



STRATA

SKIN SCIENCES

Driving Value in Dermatology

Matching Patients with Clinics for a Win-Win-Win Outcome

Investor Presentation

August 2024

NASDAQ: SSKN

Safe Harbor Statement

This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks, uncertainties and other factors. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any statements of the plans, strategies and objectives of management for future operations; any statements regarding product development, product extensions, product integration or product marketing; any statements regarding continued compliance with government regulations, changing legislation or regulatory environments; any statements of expectation or belief and any statements of assumptions underlying any of the foregoing. In addition, there are risks and uncertainties related to successfully integrating the products and employees of the Company, as well as the ability to ensure continued regulatory compliance, performance and/or market growth. These risks, uncertainties and other factors, and the general risks associated with the businesses of the Company described in the reports and other documents filed with the SEC, could cause actual results to differ materially from those referred to, implied or expressed in the forward-looking statements. The Company cautions readers not to rely on these forward-looking statements. All forward-looking statements are based on information currently available to the Company and are qualified in their entirety by this cautionary statement. The Company anticipates that subsequent events and developments will cause its views to change. The information contained in this presentation speaks as of the date hereof and the Company has or undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

About Us

STRATA Skin Sciences is a medical technology company offering advanced medical devices for the in-office treatment of life-altering dermatological conditions.



Leading Global Provider of Dermatology In-Office Medical Procedures



\$38B Market Opportunity Across Psoriasis, Vitiligo, Eczema, and Acne markets



Experienced Management with 20+ Year History in Dermatology Market

Capitalization Table

Stock Symbol	NASDAQ: SSKN
Stock Price (as of 8/14/24)	\$2.70
Shares Outstanding (as of 8/12/24)	4.2M
Market Cap	\$11M
Cash & Equivalents*	\$8.8M
Debt**	\$15.1
Enterprise Value	\$22M
Options** Warrants**	530,350 @ \$8.90 WAEP 80,000 @ \$8.80 WAEP
Inside Ownership (%):	~39%

* As of 6/30/24 and pro forma for the sale of 665,136 shares at an average of \$3.16/share for gross proceeds of \$2.1M on 7/23/24

** As of 6/30/24

Addressing \$38B Dermatology Market

Psoriasis - \$20.1B¹, Vitiligo - \$1.2B², Eczema - \$11.8B³, Acne - \$5.5B⁴



30M Patients in the U.S.

Psoriasis – 8M / Vitiligo - 5M / Eczema - 18M

TheraClear[®]X
ACNE THERAPY SYSTEM



50M+ Acne Patients in the U.S.

1) Fortune Business Insights Market Report 2019; 2016-2018 historical, 2019 base year, 2020-2027 projected

2) Fortune Business Insights Market Report 2018; 2015-2017 historical, 2018 base year, 2019-2026 projected

3) Market Data Forecast Analysis Report 2020; 2020 base year, 2021-2026 projected

4) Strata Skin Sciences

Affiliated Academic Institutions

STRATA devices are available at over 50 academic institutes that offer dermatology residency programs



Management Team

Sales and Operational Dermatology Experience



Chief Executive Officer
Dr. Dolev Rafaeli



V.P. Finance
John Gillings



Chief Operating Officer
Shmuel Gov

PhotoMedex



NEOVA
SMARTSKINCARE

accelmed

apollo
endosurgery

PhotoMedex

no!
no!

OMNILUX

Citizens

JMP

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STRATA Investment Highlights

Unique and Proven Business Model

- Best-in-class Excimer Laser technologies
- Recurring revenue driven by DTC and growing installed base
 - Installed base of 882 XTRAC® domestic devices for Psoriasis, Vitiligo, and Eczema treatments
 - Installed base of 117 TheraClear®X domestic devices for Acne treatments
 - Installed base of ~1700 XTRAC® and VTRAC® devices internationally
- Providing “business in a box” for dermatology practices without an upfront capital spend by practices
- Over 300 peer-reviewed, published clinical studies

