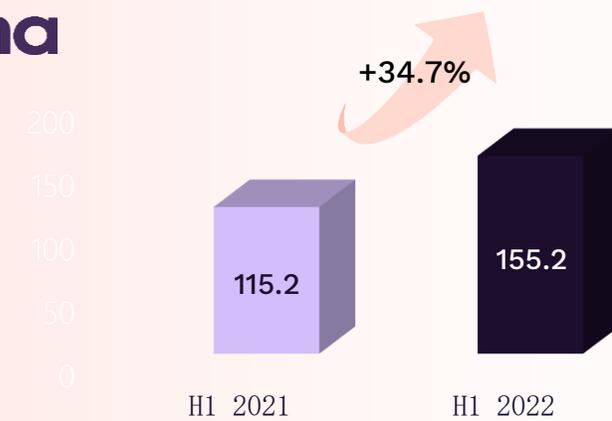
88.9% of the total revenue are generated from our **EBD** product line



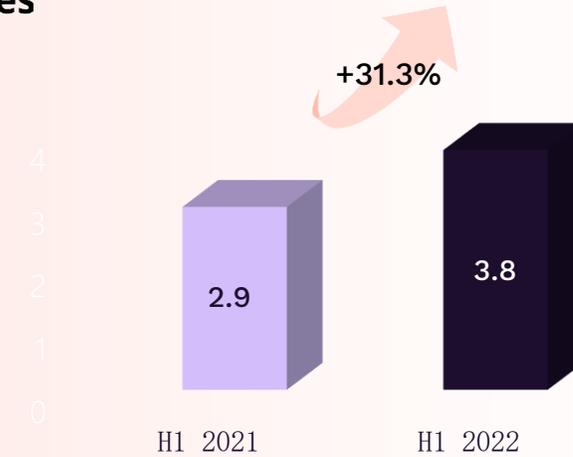
Revenue

(US\$ MM)

