sisram medical

(Incorporated in Israel with limited liability)

Enhancing Quality of Life

2024 Interim Report

Sisram Med
Stock Code: 1696.HK

ENHANCING QUALITY OF LIFE | ENHANCING QUALITY OF LIFE

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Unwavering Dedication Pushes Unparalleled Achievements

Innovation plays a pivotal role for enterprises in maintaining vitality and growth in the ever-changing market. As a global consumer wellness group focus on the medical aesthetics industry for more than twenty years, Sisram is dedicated to a customer-centric approach, leading and adapting to market changes through technological breakthroughs, and thus strives to create innovative solutions that embody Sisram's unique proposition. Throughout our journey of innovation and development, we have taken bold yet prudent actions with the philosophy of sustainability to foster steady growth. Drawing on the strengths we have accumulated over two decades, we have not only promoted development and expanded our business reach but also tapped into greater growth potential, thereby establishing a robust foundation for the Company's long-term growth. Over the years, we have been committed to crafting a diversified medical-grade wellness solutions, continuously enriching the wellness ecosystem to comprehensively enhance the quality of life for our customers. Adhering to the development strategy of direct sales expansion and business diversification, we have initially achieved global business coverage and laid a foundation for diversified development. Moving forward, the Company is poised to enter a new phase of rapid growth, propelled by the implementation of our advanced strategy.

Form solid ground to profit growth

In the past five years, through strategy of direct sales expansion, the Company has continuously enhanced its global layout capabilities and established a solid presence across more than 100 countries and regions around the world. Based on the current market reach, the Company is set to focus on developing a diverse portfolio of high-value and high-demand products through the relentless drive for innovation to consolidate the Company's leadership in the wellness industry. In addition, by leveraging the well-established direct sales network in strategic markets, we aim to bolster market penetration for our products and services, and thus expand our customer base through professional integrated after-sales services and excellent customer experiences, as well as to build stronger connection between the brand and consumers to constantly enhance our brand awareness and impact. Simultaneously, by optimizing cost control, improving operating efficiency, and diversifying incentive strategies, we are dedicated to building a solid foundation for profit growth and fostering the long-term growth of the Company.

Navigate global markets with localized strategies

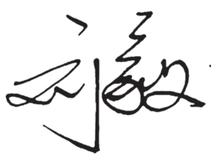
Following the Company's global expansion, promoting localized development in global markets is a vitally important strategic focus. The Company will accelerate growth by transitioning the worldwide key direct office from a sale organization to an effective corporate operation such as China and North America offices. After the acquisition of Chinese distributor in 2023, the Company's energy-based devices segment in China hit its first target. Taking the Chinese market as an example, the Company will further focus on tailoring its development to local market, including establishing a product matrix that caters to the unique needs of the Chinese market, addressing the anti-aging demands of local consumers, and equipping an efficient local business team while strengthening local business development, so as to expand the local R&D and production capabilities to further strengthen the product pipeline and develop local star products.

Build up the new growth engine as comparative strength

Driven by the development of diversified core competitiveness, the Company concentrates key resources to unlock the full growth potential of its core business, focusing on the injectables segment as its new growth engine to promote the expansion and enhancement of the Company's core strengths. The registration of DAXXIFY®, a long-lasting botulinum toxin product, was officially granted approval (need to confirm when release) by the National Medical Products Administration this year, marking a landmark milestone for our injectable business block and representing a solid foundation for future commercialization in China. In addition, the Company entered a strategic partnership with Prollenium®, a Canadian premium CE and FDA approved dermal filler manufacturer, to distribute renowned Revanesse® dermal fillers collection in several key overseas markets, expanding profit horizons for the Company. In the future, the Company will continue to fortify the injectables segment through strategic external collaborations, aiming to swiftly expand the Company's wellness ecosystem and establish distinctive competitive advantages to enhance its leadership in the domain of non-invasive and minimally invasive medical aesthetic treatment.

Reflecting on the Company's development, it is the resilience and risk mitigation strategies that have propelled the Company's innovation and progress amidst the uncertainties of the global economy. Moving forward, we remain dedicated to our original spirit and actively pursuing the vision of enhancing the quality of life and leverage our core strengths to deliver long-term development with comprehensive, diversified, professional, effective and trustworthy wellness solutions. At the same time, by boosting profitability, promoting localized development in global markets and cultivating new growth engines, we will be more well-positioned and ramp up more quickly as market conditions improve.

Lastly, I would like to take this opportunity to express my sincere gratitude to our customers, management, shareholders, partners, suppliers, and employees for your continuous support to our success and future goals.



Liu Yi
Chairman

Within Market Dynamics, Customer Confidence in Alma Platforms Remains Strong

The medical aesthetics industry is evolving rapidly, driven by technological advancements, and shifting consumer preferences. Beauty standards are continually rising due to an aging population, increasing household incomes, and the influence of social media and celebrity trends. Consumers are now more sophisticated and educated than ever, they seek personalized solutions that not only deliver superior results but also fit seamlessly into their fast-paced lives.

As the market booms, a growing number of practitioners are entering the field. Once dominated by plastic surgeons and dermatologists, the industry now includes professionals from a wide range of specialties. This shift has created an even more competitive landscape and increased the need for high-value offerings, exceptional experiences, and long-term patient journeys.

Within this dynamic landscape, I'm proud to update today that in the reporting period Sisram achieved an all-time high new orders rate. This milestone, driven by the rapid market adoption of Alma's three recent launches, not only highlights high confidence in Alma's platforms but also demonstrates the strength of our brand equity in strategic markets.

- **Alma Harmony™ was launched in the US market together with a whole new diagnostic concept introduced via Alma IQ™** – An intelligent skin analysis and consultation solution. Alma IQ™ revolutionizes the consultation process by offering a visually engaging and interactive experience while addressing the patients' skin health concerns. Alma Harmony™ was launched in the US with immediate market adoption – Alma's new, innovative, multi-modal platform tailored to address a myriad of skin conditions across diverse demographics.

- **Continuing the leadership in the hair-removal segment with the global launch of the Special Edition of Soprano Titanium™** – Warmly embraced by the markets, the special edition of the award-winning, world-leading hair removal platform was launched alongside a breakthrough applicator that boosts hair removal treatment sessions by 20% while remaining virtually painless.

- **Alma Hybrid™ continues its double-digit growth** – Continuing to change the paradigm for treating scars and becoming a first-line treatment for this indication, Alma Hybrid™ – the most prestigious platform by Alma, designed for top-notch practitioners in the field of medical aesthetics – has observed steady growth for the second year in a row.

Through the reporting period, Sisram has made significant strides in expanding its direct-sales presence in key markets and enhancing its unique wellness ecosystem, two key contributors to the company's profitable future growth.

Aligned with the company's strategy to strengthen its APAC leadership, Sisram has significantly advanced its new offices in Japan and China, established in 2023. With our current 11 direct sites, we are confident in maintaining leadership in these markets and bringing more value to our customers within their clinics, with the aim of better serving them and streamlining operations.

In addition to maintaining our leadership as a premium provider, enhancing brand visibility, and strengthening relationships with partners and clients, the setup of our direct operation offices allows Sisram to navigate macroeconomic trends effectively. Together with our team of long-term veterans in the aesthetic industry, this approach enables us to address rapid adjustments and achieve efficiency in every aspect of our business, allowing us to align expenses with the top line and improve gross profitability. In the current reporting period, revenue from direct sales comprised 86% of our total revenue, with sales through distributors making up the remaining 14%, highlighting the profitability and success of this strategy – especially under the current macroeconomic environment.

At the heart of our success is our commitment to expanding Sisram unique wellness ecosystem, which represents the most comprehensive and synergistic product line available today. This includes our flagship in-clinic EBD platforms, high-quality skincare products, and innovative home-use devices. During this period, we achieved significant milestones, such as the global launch of the Special edition of Soprano Titanium™, the introduction of Alma Harmony™ Next Gen in the US, and the US launch of Alma IQ™ – a revolutionary diagnostic concept transforming skin analysis.

In parallel, we continue to see the enhancement and strengthening of Alma's global brand, which drives demand and growth for our partner clinics. Our ongoing strategic partnership with Hollywood icon Kate Hudson has played a key role in this effort. This collaboration has markedly boosted brand awareness and engagement, reaching over 300 million people worldwide and generating more than 350,000 social media interactions within less than a year of its launch.

Taking steps toward the future with Injectables

In the reporting period, we are marking significant advancements in Sisram's injectable segment – a strategic business block within the Sisram wellness ecosystem and a crucial driver of the company's long-term sustainable growth.

Through Alma, Sisram has solidified its presence in the injectables sector, building a high-end product portfolio with world-leading injectable brands, supported by the following strategic partnerships:

- **High-end biostimulator: Profhilo®** – We have secured an exclusive distribution agreement with IBSA Derma, a renowned Italian cosmeceutical company, for their dermal biostimulator, Profhilo®. This agreement covers key APAC markets, including Mainland China, Hong Kong S.A.R., India, and Israel.

- **World first long-lasting botulinum toxin: DAXXIFY®** – In collaboration with Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd., we have obtained exclusive rights to use, import, distribute, and commercialize DAXXIFY®, the world's first long-lasting botulinum toxin, in Mainland China, Hong Kong S.A.R., and Macao S.A.R.

- **World renowned dermal filler collection: Revanesse®** – Expanding our dermal injectable offerings, we have partnered with Prollenium®, a Canadian premium FDA-approved dermal filler manufacturer. This partnership grants us distribution rights for the renowned Revanesse® dermal fillers collection in several key markets, including Germany, Austria, Switzerland, Australia, and New Zealand.

The market value of the injectables segment has soared, reaching multi-billion-dollar figures in recent years. Sisram is proud to be the only company in the space that operates in both fields and delivers unique combinations of injectable products with the gold standard EBD devices, enabling a new edge of more powerful and long-lasting aesthetic results.

This expansion presents a pivotal competitive advantage and clear differentiation in this segment for Sisram, creating a significant new revenue stream and laying the foundation for future business development.

With our comprehensive injectables portfolio and a dedicated, seasoned sales force, we are ready to seize the opportunities in this rapidly expanding market.

Outlook

The Group's efforts throughout H2 will strategically focus on strengthening corporate leadership in strategic markets (APAC and North America) and continuing to expand Sisram's unique wellness ecosystem with high-value and synergetic offerings with a strategic focus on utilizing the building blocks of energy-based devices (EBD), diagnostic, injectables, skincare, and personal care, all governed by innovative protocols to enhance patient results, elevating clinic practice and increase patient satisfaction.