A Win-Win-Win Business Model

- For patients – safest, most effective, minimal side effects
- For clinics – stable increased revenue base
- For Payers – the cheapest treatment available

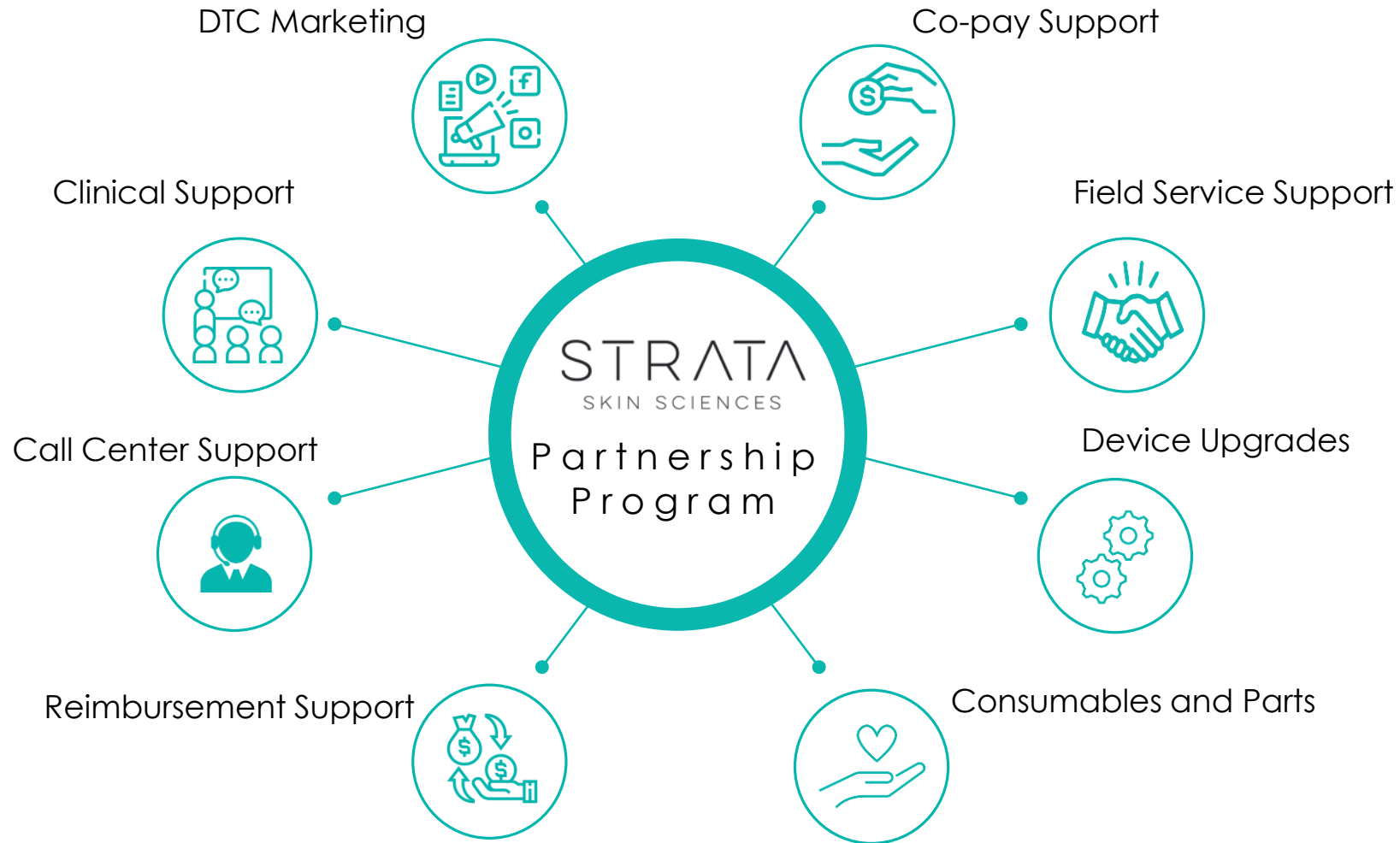
Opportunity for Renewed Growth in U.S. in Recurring Revenue per Device