Alma



Injectables

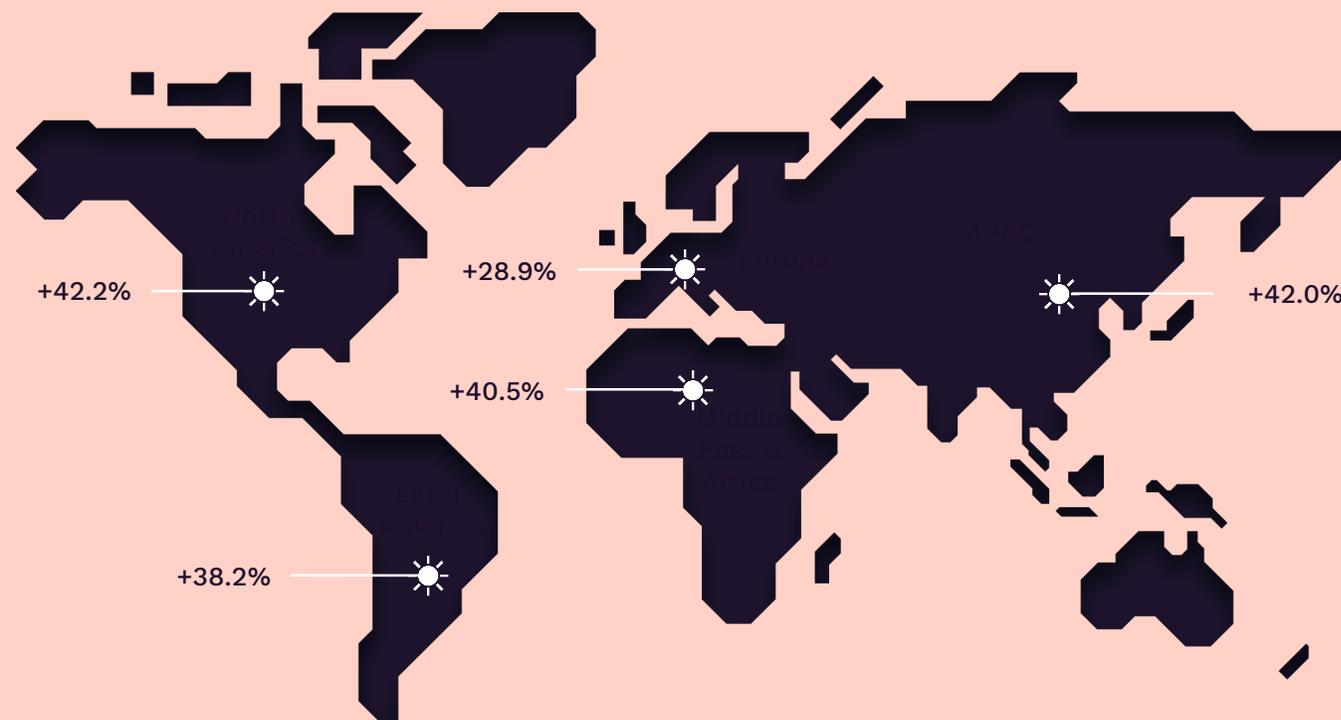
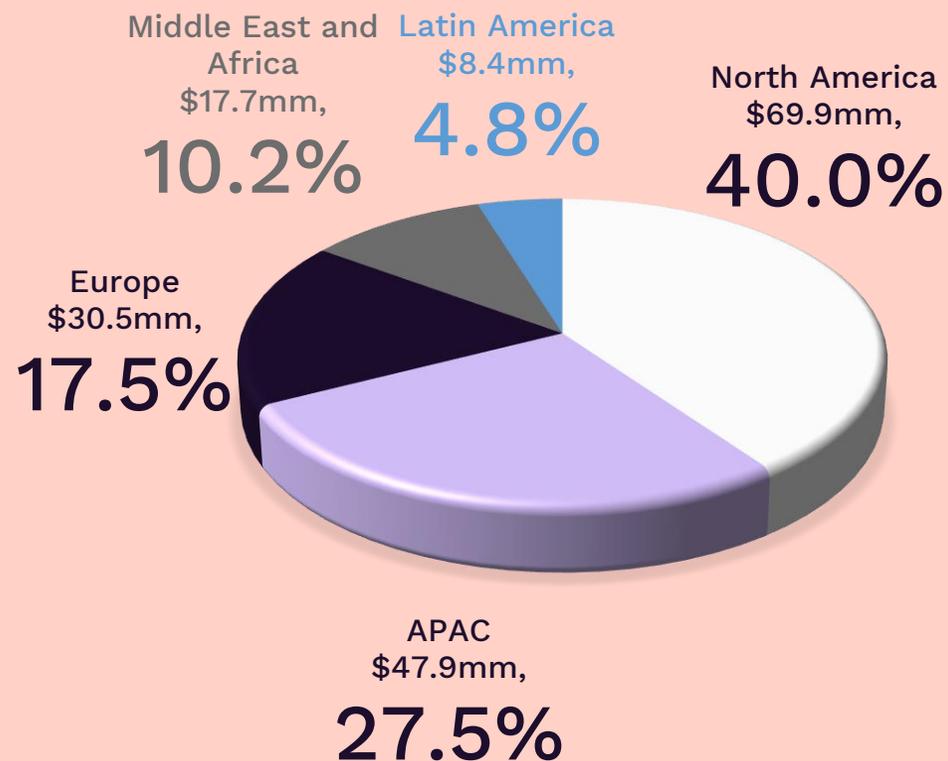


Revenue Breakdown - By Geographic Areas

North America, APAC and Europe are the most important geographic segments by revenue contribution

+42.2% revenue increase in North America

+42.0% revenue increase in APAC

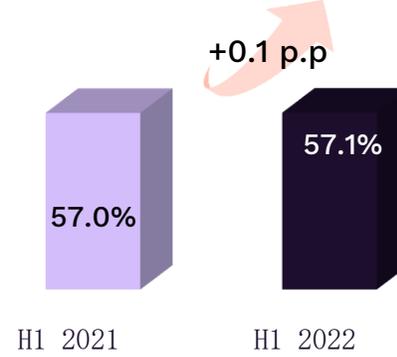


Expense Analysis

(\$US MM, YOY %)

Gross Profit Margin

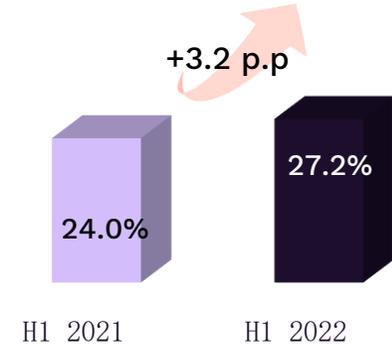
(%)



The increase is primarily driven by the company continues expansion of direct sales portion and launches of high profit products into leading markets, overcoming operational challenges of increasing component and logistic costs.