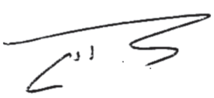
Sisram Group aims to build close relationships with end consumers through various channels and technologies, providing continuous, personalized support to clinics. We are dedicated to ensuring our partners' ongoing success and operational excellence.

In conclusion, this period marked a significant milestone for Sisram, as high confidence in Alma platforms is reflected by an all-time high in new orders, driven by the rapid adoption of Alma's recent launches. We have extended our global footprint and solidified our position in the injectable segment through three strategic partnerships. With a clear long-term strategy that emphasizes driving innovation, building brand recognition, and enhancing patient journey experiences, Sisram is well-positioned to maintain leadership and drive growth in new markets.

I would like to extend my gratitude to our global team for their steadfast dedication in bringing our vision to life. To our valued shareholders, thank you for your continued trust and support; we are committed to increase shareholder value through our strategic efforts.

Finally, I express my deep appreciation to the Board of Directors. Our long-term collaboration and your leadership and guidance have enhanced the company's resilience in the face of changing market conditions.

Sincerely,



Lior M. Dayan,
Chief Executive Officer

	For the six months ended June 30,	
	2024	2023
	US$'000	US$'000
Operating results		
Revenue	**168,730**	171,621
Gross profit	**105,311**	105,298
Profit before tax	**14,723**	20,732
Profit for the period	**13,202**	18,783
Profit for the period attributable to owners of the parent	**10,952**	18,899
Profitability		
Gross margin	**62.4%**	61.4%
Net profit margin	**7.8%**	10.9%

	As at June 30, 2024	As at December 31, 2023
	US$'000	US$'000
Assets and liabilities		
Total assets	**626,808**	613,502
Equity attributable to owners of the parent	**453,067**	452,311
Total liabilities	**154,277**	143,977
Cash and bank balances	**70,246**	70,601

1. BUSINESS REVIEW

Sisram is emerging as a distinguished global wellness group, with a firm foundation in the medical aesthetics industry spanning over two decades. With a pioneering spirit, Sisram has devoted to cultivating a unique synergetic ecosystem of business building blocks and consumer-focused branding. Our diverse range includes,Energy-Based Devices, injectables, aesthetics and digital dentistry, personal care, and more.

Driven by a relentless pursuit of excellence, Sisram has specialized in researching, developing, and applying technologies harnessed from natural energy sources. This expertise empowers us to provide innovative solutions for medical aesthetics and related clinical indications, setting new standards in the industry both in terms of clinical excellence and innovative breakthrough.

With a vision to create an entire ecosystem for wellness for its partners and consumers, Sisram continues to increase and expand its offering, covering wide range of wellness indications, such as hair removal and hair growth, skin rejuvenation, acne and acne scars, body & face contouring, pigmentation & skin resurfacing, fat grafting, dermal facial fillers, skin tissue remodelling injectables, personal care and aesthetic dentistry.

Recognized for our achievements, Sisram's award-winning products and services are prominently featured in leading surgical, medical, and beauty clinics worldwide. We bring wellness to millions of consumers every year, solidifying our position as a global leader.

Sisram Group includes leading global brands such as Alma – a world leader and innovator in energy-based medical aesthetics solutions, Copulla – a new, innovative digital dentistry service and LMNT – groundbreaking and consumer-choice home-use brand, and advanced diagnostic tools.

Through Alma Lasers Ltd., the Company's core subsidiary, Sisram also further established its presence in the injectables sector with a distribution agreement from IBSA Derma, a Swiss cosmeceutical company, for the exclusive distribution rights of dermal biostimulator Profhilo® in APAC markets such as Mainland China, Hong Kong S.A.R. and India as well as Israel. In addition, the Company has entered into an agreement with Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. to obtain the exclusive right to use, import, distribute and commercialize world's first long-lasting botulinum toxin DAXXIFY® in mainland China, Hong Kong S.A.R. and Macao S.A.R. Expanding its dermal injectable line offering, the Company has entered into a strategic partnership with Prollenium®, a Canadian premium CE and FDA-approved dermal filler manufacturer, to distribute renowned Revanesse® dermal fillers collection in several key markets including Germany, Austria, Switzerland, Australia, and New Zealand.

2. BUSINESS REVIEW OF FIRST HALF OF 2024

During the Reporting Period, Sisram's global sales and distribution network recorded a total revenue of US$168.7 million, representing a decrease of 1.7% compared to the corresponding period in 2023 mainly due to the decrease in North America market. The Group's geographic diversity combined with direct presence allows a better access to the markets and the end-consumer, enabled to a double digit's revenue growth in markets including APAC, Europe, Middle East and Africa. Within the market dynamics in North America, although the sales revenue for the Reporting Period was decreased, the customer confidence in Alma platforms remains strong. This is supported by record-breaking new orders following recent Alma launches, which will be delivered in the second half of 2024.

During the Reporting Period, the gross profit remained the same as US$105.3 million and the gross profit margin amounted to 62.4% representing an increase of 1.0 percentage point compared to 61.4% in the corresponding period in 2023. The increase in gross profit margin was primarily driven by the successful execution of our direct presence expansion strategy, led by our acquisition and new establishment of direct operation office in P.R.C territory in second half of 2023. The portion of revenue derived from direct sales has reached 86.1% versus 13.9% attributed to sales via distributors, compared to 72.1% and 27.9% in the corresponding period in 2023 respectively.

During the Reporting Period, the Group recorded profit before tax of US$14.7 million and profit for the period of US$13.2 million, representing a decrease of 29.0% and 29.7% respectively, when compared to the corresponding period in 2023. The decrease in profit before tax and profit for the period was mostly due to an increase in selling and distribution expenses (US$3.4 million), an increase in administrative expenses (US$2.3 million) and an increase in finance costs (US$0.2 million), mostly due to establishment of new direct offices.

During the Reporting Period, the Group recorded an adjusted net profit of US$16.7 million representing a decrease of 19.4% when compared with the corresponding period of 2023. The adjusted net profit margin for the Reporting Period was 9.9%. Our core EBD segment continued to deliver solid results and generated more than 10.0% net profit margin. The Group demonstrated agility in adjusting the cost structure to market fluctuation.

The Company's business fundamentals are healthy. The Company has sufficient funds to meet its future business needs and sustain its operational resilience, while addressing the following leading goals:

1. **Supporting Stakeholders:**
   - Providing support to business partners during challenging times, by offering diversified financial solutions.

2. **Adapting Operations:**
   - Adjusting the ongoing operational scope based on market dynamics, while maintaining a balance across essential elements such as sales, production, distribution, and service.

3. **Strategic Investments:**
   - Continuing investments in strategic projects, including:
     - Upgrading IT infrastructures;
     - Funding R&D projects;
     - Conducting clinical studies; and
     - Driving core business development initiatives such as injectables division.

4. **Financial Protection:**
   - Maintaining the healthy cash reserves.

5. **Ecosystem Growth:**
   - Expanding the ecosystem with diverse business lines and brands, aligning with the Group's long-term strategic vision.

R&D

- R&D expenses amounted to US$8.1 million.

- During the Reporting Period, the Company launched three new products:

  1. Alma Harmony™ our new and innovative multiplatform product was launched in North America with immediate market adoption. Alma Harmony™ is a cutting-edge, multi-modal platform tailored to address a myriad of skin conditions across diverse demographics. FDA-cleared for over 130 indications, Alma Harmony revolutionizes the field to address multiple signs of aging across all skin types.

  2. Soprano Titanium™ Special Edition – A new and improved Alma's flagship equipment platform for hair removal delivering 20% more energy, while remaining virtually painless. Soprano Titanium™ Special Edition 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.

  3. A whole new diagnostic product segment has emerged via an introduction of Alma IQ™ – an intelligent skin analysis and consultation Solution. Alma IQ™ revolutionizes the consultation process by offering a visually engaging and interactive experience while addressing the patients' skin health concerns.

     These three successful product launches characterized by an immediate market adoption emphasise the strength of our brand equity and high level of customer confidence in our Company's offering.

- On the clinical research front, the Company has initiated 2 additional clinical studies and 10 peer reviewed studies during the Reporting Period, in the aesthetics, dermatology and plastic surgery field.

- On the intellectual property front, the Company has made significant progress, including applying for two new patents in the field of RF and ultrasound, registering a new design, and obtaining a considerable number of trademarks.

- After significant investment, Sisram quality management system has been successfully audited and has been found compliant to the European MDR requirements (Medical Device Regulation). This certification is an important milestone as it is the first objective to achieve in order to certify the full portfolio.

Sales and Marketing

- Sisram has dedicated significant efforts to implement a corporate strategy tailored to the unique characteristics and cultural features of local countries and states, while providing unwavering support to our subsidiaries, equipping them with the resources and guidance needed to not only meet but exceed regional growth milestones. This commitment to excellence and localized focus drives remarkable success and strengthens our global presence.

- Sisram is maintaining its leadership position as a high-end global brand and making substantial investments in enhancing brand recognition among end-consumers to create bottom-up demand and enable its partners to effectively sell Alma platforms.

- During the Reporting Period, the following milestones have been accomplished:

- In 2023, Sisram made significant strides in building a robust infrastructure for the future by establishing new sales offices in the UK, UAE, and Japan, and acquiring a 60% stake in a distribution company in China. This expansion has substantially strengthened our subsidiaries and aligns perfectly with our growing direct sales strategy. Additionally, the Company enhanced its distribution network in Latin America by improving key business partnerships in leading territories. Aligned with the Company's strategy to strengthen its APAC leadership, Sisram has significantly advanced its direct offices in Japan and China, established in 2023. Additionally, the Company is actively evaluating the setup of additional direct offices in strategic territories within the region.

- The Company is investing efforts in shifting the business mindset from product approach to clinic-centric approach (from B2B to modern B2B2C) and expanding its offering of high-value and high-demand advanced products, such as Diagnostic tools/Consultancy experience, one-of-a-kind skincare product line and high-end injectables portfolio to create end-to-end patient journey.

- Focusing on enhancing business relationships, the Company held two Alma Academies in North America and Barcelona, which generated a record-breaking intake of new orders. The flagship event by Alma, recognized as the leading professional academy event in the aesthetic industry, serves as a strategic element for Alma's positioning as an industry leader. In addition, during this period, the Company participated in leading international industry congresses worldwide, such as IMCAS.

- Continuing to maximize global brand impact by leveraging our strategic collaboration with Hollywood icon Kate Hudson through increased brand awareness campaigns, enhanced engagement, and expanded media reach. Based on social media reach and media coverage, the campaign has reached a cumulative number of more than 300 million people worldwide, with over 350,000 social media engagements with the content, in less than a year since its launch.