- Re-emphasis on DTC marketing in U.S. with near-term opportunity of increasing recurring revenue/device by 40%
- More rigorous sales and marketing strategy and process in place
- Both initiatives could collectively grow revenue by double digit percent and help return the company to positive cash flow



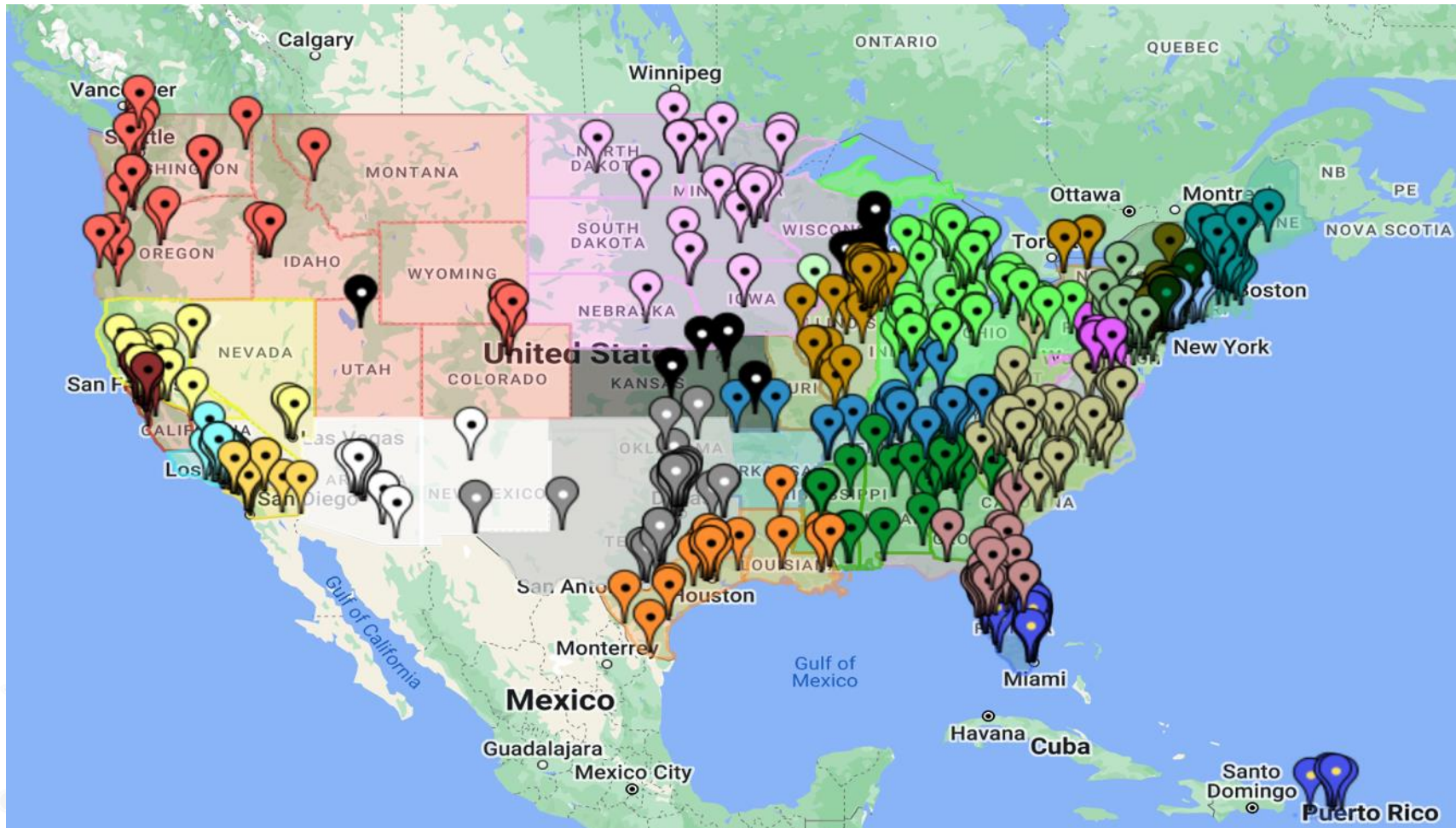
Core Domestic Business Model

A True Partnership – A Complete Business Solution



- + **No upfront capital expense**; instead, it's a fee-per-use business model
- + **Complete business solution** includes a suite of value-added support services to maximize practice's success

~900 Partner Dermatology Clinics with 3,000+ Dermatology Providers Across the U.S.