Selling & Distribution Expenses

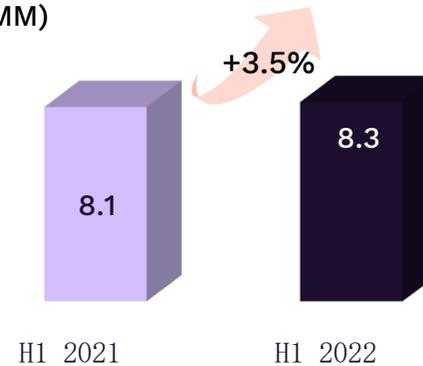
(%)



The increase is resulted from higher commission expenses following the increase in sales volume, mainly in the North America operation, and back to standard level of marketing activities (tradeshows conferences, academies etc.).

R&D Expenses

(\$US MM)



R&D expenses primarily consist of: (i) remuneration to R&D employees; (ii) cost of materials used in R&D efforts; (iii) expenses related to clinical studies, and (iv) expenses related to regulatory compliance and registration of patents and trademarks

Administrative Expenses

(%)



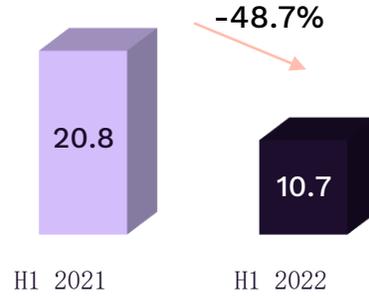
The increase is mainly attributed to investments in our Information systems and other corporate functions.

Operation data analysis

(\$US MM, YOY %)

Operating cash flow

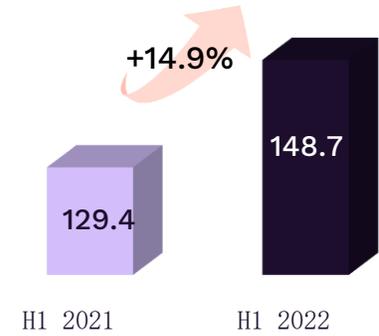
(\$US MM)



The decrease is due to the increase in the inventory in order to face the supply chain challenges.

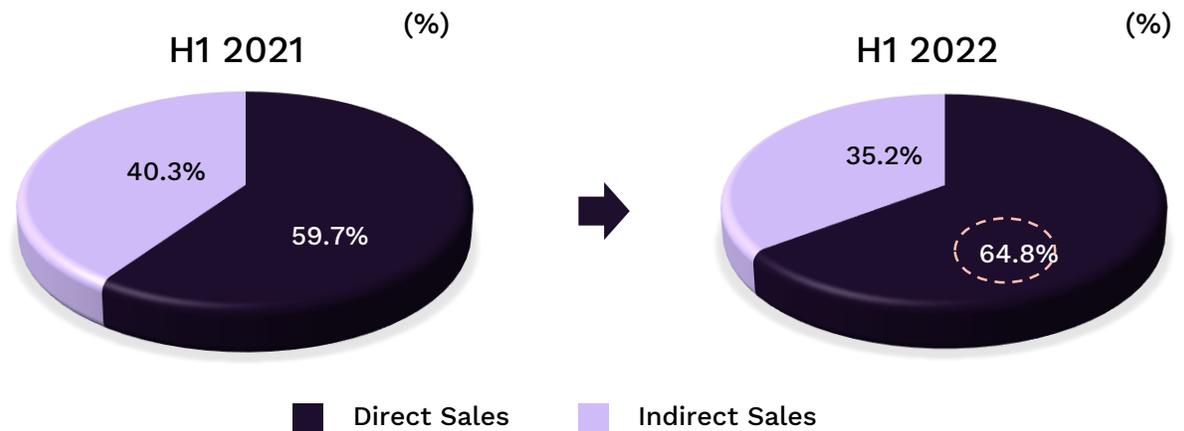
Cash & Cash Equivalents

(\$US MM)



The increase is primarily due to the operating cash inflow and the placing completed in July 2021 offset by investment and business development activities.