- All-time-high new order intake following the immediate market adoption of Alma Harmony™ and Alma IQ™, and the global debut of Soprano Titanium™ Special Edition.

- Continuing the leadership in the hair-removal segment with the global launch of Soprano Titanium™ Special Edition supported by cross territorial B2B and B2C campaign.

Business Development

In January 2024, the Company has entered into a strategic partnership with Prollenium®, a Canadian premium FDA-approved dermal filler manufacturer, to expand its injectables product portfolio and offer a unique combination of high-quality dermal filler with energy-based devices to enhance the effectiveness and longevity of various common aesthetic treatments. Please refer to the announcement of the Company dated January 8, 2024.

Profhilo®, a next-generation hyaluronic acid injectable product, was granted approval by the China Hainan Medical Products Administration as a designated medical device in April 2024, playing a pivotal role in the commercialization of Profhilo® within mainland China.

The M&A transaction which was disclosed on March 30, 2023 regarding the acquisition of Chinese distributor. The period 1 performance of Actual Revenue and Actual EBITDA (July 1, 2023 – June 30, 2024) met more than 100% based on the agreed mechanism. References of the targets and mechanism are made to the announcements of the Company dated March 30, 2023.

Operations

During the Reporting Period, the Group put strong emphasize on improving service processes while implementing customer relationship management platform, enhancing quality performances KPI's such as FPY (First Pass Yield) and new platforms performance. As part of our continued effort to drive operational efficiency, the Company has executed a vertical integration of manufacturing process of a leading product line for further expanding the Company's profit margins.

As at the date of this report, the Company's production line in Israel is operating normally. The current inventory levels in Israel and globally remain sufficient to meet customer demand.

3. OUTLOOK FOR SECOND HALF OF 2024

The Company is forecasting a stronger performance in the second half of 2024 than in the first half of 2024 in terms of both revenue and net income as a result of the year-on-year increase in new order volumes.

Sisram will continue to execute our strategy by evaluating and implementing near-future technologies and extending the Company's global footprint according to the direct sales approach.

The Company will strategically focus on strengthening corporate leadership in strategic markets and continuing to expand Sisram's unique wellness ecosystem with high-value and synergetic offerings with a strategic focus on utilizing the building blocks of energy-based devices (EBD) and injectables, and fostering clinic-patient long-term relationships.

Additionally, Sisram will continue to enhance customer interactions and maintain long-term partner-patient relationships through supportive operations for clinics and post-sales teams. Furthermore, the Company will enhance brand awareness among end-consumers to strengthen global brand recognition and create bottom-up demand for the Company's solutions that will eventually drive business to its partners, impacting their growth.

In addition, H2 2024, we plan to:

3.1 Prepare for the commercial launch of DAXXIFY® in Mainland China while introduce injectable product in new territory.

3.2 Progress with regulatory clearances of new energy-based devices and injectable products.

3.3 Expand our financing offering to address our customers challenges resulting from high interest environment.

3.4 Integrating Alma China office into our core operation and exploring opportunities for additional direct offices in APAC area.

3.5 Exceling the sales of new Alma Harmony™ launched in H1 2024.

3.6 Promoting whole new skin care concepts and advanced in-clinic platforms.

3.7 Strengthen the presence of our recently launched next generation high-end biostimulator in Hong Kong S.A.R.

3.8 Follow our ecosystem strategic planning by searching, evaluating, and executing relevant M&A's initiatives that will further strengthen our R&D capabilities, products portfolio and distribution channels.

3.9 Leverage Fosun Pharma's resources in China to deepen market penetration and expand offerings tailored to the Asian market segments.

4. FINANCIAL REVIEW

During the Reporting Period, the unaudited interim results and the summary of financial results are as follows:

A. Revenue

During the Reporting Period, revenue of the Group decreased from US$171.6 million to US$168.7 million, representing a decrease of 1.7% when compared to the corresponding period in 2023. The overall decrease was primarily attributable to challenging economic conditions (high interest rates) in North America, partially offset by double digits growth in revenue in APAC, Europe and ME&A regions.

Revenue by main product segments

The Group generates revenue from the following revenue streams: (i) sale of goods; and (ii) services and others.

The following table sets forth our revenue breakdown by main product lines and as a percentage of our total revenue for the six-month ended in the years indicated:

	Six months ended June 30,				
	2024		2023		YOY %
	(US$ in thousands, except for percentages)				
Sale of Goods:					
Medical Aesthetics	**149,328**	**88.5%**	147,380	85.9%	1.3%
Injectables	**4,519**	**2.7%**	4,887	2.8%	-7.5%
Dental	**2,822**	**1.7%**	5,320	3.1%	-47.0%
Subtotal	**156,669**	**92.9%**	157,587	91.8%	-0.6%
Services and Others	**12,061**	**7.1%**	14,034	8.2%	-14.1%
Total	**168,730**	**100.0%**	171,621	100.0%	-1.7%

We have derived a substantial majority of our revenue from our Medical Aesthetics product line, representing 88.5% of our total revenue for the Reporting Period. Revenue from the sale of our Medical Aesthetics line was US$149.3 million for the six months ended June 30, 2024, representing an increase of 1.3% in comparison with a revenue of US$147.4 million in the corresponding period in 2023. The majority of revenue derived from our traditional leading platforms such as "Soprano", "Harmony", "Opus", "Accent" and "Hybrid". The wide variety of addressable clinical indications enabled the Group to capture market share in traditional EBD segments and in niche markets as well. The immaterial decease of Injectables segment revenue is mostly related to Company's focus shift to the new offerings planned to be introduced in this segment.

During 2024 we held a successful pilot of Copulla (new innovative digital dentistry service) in Israel and we are evaluating the path to commercialization in other global markets. The reduction in Dental revenue is mainly related to the demand pressure on this pre-mature business segment, while the mature EBD segment demonstrated resilience in face of macro economic challenges

Revenue by geographic segments

The following table sets forth our revenue by geographic segments for the six months ended in the years indicated (measured by the location of our direct sales customers and our distributors):

	Six months ended June 30,				
	2024		2023		YOY %
	(US$ in thousands, except for percentages)				
North America	**67,023**	**39.7%**	79,502	46.3%	-15.7%
APAC	**55,953**	**33.3%**	48,447	28.2%	15.5%
Europe	**24,029**	**14.2%**	21,851	12.8%	10.0%
Middle East and Africa	**15,408**	**9.1%**	13,893	8.1%	10.9%
Latin America	**6,317**	**3.7%**	7,928	4.6%	-20.3%
Total	**168,730**	**100.0%**	171,621	100%	-1.7%

The decrease in the revenue during the Reporting Period derives from North America region, partially offset by growth in rest of the territories. The revenue derived from North America accounted for US$67.0 million during the Reporting Period, a decrease of 15.7% from US$79.5 million for the corresponding period in 2023. The decrease is attributed to the challenging economic conditions, mainly high interest rates which drive up the cost of credit thus impacting our customers decision to purchase.

The revenue derived from APAC increased by 15.5% to US$56.0 million in the Reporting Period from US$48.4 million for the corresponding period in 2023. The increase is mainly attributed to strong performance of EBD segment in our Alma China direct office, which demonstrated resilience to economic headwinds and met its pre-disclosed commitment.

The revenue derived from Europe increased by 10.0% to US$24.0 million in the Reporting Period from US$21.9 million for the corresponding period in 2023. The increase is mainly attributed to continues leadership of Alma's Hair removal platform – Soprano Titanium in its special edition introduced to market in the Reporting Period and steady growth in market adoption of Alma's most prestigious platform – Alma Hybrid, designed for top notch practitioners of medical aesthetics craft. Geographically wise the growth is mostly attributed to transition to direct operations in UK.

The revenue derived from Middle East and Africa increased by 10.9% to US$15.4 million in the Reporting Period from US$13.9 million for the corresponding period in 2023. The increase is mainly attributed to Soprano Titanium in its special edition introduced to market in the Reporting Period.

The revenue derived from Latin America decreased by 20.3% to US$6.3 million in the Reporting Period from US$7.9 million for the corresponding period in 2023 due to political instability in some of the leading countries in the region.

During the Reporting Period, the cost of sales primarily comprised of cost of material and overheads. For the Reporting Period, the cost of sales of the Group decreased by 4.4% to US$63.4 million from US$66.3 million for the corresponding period in 2023, which is mainly due to higher portion of direct sales, driving higher profitability than distribution sales.

B. Gross profit and gross profit margin

During the Reporting Period, gross profit of the Group remains the same as US$105.3 million for the corresponding period in 2023 for the reasons set out in Revenue section above.

The gross profit margin increased to 62.4% for the Reporting Period from 61.4% for the corresponding period in 2023. The increase is primarily driven by higher portion of direct sales generating higher profit margin than distribution.

C. Selling and distribution expenses

The selling and distribution expenses primarily consist of: (i) sales and marketing employees' salaries and related cost; (ii) sales commission to sales employees and independent agents; (iii) marketing expenses such as participation in tradeshows and digital activities, and brand awareness campaigns led by Kate Hudson.

During the Reporting Period, selling and distribution expenses of the Group increased by 5.6% to US$63.2 million from US$59.9 million for the corresponding period in 2023. The increase is mainly due to increase in sales and marketing activities offset by the Company's ability to adjust the expenses to market fluctuations.

D. Administrative expenses

Administrative expenses primarily consist of: (i) amortization of intangible assets; (ii) remuneration paid to employees in the Finance, IT, HR and administration teams; (iii) professional fees and administrative costs; (iv) fees relating to the operation facilities; (v) IT and HR expenses; and (vi) other miscellaneous expenses.

During the Reporting Period, administrative expenses of the Group increased by 16.2% to US$16.3 million from US$14.0 million for the corresponding period in 2023. The increase is mainly attributed to expenses related to new offices operation partially offset by other cost savings.

E. R&D expenses

The Group's 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. During the Reporting Period, majority of R&D expenses were recorded in the period that such expenses were incurred and were not capitalized.

During the Reporting Period, R&D expenses decreased by 11.9% to US$8.1 million from US$9.2 million for the corresponding period in 2023, demonstrating the Company's tight cost control.

F. Finance cost

Finance costs are comprised mainly of (i) interest on bank loans and (ii) interest on lease liabilities. Finance costs increased to US$1.2 million in the Reporting Period from US$1.0 million for the corresponding period in 2023.

G. Income tax expense

The Israeli corporate tax rates are both 23% in 2023 and 2024. Each entity in the Group is taxable based on its standalone results as measured by the local tax system.