Overview
882 Partner XTRAC® clinics + 150 sold XTRAC® devices
117 TheraClear®X clinics
3 Regions / 24 Sales Territories / 1 National Accounts Manager
15 Field Service Techs
In-house call center and insurance benefits team
4 Clinical specialists

Practice Development Program



SCALP PSORIASIS
Can be Cleared
95% XTRAC CLEAR

XTRAC
LIVE CLEAR. LIVE FREE.

VITILIGO IS NOT FOREVER.
XTRAC For Even Skin.

“I’m not aware of another treatment that will reliably repigment patients in as few treatments. Even when the condition is severe, the excimer laser provides dramatically effective results.”

Mark Lubowicz, M.D.,
Professor and Chairman, Department of Dermatology,
Mount Sinai School of Medicine, New York

XTRAC
When the diagnosis is PSORIASIS, VITILIGO or ATOPIC DERMATITIS the results are clear.

XTRAC Clear.

- ✓ XTRAC is SAFE, pain free with virtually NO SIDE EFFECTS.
- ✓ XTRAC TREATS ANY AREA including hard to treat areas such as scalp, hands, and feet.
- ✓ Over 5 MILLION TREATMENTS have been performed worldwide.
- ✓ XTRAC patients see LONG-LASTING REMISSION.

Don't wait any longer, call us today! **CALL 1-000-000-0000** to Live Clear. XTRAC Clear.

Look Who's Talking About XTRAC

Doctors | WALL STREET JOURNAL | Bloomberg | FOX | npr

XTRAC
LIVE CLEAR. LIVE FREE.

When the Diagnosis is Psoriasis, the Treatment is Clear. XTRAC. 95% Clear. And No Side Effects.

START NOW to LIVE CLEAR
Dr. Matthew B. Larson, MD
Dermatology Associates
655.555.5555

XTRAC
LIVE CLEAR. LIVE FREE.

ABC Dermatology, P.L.L.C.
Joe Demiblogist, M.D.
133 Main Street, Anytown, USA 12345
Telephone: (123) 456-7890
www.abcdermatology.com

LIVE CLEAR, LIVE FREE.

WHEN THE DIAGNOSIS IS PSORIASIS, THE TREATMENT IS CLEAR, XTRAC.

If you, or someone you know, has psoriasis, you can now enjoy long lasting, effective relief. In our on-going efforts to bring cutting-edge technologies to our patients, XTRAC Laser Therapy treatments are now available in our office. Get effective relief from the painful symptoms of psoriasis in just a few short treatments, including in hard to treat areas, such as the scalp, hands and feet.

- Pain free, safe, and treats only affected areas, sparing healthy tissue
- Noticeable improvement after a few short treatments
- Long lasting relief, some patients remain in remission for one year or longer
- Covered by MOST major insurance plans, including Medicare

START NOW to LIVE CLEAR

If you are interested in learning more, please call our office TODAY. We will set up an appointment to determine if the XTRAC is right for you.

We look forward to helping you live clear with XTRAC!