Direct Sales



■ Direct Sales ■ Indirect Sales



Agenda

H1 2022 Highlights

Business Overview

H1 2022 Financials

H2 2022 Outlook & Strategy

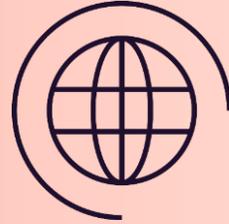
Appendix

5 Pillars of Our Success



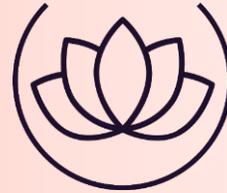
R&D Driven

Strong and disruptive R&D capability to lead the industry



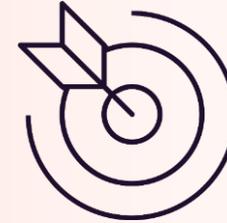
Global Presence

Strengthen our distribution channels and direct operations



Wellness

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



Consumer Focus

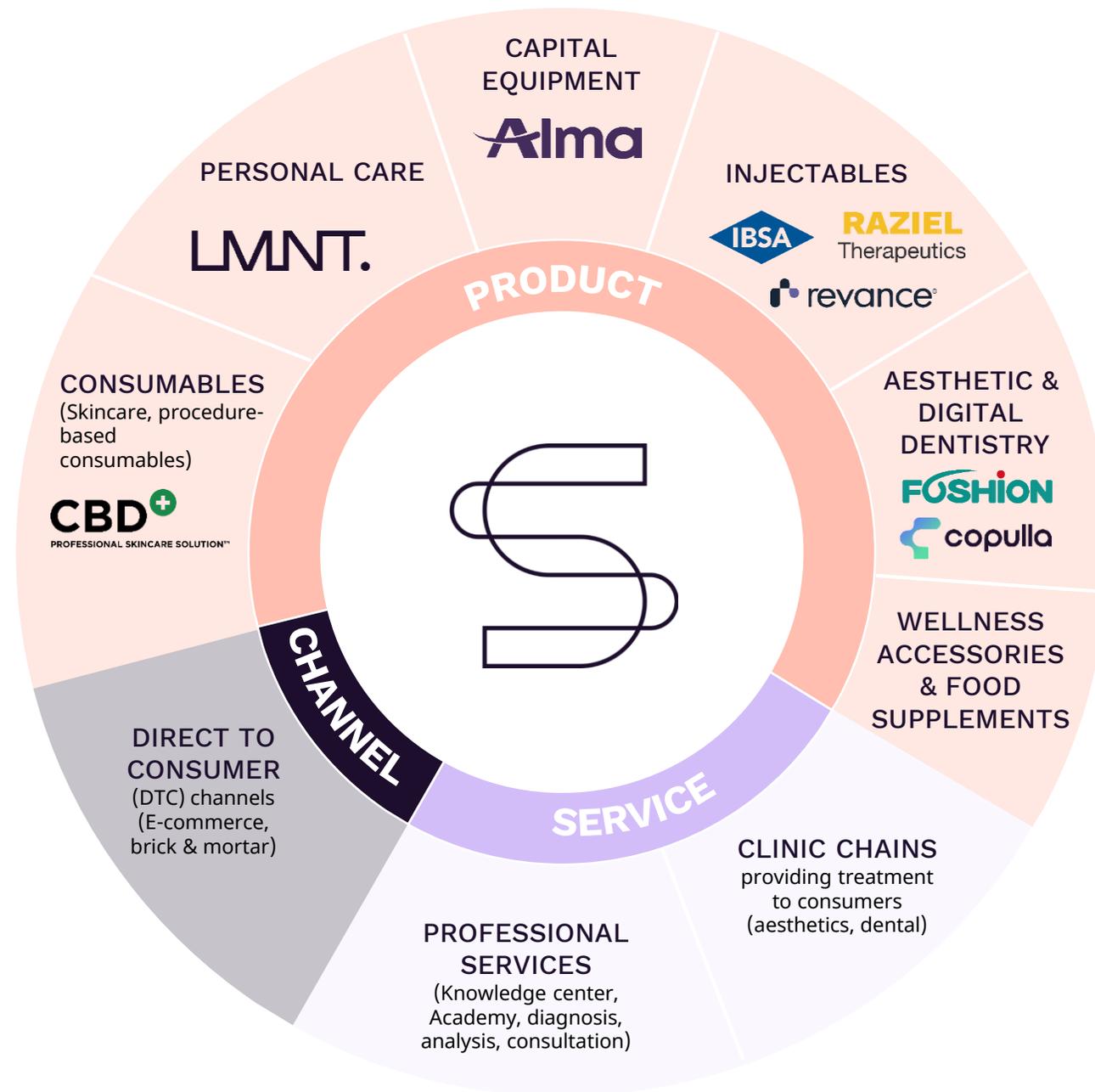
Actively targeting the end-user with a unique multi-channel approach and commitment to quality