During the Reporting Period, income tax expense decreased to US$1.5 million, representing a decrease of 22.0% from US$1.9 million for the corresponding period in 2023. This was primarily attributable to the decrease of profit before tax. The effective tax rates for the Reporting Period and the corresponding period in 2023 were approximately 10.3% and 9.4%, respectively.

H. Profit for the period

As a result of the foregoing, during the Reporting Period, our profit for the period decreased by 29.7% to US$13.2 million from US$18.8 million for the corresponding period in 2023. The net profit margin of the Group for the six months ended on June 30, 2024 and 2023 were 7.8% and 10.9%, respectively.

I. Adjusted net profit and adjusted net profit margin

The Group calculates adjusted net profit by taking profit for the period and adjusting: (i) amortization of intangible assets related to M&A; (ii) deferred tax liability arising from other intangible assets, which primarily relates to acquisitions; (iii) RSU Expenses; and (iv) previous years taxes and One-off VAT adjustment. The Group calculates adjusted net profit margin by dividing adjusted net profit by revenue.

The Group presents this financial measure because it is used to evaluate financial performance by excluding the impact of items that the Group does not consider indicative of the Group's ordinary operating performance.

The term "adjusted net profit" is not a financial measure defined under IFRSs. The use of adjusted net profit has material limitations as an analytical tool, as it does not include all items that impact net profit for the period. Items excluded from adjusted net profit are significant components in understanding and assessing the Group's operating and financial performance. The following table reconciles the adjusted net profit for the Reporting Period presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs, which is profit for the period:

	Six months ended June 30,		
	2024	2023	YOY%
	US$'000	US$'000	
PROFIT FOR THE PERIOD	**13,202**	18,783	-29.7%
Adjusted for:			
Amortization of other intangible assets arising from the Alma acquisitions	**1,376**	2,150	-36.0%
Amortization of other intangible assets arising from the Nova acquisitions	**239**	239	0.0%
Amortization of other intangible assets arising from the Foshion acquisition	**209**	213	-1.9%
Amortization of other intangible assets arising from acquisition of the business of Alma China	**2,053**	–	100%
One-off VAT adjustment	**–**	(1,010)	-100%
Deduct: deferred tax arising from other intangible assets	**(826)**	(529)	56.1%
RSU Expenses	**405**	825	-50.9%
Adjusted net profit	**16,658**	20,671	-19.4%
Adjusted net profit margin	**9.9%**	12.0%	

5. DEBT STRUCTURE, LIQUIDITY AND SOURCES OF FUNDS

A. Treasury policy

The Board aims to have a better control in its treasury operations and endeavours to maintain an adequate level of cash and cash equivalents. The functional currency of the Group is the U.S. Dollar and most of the sales proceeds are denominated in U.S. Dollar. Please see "Risk Management – Foreign Currency Exposure" for further details. The Group generally finances its operation with internally generated resources.

To ensure that the financial resources have been used in the most cost-effective and efficient way, the Board would also consider various funding sources to address the Group's financial obligations and operational needs. The Board would also review and evaluate the adequacy and effectiveness of the treasury functions from time to time.

B. Gearing ratio

As of June 30, 2024 and June 30, 2023, the Group's cash and cash equivalents exceeded the total debt. As such, no gearing ratio was presented.

C. Interest coverage

During the Reporting Period, the interest coverage, which is calculated by EBIT (Earnings Before Interest and Taxes) divided by financial costs was 13.5 times as compared with 21.1 times for the corresponding period in 2023. The interest coverage increased mainly because the Group's EBIT during the Reporting Period decreased by 26.9% to US$15.9 million from US$21.8 million for the corresponding period in 2023.

D. Available facilities

As of June 30, 2024, Sisram did not have any unutilized banking facilities. Sisram is mainly financing its operations through cash generated from operating activities.

E. Interest rate

As at June 30, 2024, total interest-bearing bank and other borrowings at a fixed interest rate amounted to US$5.4 million (As at December 31, 2023: US$4.4 million).

F. Maturity structure of outstanding debts

The following tables sets forth the maturity structure of outstanding debts as at June 30, 2024 and December 31, 2023.

	June 30, 2024			December 31, 2023		
	Effective interest rate (%)	**Maturity**	**US$'000**	Effective interest rate (%)	Maturity	US$'000
Current						
Other borrowings*	**4.10**	**2025**	**5,380**	4.10-4.15	2024	4,421

* Other borrowings are mainly loan from the Group's related parties.

The maturity of interest-bearing bank and other borrowings is within one year.

6. CASH FLOW

Sisram is using its cash primarily for its operating activities, payments of interest and principals of debts due, payments for purchases and capital expenditures and funding growth and expansion of its business.

The table below shows the cash flow of the Group generated from (or used in) operating activities, investing activities and financing activities for the Reporting Period and the corresponding period of 2023.

	Six months ended June 30,		
	2024	2023	YOY%
	US$'000	US$'000	
Net cash flows generated from operating activities	**3,961**	8,008	-50.5%
Net cash flows generated from/(used in) investing activities	**9,226**	(24,227)	138.1%
Net cash flows used in financing activities	**(2,766)**	(4,954)	-44.2%
Net increase/(decrease) in cash and cash equivalents	**10,421**	(21,173)	-149.2%
Cash and cash equivalents at the beginning of the period	**60,535**	74,793	-19.1%
Effect of foreign exchange rate changes, net	**(845)**	(1,719)	-50.8%
Cash and cash equivalents at the end of the period	**70,111**	51,901	35.1%
Cash and cash equivalents			
Pledged bank balances	**135**	137	-1.5%
Term deposits with original maturity of more than three months	**–**	10,541	-100.0%
Cash and bank balance at the end of the period	**70,246**	62,579	12.3%

Net cash flows generated from operating activities

During the Reporting Period, the net cash flows generated from operating activities were US$4.0 million, which was primarily attributable to (i) the profit before tax of US$14.7 million; (ii) total adjustments for profit or loss items of US$11.6 million; and (iii) working capital adjustments of US$22.3 million.

Net cash flows generated from investing activities

During the Reporting Period, the net cash flows generated from investing activities were US$9.2 million, which was primarily attributable to (i) maturity of short term bank deposits with the amount of US$9.9 million, (ii) investments in intangible assets in the amount of US$0.2 million; and (iii) US$1.3 million in purchase of plant and equipment and (iv) interest received amount of US$0.8 million.

Net cash flows used in financing activities

During the Reporting Period, the net cash flows used in financing activities was US$2.8 million, which was primarily attributable to (i) repayments on loan and interest of US$2.3 million; (ii) payment of lease payments of US$3.5 million; (iii) borrowing new loans of US$2.8 million; and (iv) proceeds from settlement of foreign currency forward contracts of US$0.2 million.

7. CAPITAL COMMITMENTS AND CAPITAL EXPENDITURES

During the Reporting Period, capital expenditures of the Group amounted to US$1.4 million, which mainly consisted of leasehold improvements.

As at June 30, 2024, the Group did not have any significant capital commitments.

8. CONTINGENT LIABILITIES

As at June 30, 2024, the Group did not have any significant contingent liabilities.

9. MATERIAL ACQUISITION AND DISPOSAL

During the Reporting Period, the Group did not conduct material merger and acquisition or disposal.

10. 2021 RSU SCHEME

On November 30, 2021, the Group adopted the 2021 RSU Scheme, pursuant to which it may grant the Directors of the Company (including executive directors, and non-executive directors, but excluding Independent Non-executive Directors), the directors of the Company's subsidiaries and the employees of the Group, and any other persons who the Board considers, in its absolute discretion, have contributed or will contribute to the Group ("**Participants**") restricted share units ("**RSUs**"). The purpose of the 2021 RSU Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and motivate personnel to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. There is no maximum entitlement of each Participant under the 2021 RSU Scheme.

The RSUs are to be granted by the Company to the Participants at nil consideration subject to the acceptance of the Participants. The RSUs to the Participants shall be vested in four equal instalments in a period of four years after the date of grant. The 2021 RSU Scheme is valid and effective for the period commencing on November 30, 2021 and expiring on the 4th anniversary (being November 30, 2025) and no RSUs shall be granted thereafter.

The maximum aggregate number of shares that may be issued under the RSU Scheme shall not exceed 22,107,780 Shares, representing 4.74% of the total number of issued shares as at the date of this report.

For details, please refer to the announcement of the Company dated September 9, 2021 and the circular of the Company dated October 25, 2021, in relation to the adoption of the 2021 RSU Scheme.

On November 30, 2021, the shareholders of the Company granted a specific mandate to the directors of the Company to issue and allot up to 22,107,780 shares upon vesting of the RSUs to be granted under the 2021 RSU Scheme ("**Scheme Mandate**"). As part of 2021 plan the Company granted on November 30, 2021 total of up to 4,699,550 RSUs. As of June 30, 2024 the Company eliminated expenses related to the third instalments in total amount of US$1,059,649 in the light of non-compliance with the execution conditions related for the vesting of the third trance parallel to updating the execution conditions for the vesting of the fourth tranche.

As of June 30, 2024, 16,925,844 RSUs are available for grant under the Scheme Mandate. The number of shares that may be issued in respect of the RSUs granted under the 2021 RSU Scheme during the Reporting Period divided by the weighted average number of shares in issue for the Reporting Period is nil.

The fair value of the RSUs included in November 2021 grant at the grant day is approximately US$6,766,802. The Group recognized an expense of US$405,000 for the six months ended June 30, 2024 (for the six months ended June 30, 2023: US$825,000).

At June 30, 2024, the 999, 850 ordinary shares granted in the form of share units have not been registered as share capital of the Company yet and remained unvested with expected vesting at the 4th anniversary, which represented approximately 0.22% of the Company's shares in issue as at June 30, 2024.

Details of the movements of the RSUs during the Reporting Period are set out below:

	Unvested as at January 1, 2024[1]		Vested during the Reporting Period[2]			Unvested as at June 30, 2024[1,2]	
Grantees	Number	Date of grant	Number	Weighted average closing price of the shares immediately before the dates on which the awards were vested	Expired/ lapsed during the Reporting Period	Number	Date of grant
Mr. Yi LIU	55,000	December 2, 2021	–	–	–	55,000	December 2, 2021
Mr. Lior Moshe DAYAN	200,000	November 30, 2021	–	–	–	200,000	November 30, 2021
Mr. Doron YANNAI	45,871	November 30, 2021	–	–	–	45,871	November 30, 2021
Five highest paid individuals[3]	200,000	November 30, 2021	–	–	–	200,000	November 30, 2021
	56,818	December 2, 2021	–	–	–	56,818	December 2, 2021
Other grantees by category	691,661	December 2, 2021	–	–	–	691,661	December 2, 2021

Notes:

1 The RSUs were granted by the Company at nil consideration subject to the acceptance of the Participants, and no consideration is required from the relevant grantees at the time of vesting. The RSUs granted shall be vested in four equal instalments in a period of four years after the date of grant.

2 Vesting of the RSUs granted during the Reporting Period is subject to achievement of certain targets relating to the Company's results.

3 The information includes the grants to Mr. Lior Moshe DAYAN who is categorised as "five highest paid individuals".

11. SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save for those disclosed in this report, there were no other significant investments held as at June 30, 2024. The Group did not have other plans for material investments and capital assets.

12. RISK MANAGEMENT

The operation and development of the Group are not exposed to any material risk factors, but they will be impacted to a certain extent by several factors as illustrated below:

A. Foreign currency exposure

The functional currency of the Company is the U.S. Dollar and most of the sales proceeds are denominated in the U.S. Dollar. However, the Company also generates revenue globally in a few other currencies, particularly Euros, and incurs costs mostly in New Israeli Shekels. Furthermore, the functional currencies of certain subsidiaries are currencies other than the U.S. Dollar, including the Euros, the Indian Rupee, the New Israeli Shekels, the HK Dollar, the South Korean Won, Australian Dollar and the Chinese RMB. As at the end of the Reporting Period, the assets and liabilities of these entities were translated into the U.S. Dollar at the exchange rates prevailing at the end of the Reporting Period and their statements of profit or loss were translated into the U.S. Dollar at the weighted average exchange rates for the period. As such, the Group's results of operations are sensitive to changes in foreign currency exchange rates.

The Company has formally established a hedging management framework in 2014 and the hedging transactions are mainly managed by the Company's finance department. By analysing the currency balance sheet and trends in the foreign exchange markets, the Company has entered into forward contracts from time to time to mitigate the adverse effects of exchange rate fluctuations.

B. Interest rate exposure

It is the Group's strategy to use debts with fixed and floating interest rates to manage its interest costs. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

13. EMPLOYEES AND REMUNERATION POLICIES

The following table sets forth the number of employees by function as at June 30, 2024:

Function	Number of Employees
Operations	270
R&D	88
Sales & Marketing	520
General and Administration	148
Total	1,026

Employees' headcount as at the end of Reporting Period decreased by 5.0% as part of the Group efforts to streamline its operation, as compared to the December 31, 2023.

The employees' remuneration includes basic salary and a performance-based bonus. The performance-based bonus is determined by reference to the performance appraisal of the employees of the Group. Through clearly locating position-oriented performance targets and formulating performance standards, the Company has managed to assess employees' performance in an objective manner. By materializing reward and penalty in the performance-related portion of the employees, the Company is able to achieve the coexistence of incentives and restraints.

Interim Condensed Consolidated Statement of Profit or Loss
For the six months ended June 30, 2024

		For the six months ended June 30	
	Notes	**2024**	2023
		(Unaudited)	(Unaudited)
		US$'000	US$'000
REVENUE	4	**168,730**	171,621
Cost of sales		**(63,419)**	(66,323)
Gross profit		**105,311**	105,298
Other income and gains	4	**1,398**	1,003
Selling and distribution expenses		**(63,233)**	(59,855)
Administrative expenses		**(16,297)**	(14,028)
Research and development expenses		**(8,069)**	(9,159)
Other expenses		**(3,206)**	(1,290)
Finance costs	5	**(1,180)**	(1,030)
Share of profits and losses of associates		**(1)**	(207)
PROFIT BEFORE TAX	6	**14,723**	20,732
Income tax expense	7	**(1,521)**	(1,949)
PROFIT FOR THE PERIOD		**13,202**	18,783
Attributable to:			
Owners of the parent		**10,952**	18,899
Non-controlling interests		**2,250**	(116)
		13,202	18,783
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic			
– For profit for the period (US cents)		**2.34**	4.04
Diluted			
– For profit for the period (US cents)		**2.34**	4.03

	For the six months ended June 30	
	2024	2023
	(Unaudited)	(Unaudited)
	US$'000	US$'000
PROFIT FOR THE PERIOD	**13,202**	18,783
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	**(135)**	(774)
Reclassification adjustments for (gain)/loss included in the consolidated statement of profit or loss	**(109)**	663
	(244)	(111)
Exchange differences:		
Exchange differences on translation of foreign operations	**(1,116)**	126
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(1,360)**	15
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Actuarial reserve relating to a defined benefit plan	**–**	59
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**–**	59
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(1,360)**	74
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**11,842**	18,857
Attributable to:		
Owners of the parent	**9,592**	18,973
Non-controlling interests	**2,250**	(116)
	11,842	18,857

	Notes	June 30, 2024 (Unaudited) US$'000	December 31, 2023 (Audited) US$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**22,356**	22,811
Right-of-use assets		**39,677**	40,098
Goodwill		**126,915**	126,915
Other intangible assets		**131,960**	136,069
Deferred tax assets		**9,702**	9,935
Trade receivables	11	**20,335**	12,909
Investments in associates		**5,824**	6,156
Other non-current assets		**651**	1,260
Total non-current assets		**357,420**	356,153
CURRENT ASSETS			
Inventories		**86,275**	80,550
Trade receivables	11	**89,612**	83,456
Prepayments, other receivables and other assets		**22,711**	22,131
Financial assets at fair value through profit or loss		**544**	–
Derivative financial instruments		**–**	611
Cash and bank balances		**70,246**	70,601
Total current assets		**269,388**	257,349
CURRENT LIABILITIES			
Contract liabilities		**17,940**	15,904
Trade payables	12	**17,107**	7,998
Other payables and accruals		**52,602**	50,287
Derivative financial instruments		**88**	–
Interest-bearing bank and other borrowings		**5,380**	4,421
Lease liabilities		**4,469**	4,717
Tax payables		**5,257**	4,923
Total current liabilities		**102,843**	88,250

	June 30, 2024 (Unaudited) US$'000	December 31, 2023 (Audited) US$'000
NET CURRENT ASSETS	**166,545**	169,099
TOTAL ASSETS LESS CURRENT LIABILITIES	**523,965**	525,252
NON-CURRENT LIABILITIES		
Contract liabilities	**1,193**	849
Lease liabilities	**34,909**	35,544
Deferred tax liabilities	**12,256**	14,355
Other long-term liabilities	**3,076**	4,979
Total non-current liabilities	**51,434**	55,727
NET ASSETS	**472,531**	469,525
EQUITY		
Equity attributable to owners of the parent		
Share capital	**1,334**	1,334
Reserves	**451,733**	450,977
Non-controlling interests	**19,464**	17,214
Total equity	**472,531**	469,525

	Attributable to owners of the parent								
	Share capital US$'000 (Unaudited)	Share premium* US$'000 (Unaudited)	Other reserve* US$'000 (Unaudited)	Cashflow hedge reserve* US$'000 (Unaudited)	Exchange fluctuation reserve* US$'000 (Unaudited)	Retained earnings* US$'000 (Unaudited)	Total US$'000 (Unaudited)	Non-controlling interests US$'000 (Unaudited)	Total equity US$'000 (Unaudited)
At January 1,2024 (audited)	1,334	323,071	(23,438)	258	(5,244)	156,330	452,311	17,214	469,525
Profit for the period	-	-	-	-	-	10,952	10,952	2,250	13,202
Other comprehensive income for the period:									
Effective portion of changes in fair value of hedging instruments arising during the period, net of tax	-	-	-	(135)	-	-	(135)	-	(135)
Reclassification adjustments for loss included in the consolidated statement of profit or loss	-	-	-	(109)	-	-	(109)	-	(109)
Exchange differences on translation of foreign operations	-	-	-	-	(1,116)	-	(1,116)	-	(1,116)
Total comprehensive income for the period	-	-	-	(244)	(1,116)	10,952	9,592	2,250	11,842
Equity-settled share-based payments	-	-	405	-	-	-	405	-	405
Share of contribution of associates from capital injection by other investors	-	-	209	-	-	-	209	-	209
Final 2023 dividend declared	-	-	-	-	-	(9,450)	(9,450)	-	(9,450)
At June 30,2024 (unaudited)	1,334	323,071	(22,824)	14	(6,360)	157,832	453,067	19,464	472,531

* These reserve accounts comprise the consolidated other reserves of US$451,733,000 (December 31, 2023: US$450,977,000) in the consolidated statement of financial position.

	Attributable to owners of the parent								
	Share capital US$'000 (Unaudited)	Share premium* US$'000 (Unaudited)	Other reserve* US$'000 (Unaudited)	Cashflow hedge reserve* US$'000 (Unaudited)	Exchange fluctuation reserve* US$'000 (Unaudited)	Retained earnings* US$'000 (Unaudited)	Total US$'000 (Unaudited)	Non-controlling interests US$'000 (Unaudited)	Total equity US$'000 (Unaudited)
At January 1,2023 (audited)	1,331	321,532	(22,388)	(303)	(4,928)	135,628	430,872	1,353	432,225
Profit/(Loss) for the period	–	–	–	–	–	18,899	18,899	(116)	18,783
Other comprehensive income for the period:									
Effective portion of changes in fair value of hedging instruments arising during the period, net of tax	–	–	–	(774)	–	–	(774)	–	(774)
Reclassification adjustments for loss included in the consolidated statement of profit or loss	–	–	–	663	–	–	663	–	663
Exchange differences on translation of foreign operations	–	–	–	–	126	–	126	–	126
Actuarial reserve relating to a defined benefit plan	–	–	–	–	–	59	59	–	59
Total comprehensive income for the period	–	–	–	(111)	126	18,958	18,973	(116)	18,857
Equity-settled share-based payments	–	–	825	–	–	–	825	–	825
Acquisition of a subsidiary	–	–	–	–	–	–	–	14,462	14,462
Final 2022 dividend declared	–	–	–	–	–	(10,510)	(10,510)	–	(10,510)
At June 30,2023 (unaudited)	1,331	321,532	(21,563)	(414)	(4,802)	144,076	440,160	15,699	455,859