Our Brand

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

Sisram Medical Eco-System



Future Growth Strategy

Consistent Innovation

- Leading the industry with 2-3 new platforms launch every year
- Development of consumables and skin care products

Increase brand awareness

- Create strong brand awareness through product, marketing and customer experience
- Increase 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 Growth & Non-Organic Growth



Direct channels

- Direct operations in more regions to strengthen market position
- Establish APAC and Europe direct channels in 2022

Comprehensive solutions

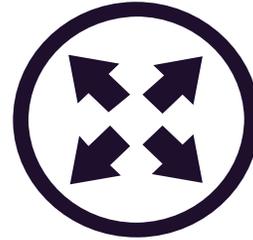
- Combined therapy of of EBD, injectables and personal care products
- Synergy between different business lines

M&A opportunities

- Focus on upstream business development for aesthetics and digital dentistry
- BD for injectables

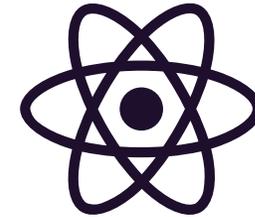
Expansion Strategy in China and North America

Developing Business Branches in China



- Maintain market leadership through new Alma product launches and R&D investments targeted at newer generations of existing platforms
- Establishing a strategic and branding plan for injectables for EMEA and APAC markets
- Invest in the aesthetics and digital dentistry business line and upgrade the software
- Upgrade software infrastructure and increase synergy among different business units by sharing the same data base

Exploring Synergies in North America



- Prepare for ecosystem expansion efforts of 2023 in North America office with focus on personal care and Sisram Concept Centre
- Expand Sisram ecosystem with focus on personal care products, starting with LMNT One
- Fully integrate consumables into the Sisram ecosystem