	For the six months ended June 30	
	2024	2023
	(Unaudited)	(Unaudited)
	US$'000	US$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	**8,526**	11,980
Income tax paid	**(4,565)**	(3,972)
Net cash flows generated from operating activities	**3,961**	8,008
CASH FLOWS GENERATED FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	**758**	35
Purchases of items of property, plant and equipment	**(1,364)**	(3,320)
Proceeds from disposal of property, plant and equipment	**63**	10
Purchases of items of intangible assets	**(157)**	–
Acquisition of a subsidiary	**–**	(27,262)
Decrease in term deposits with original maturity of more than three months	**9,926**	6,310
Net cash flows generated from/(used in) investing activities	**9,226**	(24,227)
CASH FLOWS USED IN FINANCING ACTIVITIES		
New bank loan and other borrowings	**2,828**	1,887
Repayment of bank loan and other borrowings	**(1,837)**	(2,680)
Interest paid	**(456)**	(306)
Lease payments	**(3,467)**	(2,345)
Proceeds from/(Payments for) the settlement of foreign currency forward contracts	**166**	(1,510)
Net cash flows used in financing activities	**(2,766)**	(4,954)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**10,421**	(21,173)
Cash and cash equivalents at beginning of period	**60,535**	74,793
Effect of foreign exchange rate changes, net	**(845)**	(1,719)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**70,111**	51,901
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	**70,111**	51,901
Pledged bank balances	**135**	137
Term deposits with original maturity of more than three months	**–**	10,541
Cash and bank balances as stated in the interim condensed consolidated statement of financial position	**70,246**	62,579

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's (Sisram Medical Ltd (the "**Company**") and its subsidiaries, collectively the "**Group**") consolidated financial statements as at December 31, 2023.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 1	*Non-current Liabilities with Covenants*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

    The Group has reassessed the terms and conditions of its liabilities as at January 1, 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

2. CHANGES IN ACCOUNTING POLICIES (continued)

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating activities are related to a single operating segment, which is the design, development, manufacture and sale of energy-based aesthetic medical and minimally invasive treatment devices, non-EBD devices and cosmeceuticals. Therefore, no analysis by operating segment is presented.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended June 30	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**168,730**	171,621

DISAGGREGATED REVENUE INFORMATION FOR REVENUE FROM CONTRACTS WITH CUSTOMERS

	For the six months ended June 30	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Sale of goods	**156,669**	157,587
Provision of services	**12,061**	14,034
Total	**168,730**	171,621

4. REVENUE, OTHER INCOME AND GAINS (continued)

DISAGGREGATED REVENUE INFORMATION FOR REVENUE FROM CONTRACTS WITH CUSTOMERS *(continued)*

	For the six months ended June 30	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Geographical information		
Europe	**24,029**	21,851
North America	**67,023**	79,502
Asia Pacific	**55,953**	48,447
Latin America	**6,317**	7,928
Middle East and Africa	**15,408**	13,893
Total	**168,730**	171,621

	For the six months ended June 30	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Goods transferred at a point in time	**156,669**	157,587
Services transferred over time	**12,061**	14,034
Total	**168,730**	171,621

OTHER INCOME AND GAINS

	For the six months ended June 30	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Bank interest income	**442**	393
Fair value gain on revenue commitment	**–**	130
Others	**956**	480
Total	**1,398**	1,003

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended June 30	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Interest on loans and borrowings	**101**	111
Interest on lease liabilities	**1,079**	777
Bank charges	**–**	142
Total	**1,180**	1,030

6. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging:

	For the six months ended June 30	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	**48,688**	43,406
Cost of services and others	**14,731**	22,917
	63,419	66,323
Research and development costs:		
Current period expenditure	**8,069**	9,159
Depreciation of property, plant and equipment	**1,734**	1,328
Depreciation of right-of-use assets	**2,943**	1,959
Amortization of other intangible assets	**3,877**	2,638
Provision for impairment of inventories	**1,399**	122
Provision for impairment of trade receivables	**464**	380
Share of profits and losses of associates	**1**	207
Foreign exchange differences, net	**1,187**	791

7. INCOME TAX

ISRAEL

The Israeli corporate tax rates applicable to the Company was 23% for the reporting period (2023: 23%). Each entity in the Group is taxable based on its standalone results as measured by the local tax system.

Taxes on taxable income assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

Alma Lasers Ltd. ("**Alma**"), a major operating subsidiary of the Company, was granted the status of "Preferred Enterprise" under the Law for the Encouragement of Capital Investments, 1959 (as amended in 2011, the "**2011 Amendment of the Investment Law**") and therefore enjoyed a preferential corporate tax rate of 16% during the period.

In December 2016, the Israeli Knesset passed Amendment 73 to the Investment Law, which included a number of changes to the Investments Law regime. Certain changes were scheduled to come into effect beginning January 1, 2017, provided that regulations are promulgated by the Finance Ministry to implement the "Nexus Principles" based on The Organisation for Economic Co-operation and Development recently published the guideline of part of the Base Erosion and Profit Shifting (BEPS) project. The regulations were approved in May 2017 and accordingly have come into effect.

Applicable benefits under the new regime include:

Introduction of a benefit regime for "Preferred Technology Enterprises", where tax rates of 12% and 7.5% were applicable for income derived from central Israel and special areas in Israel, respectively, from intellectual property, subject to a number of conditions being fulfilled, including a minimal amount or ratio of annual research and development ("**R&D**") expenditure and R&D employees, as well as having at least 25% of annual income derived from exports. Preferred Technology Enterprises is defined as an enterprise which meets the aforementioned conditions with the total consolidated revenues of its parent company and all subsidiaries are less than NIS10 billion. In cases where the parent company and all subsidiaries have more than NIS10 billion of consolidated revenues, the tax rate will be 6% in all Israel regions.

For a Special Preferred Technological Enterprise ("**SPTE**") where the parent company's total revenues are more than NIS10 billion in the tax year, its preferred technological income will be subject to a tax rate of 6%, regardless of its geographical location.

The following applies to SPTE:

- A 6% capital gains tax rate on the sale of a preferred intangible asset to a foreign affiliated enterprise, in accordance with the criteria mentioned in the law.

- A withholding tax rate of 20% for the dividends paid from a Preferred Technology Enterprise's income (with an exemption from such withholding tax applying to dividends paid to an Israeli company). Such rate may be reduced to 4% on the dividends paid to a foreign resident company, subject to certain conditions regarding the percentage of foreign ownership of the distributing entity.

As of June 30, 2024, Alma enjoyed a preferential effective tax rate of 6% for being a SPTE for the period ended June 30, 2024 (six months ended June 30, 2023: 6%).

7. INCOME TAX (continued)

U.S.

The U.S. Tax Cuts and Jobs Act of 2017 ("**TCJA**") was approved by the United States Congress on December 20, 2017 and signed into law by the United States President Donald J. Trump on December 22, 2017. This legislation has brought complex and significant changes to the United States Internal Revenue Code. Such changes include a reduction in the corporate tax rate and limitations on certain corporate deductions and credits, among other changes. The change includes, but is not limited to rate reduction: the TCJA reduces the U.S. federal corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. In addition, the TCJA has made certain changes to the depreciation rules and implemented new limits on the deductibility of certain expenses and deduction.

GERMANY

The income of Alma Lasers GmbH, a subsidiary incorporated in Germany, is taxed based upon the tax law in Germany, the country of residence. Income was taxed at a flat corporate income tax rate of 15.83% during the reporting period and was also subject to additional trade income taxes of 16.35% as applicable.

AUSTRIA

The income of Alma Lasers AT GmbH, a subsidiary incorporated in Austria, is taxed based upon the tax law in Austria, the country of residence. Income was taxed at a flat corporate income tax rate of 23% during the reporting period and was also subject to additional trade income taxes as applicable.

INDIA

The income of Alma Medical Private Limited, a subsidiary incorporated in India, is taxed based upon the tax law in India, the country of residence. Income was taxed at a corporate income tax rate of 26% during the reporting period (which was not a flat rate but included deductions/exemptions/rebates as per the Income Tax Act 1961) and the Company was also subject to withholding taxes as per the provisions of the said Income Tax Act 1961.

HONG KONG S.A.R.

The income of Alma Medical HK Limited, Sisram Medical HK Limited, and Alma Hong Kong 2023, subsidiaries incorporated in Hong Kong S.A.R., is taxed at the rate of 16.5% on its estimated assessable profits arising in Hong Kong S.A.R..

CHINESE MAINLAND

The income of Sisram Medical (Tianjin) Ltd., Shanghai Foshion Medical System Co., Ltd., Xingyuanda Medical Technology Huaian Co., Ltd. and Alma Feidun Technology (Chengdu) Co., Ltd., subsidiaries established in PRC, are taxed at the rate of 25%.

OTHER MAJOR OVERSEA SUBSIDIARIES

The income of Alma Medical Australia Pty Ltd., a subsidiary incorporated in Australia, is taxed at the rate of 30%.

The income of Alma Lasers UAE Ltd., a subsidiary incorporated in United Arab Emirates ("**UAE**"), is taxed at the rate of 9% (six months ended June 30, 2023: 0%).

The income of Alma Korea Limited, a subsidiary incorporated in South Korea, is taxed at the rate of 20.9%.

7. INCOME TAX (continued)

OTHER MAJOR OVERSEA SUBSIDIARIES *(continued)*

The income of Alma Lasers UK Ltd., a subsidiary incorporated in the United Kingdom of Great Britain and Northern Ireland ("**UK**"), is taxed at the rates of 19%-25% (changing according to the profit range).

	For the six months ended June 30	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Current	**3,387**	2,621
Deferred	**(1,866)**	(672)
Total tax charge for the period	**1,521**	1,949

8. DIVIDENDS

The board of directors resolved not to declare any interim dividend for the reporting period (six months ended June 30, 2023: Nil).

On March 20, 2024, the board of directors resolved to declare a final dividend of HK$0.158 (inclusive of tax) per share for the year ended December 31, 2023. No dividends were paid during the period ended June 30, 2024 (six months ended June 30, 2023: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the six months ended June 30, 2024 and 2023 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 468,343,092 (six months ended June 30, 2023: 467,292,609) in issue during the period.

The calculation of the diluted earnings per share amount is based on the profit for the reporting period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the reporting period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed vesting of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended June 30	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**10,952**	18,899

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

	Number of shares For the six months ended June 30	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**468,343,092**	467,292,609
Effect of dilution – weighted average number of ordinary shares:		
– 2021 restricted share units scheme	**–**	1,893,210
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**468,343,092**	469,185,819

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2024, the Group acquired assets at a cost of US$1,340,000 (six months ended June 30, 2023: US$3,675,000).

During the six months ended June 30, 2024, depreciation for property, plant and equipment was US$1,734,000 (six months ended June 30, 2023: US$1,328,000).

During the six months ended June 30, 2024, there is no gain/loss from disposal of property, plant and equipment (six months ended June 30, 2023: Nil).

11. TRADE RECEIVABLES

	June 30, 2024 US$'000 (Unaudited)	December 31, 2023 US$'000 (Audited)
Trade receivables		
Current	**91,511**	85,080
Non-current	**20,566**	13,631
Subtotal	**112,077**	98,711
Impairment		
Current	**(1,899)**	(1,624)
Non-current	**(231)**	(722)
Subtotal	**(2,130)**	(2,346)
Net carrying amount		
Current	**89,612**	83,456
Non-current	**20,335**	12,909
Total	**109,947**	96,365

An ageing analysis of the trade receivables as at the end of the reporting period, based on the due date and net of loss allowance, is as follows:

	June 30, 2024 US$'000 (Unaudited)	December 31, 2023 US$'000 (Audited)
Within 1 month	**63,684**	51,522
1 to 2 months	**2,617**	3,738
2 to 3 months	**4,258**	5,158
Over 3 months	**39,388**	35,947
Total	**109,947**	96,365

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of reporting period, based on the invoice date, is as follows:

	June 30, 2024 US$'000 (Unaudited)	December 31, 2023 US$'000 (Audited)
Within 1 month	**6,041**	5,365
1 to 2 months	**5,226**	569
2 to 3 months	**4,192**	61
Over 3 months	**1,648**	2,003
Total	**17,107**	7,998

13. CONTINGENT LIABILITIES

As at June 30, 2024, the Group did not have any significant contingent liabilities.

14. COMMITMENTS

(A) CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at the end of the reporting period.

(B) OTHER BUSINESS AGREEMENT

On October 26, 2022, and December 15, 2022, respectively, Sisram Medical (Tianjin) Limited ("**Sisram Tianjin**"), a subsidiary of the Group, entered into a sublicense agreement and its amendments with Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. ("**Fosun Industrial**"), a subsidiary of Fosun Pharma, pursuant to which Sisram Tianjin agreed to sublicense from Fosun Industrial the relevant know-hows and patents of DAXXIFY®, so as to, among other things, import, use, sell or commercialize the DAXXIFY® in Chinese Mainland, Hong Kong and Macau Special Administrative Regions. DAXXIFY® is a research-based product and the first neuromodulator with long-acting duration. It is a new generation neuromodulator in development for the treatment of aesthetic indications and a number of potential therapeutic conditions. Revance Therapeutics, Inc. ("**Revance**"), the head licensor, has successfully obtained the Biologics License Application ("**BLA**") for the aesthetic indications of DAXXIFY® from The Food and Drug Administration of the United States of America ("**FDA**") on September 8, 2022. Pursuant to the sublicense agreement, Sisram Tianjin is required to make upfront payment amounting to US$52.25 million, one-off regulatory milestone payment amounting to US$22.0 million, one-off sales milestone payments up to US$172.5 million and royalty payments to Fosun Industrial. In December 2022, upfront payment of US$52.25 million and one-off regulatory milestone payments of US$7.0 million has been paid to Fosun Industrial, as the licensed product obtained approval of BLA for the aesthetic indications from FDA. The remaining one-off regulatory milestone payments of US$15.0 million, will be paid upon the research and development of the licensed product obtaining approval of BLA for the aesthetic indications from National Medical Products Administration of the PRC ("**NMPA**"). These commitments are not recorded in the consolidated financial statements because the achievement and timing of these milestones are not fixed and determinable. When the achievement of these milestones or sales has been reached, the corresponding amounts are recognised in the consolidated financial statements.

15. RELATED PARTY TRANSACTIONS

(a) The Group had the following material transactions with related parties during the period.

	Notes	For the six months ended June 30 **2024** **US$'000** **(Unaudited)**	 2023 US$'000 (Unaudited)
Associate of Fosun Pharma			
Sales of goods			
Shanghai Linkedcare Information Technology Co., Ltd	(1)	**67**	424
Interest expense to related party			
Fosun Group Finance Corporation Limited ("**Fosun Finance**") *	(2)	**101**	106

Notes:

* Fosun Finance is a licensed financial institution registered with the China Banking Regulatory Commission. Fosun Finance is a subsidiary of Shanghai Fosun High Technology (Group) Company Limited ("**Fosun High Tech**").

(1) For the six months ended June 30, 2024, the Group offered Shanghai Linkedcare Information Technology Co., Ltd. with products at market prices.

(2) For the six months ended June 30, 2024, Foshion borrowed several loans with total amount of US$2,828,000 from Fosun Finance, an associate of Fosun Pharma, with annual interest rate of 4.10% and the terms of the loans were all one year, and the maturity dates varied from January 7, 2025 to June 26, 2025, and repaid US$1,837,000 borrowed in previous year. The total interest expense of the loans provided by Fosun Finance was US$101,000 for the six months ended June 30, 2024 (six months ended June 2023: US$106,000).

15. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties:

	Notes	**June 30, 2024 US$'000 (Unaudited)**	December 31, 2023 US$'000 (Audited)
Subsidiary of Fosun Pharma			
Amounts due to related party			
Trade receivables			
Qianda (Tianjin) International Trade Co., Ltd		**59**	88
Associate of Fosun Pharma			
Amounts due to related party			
Trade receivables			
Shanghai Linkedcare Information Technology Co., Ltd		**75**	–
Amounts due to related party			
Loans			
Fosun Finance	(a)(2)	**5,380**	4,421
Amounts due from related party			
Deposits			
Fosun Finance	(1)	**1,533**	2,117

Note:

(1) Included in the cash and bank balances, deposits of US$1,533,000(2023: US$2,117,000) are deposited in an associate of Fosun Pharma.

(c) Compensation of key management personnel of the Group:

	For the six months ended June 30	
	2024 US$'000 (Unaudited)	2023 US$'000 (Unaudited)
Salaries, allowances and benefits in kind	**779**	977
Performance related bonuses	**371**	304
Equity-settled share base payments	**155**	324
Total compensation paid to key management personnel	**1,305**	1,605

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at June 30, 2024 and December 31, 2023, the fair values of the Group's financial assets and financial liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of cash and bank balances, trade receivables, financial assets included in prepayments, deposits, and other receivables, trade payables, financial liabilities included in other payables and accruals and the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of the reporting period, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The Group enters into derivative financial instruments with financial institutions. Derivative financial instruments, including forward currency contracts, are measured using valuation techniques similar to forward pricing models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of forward currency contracts are the same as their fair values.

UNOBSERVABLE INPUTS FOR LEVEL 3 LIABILITIES

The fair values of contingent consideration included in other long-term liabilities of US$5,262,000 are determined based on discounted cash flows. Significant unobservable inputs for the level 3 liabilities are the EBITDA and revenue of the acquired business and the discount rate.

FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at June 30, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) US$'000 (Unaudited)	Significant Observable inputs (Level 2) US$'000 (Unaudited)	Significant unobservable inputs (Level 3) US$'000 (Unaudited)	Total US$'000 (Unaudited)
Financial assets at fair value through profit or loss	–	–	544	544

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

FAIR VALUE HIERARCHY *(continued)*

Assets measured at fair value: (continued)

As at December 31, 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) US$'000 (Unaudited)	Significant Observable inputs (Level 2) US$'000 (Unaudited)	Significant unobservable inputs (Level 3) US$'000 (Unaudited)	Total US$'000 (Unaudited)
Derivative financial instruments	–	611	–	611
Financial assets included in other non-current assets	–	–	547	547
Total	–	611	547	1,158

Liabilities measured at fair value:

As at June 30, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) US$'000 (Unaudited)	**Significant Observable inputs (Level 2) US$'000 (Unaudited)**	**Significant unobservable inputs (Level 3) US$'000 (Unaudited)**	**Total US$'000 (Unaudited)**
Derivative financial instruments	**–**	**88**	**–**	**88**
Financial liabilities included in other payables and accruals	**–**	**–**	**3,508**	**3,508**
Financial liabilities included in other long-term liabilities	**–**	**–**	**1,754**	**1,754**
Total	**–**	**88**	**5,262**	**5,350**

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

FAIR VALUE HIERARCHY *(continued)*

Liabilities measured at fair value: (continued)

As at December 31, 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) US$'000 (Unaudited)	Significant Observable inputs (Level 2) US$'000 (Unaudited)	Significant unobservable inputs (Level 3) US$'000 (Unaudited)	Total US$'000 (Unaudited)
Financial liabilities included in other payables and accruals	–	–	1,741	1,741
Financial liabilities included in other long-term liabilities	–	–	3,554	3,554
Total	–	–	5,295	5,295

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended June 30, 2023: Nil).

17. EVENTS AFTER THE REPORTING PERIOD

On July 1, 2024, a sale transaction of Belkin Vision Ltd. (the acquired company) to Alcon Pharmaceuticals Ltd. (the purchaser) was completed. Alma sold 170,000 shares of Belkin Vision Ltd. to the purchaser, representing its entire holding in Belkin Vision Ltd. and 2.83% of the total shares of the acquired company. The first consideration of US$802,000 for the sale was paid to Alma in July 2024. According to the sale documents additional consideration might be paid to the seller based on specific parameters to be meet, if any, in the coming years.

Save for those disclosed in this report, there have been no significant events since the end of the reporting period.

Results and Dividends

The Group's results for the six months ended June 30, 2024 and the state of affairs of the Group as at June 30, 2024 are set out in the interim condensed consolidated financial information and the accompanying notes on pages 26 to 47. The Board resolved not to declare any interim dividend for the Reporting Period.

Share Capital

As at the date of this interim report, the authorised share capital of the Company is NIS10,000,000, comprising 1,000,000,000 Shares of NIS0.01 each, among which, 468,343,092 Shares are issued and fully paid.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained a public float of no less than 25% of the issued Shares as at the date of this interim report.

Purchase, Sale or Redemption of Listed Securities by the Company

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares).

Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures

As at June 30, 2024, the interest and/or short positions of Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise should be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

Name of Director	The company in which the interests are held	The class of shares/ debenture	Capacity and nature	Number of shares held	Percentage of shareholding in the relevant class of shares
Yi LIU	Company	Ordinary Shares	Beneficial owner	250,000	0.05%
	Fosun Pharma	A shares	Beneficial owner	46,800	0.00%
	Fosun Pharma	H shares	Beneficial owner	20,000	0.00%
Lior Moshe DAYAN	Company	Ordinary Shares	Beneficial owner	938,500	0.20%
	Fosun International	Ordinary Shares	Beneficial owner	200,000	0.00%
Yifang WU	Fosun Pharma	A shares	Beneficial owner	1,007,100	0.05%
	Fosun Pharma	H shares	Beneficial owner	373,000	0.07%
	Fosun International	Ordinary Shares	Beneficial owner	760,000	0.01%
	Fortune Star (BVI) Limited	Debenture which is freely transferable but not convertible into shares of a corporation	Beneficial owner	72,880	N/A
Rongli FENG	Fosun Pharma	A shares	Beneficial owner	113,500	0.01%

Save as disclosed in the foregoing, as at June 30, 2024, none of the Directors or chief executive of the Company or their respective close associates had any interests or short positions in any Shares, underlying Shares, or debentures of the Company or any of its associated corporations as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

During the Reporting Period, no rights to acquire benefits by means of the acquisition of shares or debentures of the Company were granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement which enabled the Directors to acquire such rights in any other body corporate.

Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares

As at June 30, 2024, the Company had been notified of the following substantial Shareholders' interest and short positions in the Shares and underlying Shares of the Company, which have been recorded in the register of substantial Shareholders required to be kept by the Company pursuant to Section 336 of Part XV of the SFO. These interests are in addition to those disclosed above in respect of the Directors and chief executives of the Company:

Name of Shareholders	Capacity	Number of Shares held or interested	Approximate Percentage (%)
CML	Beneficial owner	127,318,640 (L)[1]	27.18%
Ample Up[2]	Beneficial owner	207,186,160 (L)	44.24%
	Interest in controlled corporation	127,318,640 (L)	27.18%
		334,504,800 (L)	71.42%
Fosun Industrial[3]	Interest in controlled corporation	334,504,800 (L)	71.42%
Fosun Pharma[4]	Interest in controlled corporation	334,504,800 (L)	71.42%
Fosun High Tech[5]	Interest in controlled corporation	334,504,800 (L)	71.42%
Fosun International[6]	Interest in controlled corporation	334,504,800 (L)	71.42%
FHL[7]	Interest in controlled corporation	334,504,800 (L)	71.42%
FIHL[8]	Interest in controlled corporation	334,504,800 (L)	71.42%
Guangchang GUO[9]	Interest in controlled corporation	334,504,800 (L)	71.42%

Notes

(1) (L): Long Positions

(2) CML is wholly owned by Ample Up. Ample Up is deemed to be interested in the Shares in which CML is interested as legal and beneficial owner.

(3) Ample Up is wholly owned by Fosun Industrial. Therefore, Fosun Industrial is deemed to be interested in an aggregate holding of 334,504,800 Shares which Ample Up is interested in, comprising 207,186,160 Shares held by Ample Up and 127,318,640 Shares held by CML.

(4) Fosun Industrial is wholly owned by Fosun Pharma. Therefore, Fosun Pharma is deemed to be interested in the Shares in which Fosun Industrial is deemed to be interested.

(5) Fosun High Tech controls the exercise of more than one-third of the voting rights at the general meeting of Fosun Pharma. Fosun High Tech is deemed to be interested in the Shares in which Fosun Pharma is deemed to be interested.

(6) Fosun High Tech is wholly owned by Fosun International. Fosun International is deemed to be interested in the Shares in which Fosun High Tech is deemed to be interested.

(7) FHL controls the exercise of more than one-third of the voting rights at the general meeting of Fosun International. FHL is deemed to be interested in the Shares in which Fosun International is deemed to be interested.

(8) FHL is wholly-owned by FIHL. FIHL is deemed to be interested in the Shares in which FHL is deemed to be interested.

(9) Guangchang GUO controls the exercise of more than one-third of the voting rights at the general meeting of FIHL. Guangchang GUO is deemed to be interested in the Shares in which FIHL is deemed to be interested.

Save as disclosed herein, there is no other person known to the Directors or chief executive of the Company who, as at June 30, 2024, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 under Part XV of the SFO or who is, directly or indirectly, interested in 5% of more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

Code for Securities Transactions

The Company has adopted Directors' and Chief Executive Officer's Dealing Policy which is no less exacting than the required standard pursuant to the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. Having made specific enquiries to all Directors, all Directors have confirmed that they have fully complied with the relevant requirements set out in its own code of conduct during the Reporting Period.

Change in Directors' Information to be disclosed under Rule 13.51B(1) of the Listing Rules

Mr. Heung Sang Addy FONG ceased to be the independent non-executive director of Borqs Technologies, Inc. ("Borqs", the shares of which are listed on NASDAQ, stock code: BRQS.NASDAQ) with effect from June 1, 2024. He has been appointed as the chief financial officer of Borqs on the same day.

Mr. Kenneth Kai Yu LIU has been appointed as an independent non-executive director of Wuhan Youji Holdings Ltd. (the shares of which are listed on the Stock Exchange, stock code: 2881) with effect from June 18, 2024.

Save as disclosed above, since the date of annual report for the year ended December 31, 2023 of the Company, there was no other change to information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Compliance with the Corporate Governance Code

The Company is committed to enhancing shareholder value by achieving high standards of corporate conduct, transparency and accountability. The Board is of the view that, during the Reporting Period, the Company has been in full compliance with all code provisions of the Corporate Governance Code as contained in Part 2 of Appendix C1 to the Listing Rules.

Review of Interim Report by the Audit Committee of the Company

The audit committee of the Company comprised Mr. Heung Sang Addy FONG, Mr. Chi Fung Leo CHAN and Ms. Jenny CHEN, all being independent non-executive Directors. The audit committee of the Company has reviewed the unaudited interim results and the interim report of the Group for the six months ended June 30, 2024.

Directors

Executive Directors

Mr. Yi LIU (劉毅) *(Chairman)*
Mr. Lior Moshe DAYAN *(Chief Executive Officer)*

Non-executive Directors

Mr. Yifang WU (吳以芳)
Ms. Rongli FENG (馮蓉麗)

Independent Non-executive Directors

Mr. Heung Sang Addy FONG (方香生)
Mr. Chi Fung Leo CHAN (陳志峰)
Ms. Jenny CHEN (陳怡芳)
Mr. Kai Yu Kenneth LIU (廖啟宇)

Audit Committee

Mr. Heung Sang Addy FONG (方香生) *(Chairman)*
Mr. Chi Fung Leo CHAN (陳志峰)
Ms. Jenny CHEN (陳怡芳)

Nomination Committee

Mr. Yi LIU (劉毅) *(Chairman)*
Mr. Heung Sang Addy FONG (方香生)
Mr. Chi Fung Leo CHAN (陳志峰)

Remuneration Committee

Mr. Chi Fung Leo CHAN (陳志峰) *(Chairman)*
Mr. Yi LIU (劉毅)
Mr. Heung Sang Addy FONG (方香生)

Company Secretary

Ms. Qianli Fang (方前厲)

Authorized Representatives

Mr. Yi LIU (劉毅)
Ms. Qianli Fang (方前厲)

Headquarters, Registered Office and Principal Place of Business in Israel

Ofek Building 15
HaHarash Street 18
Industrial Park
Caesarea 3079895
Israel

Principal Place of Business in Hong Kong

5/F, Manulife Place
348 Kwun Tong Road, Kowloon
Hong Kong

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Auditors

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

Hong Kong Legal Adviser

Freshfields Bruckhaus Deringer
55/F, One Island East
Taikoo Place, Quarry Bay
Hong Kong

Israeli Legal Adviser

Yigal Arnon & Co. Law Firm
5 Azrieli Center
Tel-Aviv, 6702501
Israel

Stock Short Name

SISRAM MED

Stock Code

01696

Company Website

www.sisram-medical.com

In this interim report, the following expressions have the meanings set out below unless the context requires otherwise.

"Alma" or **"Alma Lasers"**	Alma Lasers Ltd., a company incorporated in Israel with limited liability, a wholly-owned subsidiary of the Company
"Ample Up"	Ample Up Limited (能悅有限公司), a company incorporated in Hong Kong with limited liability, and a wholly owned subsidiary of Fosun Pharma
"Articles of Association"	the articles of association of the Company currently in force
"APAC"	Asia-Pacific
"Board" or **"Board of Directors"**	the board of Directors of the Company
"CML"	Chindex Medical Limited (美中互利醫療有限公司), a wholly-owned subsidiary of Ample Up
"Company" or **"Sisram"**	Sisram Medical Ltd (復銳醫療科技有限公司*), a company incorporated in Israel with limited liability, the Shares of which are listed on the Stock Exchange
"Controlling Shareholder"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"FDA"	Food and Drug Administration of the United States
"FHL"	Fosun Holdings Limited (復星控股有限公司), a company incorporated in Hong Kong with limited liability, which is wholly owned by FIHL
"FIHL"	Fosun International Holdings Ltd. (復星國際控股有限公司), a company incorporated in the British Virgin Islands with limited liability
"Foshion"	Shanghai Foshion Medical System Co., Ltd.* (上海復星醫療系統有限公司), a company established in the PRC with limited liability
"Fosun High Tech"	Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司), a wholly-owned subsidiary of Fosun International
"Fosun Industrial"	Fosun Industrial Co., Limited (復星實業(香港)有限公司), a wholly-owned subsidiary of Fosun Pharma
"Fosun International"	Fosun International Limited (復星國際有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
"Fosun Pharma"	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability, the H shares and A shares of which are listed and traded on the Main Board of the Stock Exchange and the Shanghai Stock Exchange, respectively
"Fosun Pharma Group"	Fosun Pharma and its subsidiaries (excluding the Group)

"Group", "we", "us" or **"our"**	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKICPA"	the Hong Kong Institute of Certified Public Accountants
"HKSAs"	Hong Kong Standards on Auditing
"Hong Kong"	Hong Kong Special Administration Region of the PRC
"IASB"	the International Accounting Standards Board
"IFRSs"	International Financial Reporting Standards
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Listing", "Global Offering" or **"IPO"**	the initial public offering of the Company's shares
"M&A"	mergers & acquisitions
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers
"NIS"	New Israeli Shekels, the lawful currency of Israel
"Nova"	Nova Medical Israel Ltd., a private company organised under the laws of Israel
"PRC"	the People's Republic of China, which for purpose of this interim report only, excludes Hong Kong, Macau Special Administrative Region and Taiwan
"Prospectus"	the prospectus issued by the Company on September 5, 2017 in connection with the Hong Kong public offering and the international offering of the Shares
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2024
"ROI"	Return on investment
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
"Shareholder(s)"	holder(s) of the Share(s)
"Share(s)"	the share(s) in the capital of the Company
"Sisram Tianjin"	Sisram Medical (Tianjin) Limited * (復銳醫療科技(天津)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"US$"	United States Dollars, the lawful currency of the United States
"YOY"	year over year

* *For identification purpose only*