Agenda

H1 2022 Highlights

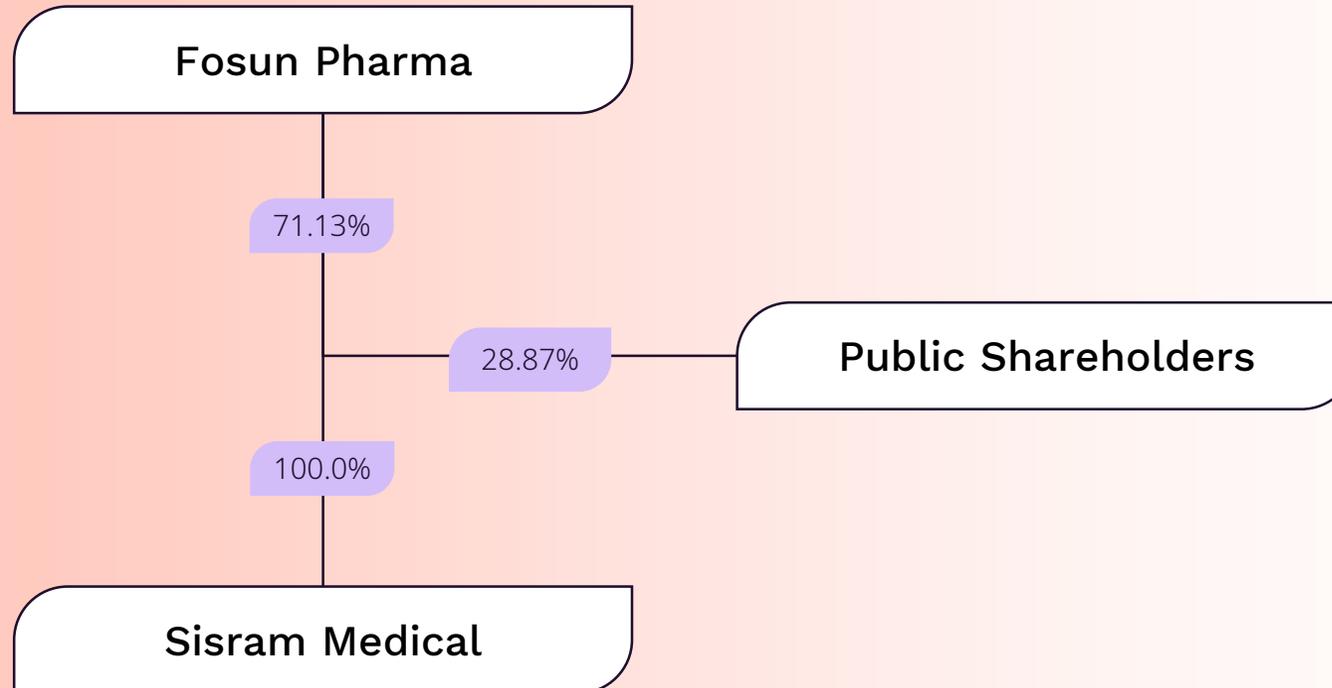
Business Overview

H1 2022 Financials

H2 2022 Outlook & Strategy

Appendix

Shareholder structure (as of 30 June 2022)



Major Energy-based Devices

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

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

Major Energy-based Devices

ThermoLift



- Skin tightening and body contouring
- Patented technology that operates via a single electrode and can deliver concentrated radiofrequency at various depths of the skin, allowing for focused and deep heating of skin tissue
- Personalized and painless anti-aging treatments

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)

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%

Injectables Portfolio

Profilo

Aliaxin

RT002

RZL012



- a revolutionary “beneath the skin” hyaluronic acid moisturizing treatment
- made with the patented NAHYCO technology, resulting in a unique hyaluronic acid injectable gel, which has a prolonged stimulating activity on the dermal cells
- When injected into skin, Profilo stimulates the skin cell receptors to counteract skin laxity and improve and restore firmness of the skin
- One of the highest concentrations of hyaluronic acid on the market

- The complete intradermal dermal filler range containing ultrapure hyaluronic acid with the ability seamlessly integrate into the skin. A non-invasive, innovative treatment for natural contouring, lifting and hydration
- four different formulations using different molecular weights with specific visco-elastic properties, offering a complete product line for the simultaneous treatment of 12 different facial areas

REVANCE®

- RT002 is the only neuromodulator using a Revance proprietary stabilizing excipient peptide technology in its formulation, which results in high efficacy, long duration
- RT002 is composed of 150KDa type A botulinum toxin and Revance proprietary TransMTS peptide. TransMTS peptide has a higher affinity for neuromodulator than compound protein and can prolong the duration of effect by delaying the spread of neuromodulator

RAZIEL
Therapeutics

- JS-001, the novel synthetic small molecule (NCE) kills fat cells when injected into subcutaneous fat
- The first and only injectable drug shown to significantly and sustainably shrink the size of Lipomas in Dercum’s Disease, reduce the volume of abdominal fat (body contouring) and submental fullness (double chin)
- Invested in a start-up company (Tianjin JuveStar) which was incubated by Fosun Pharma’s venture capital fund. JuveStar has exclusive rights to develop and commercialize JS-001 for aesthetic treatments in Greater China

Dentistry Brands Distribution

Brands in cooperation with Foshion Dental





Thank you!