XTRAC is Making News

WALL STREET JOURNAL | Bloomberg | FOX | npr

• In-Office Patient Education Materials for psoriasis, vitiligo & atopic dermatitis:

- ✓ Patient Brochures
- ✓ Counter Cards
- ✓ In Office Branding

• “Patient-Directed” marketing initiative:

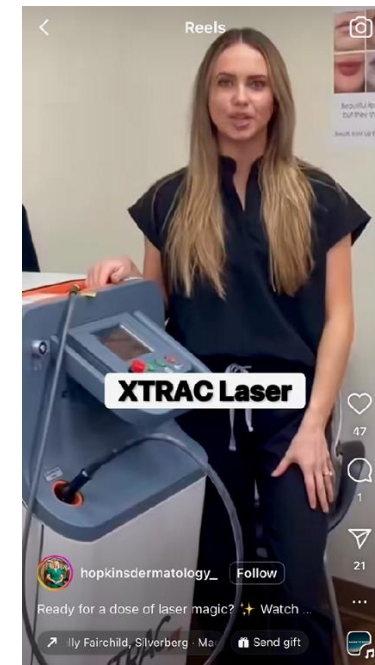
- ✓ Patient Education Mailings
- ✓ Outreach Programs
- ✓ Eblasts

Marketing Support Drives Additional Patient Awareness

- ✓ Patient Eblasts
- ✓ Direct Mailers
- ✓ In-office Branding
- ✓ Social Media
- ✓ Trade Shows
- ✓ Clinical Webinars



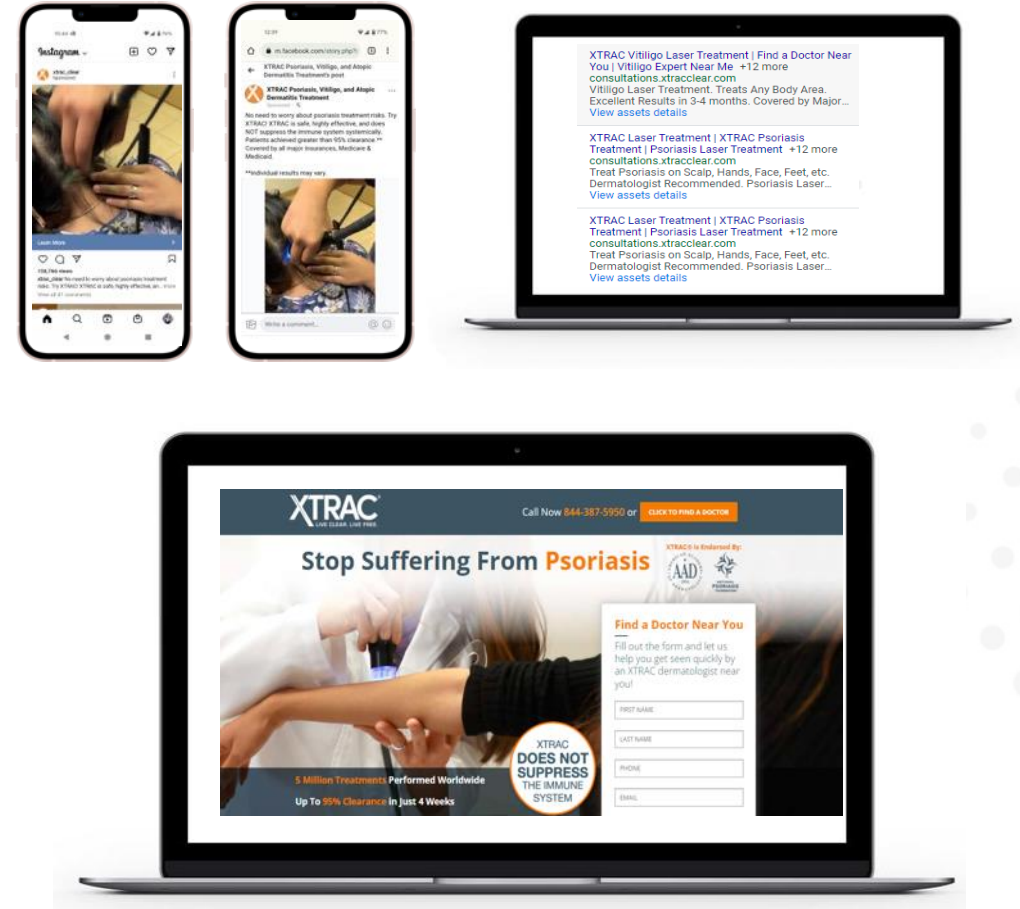
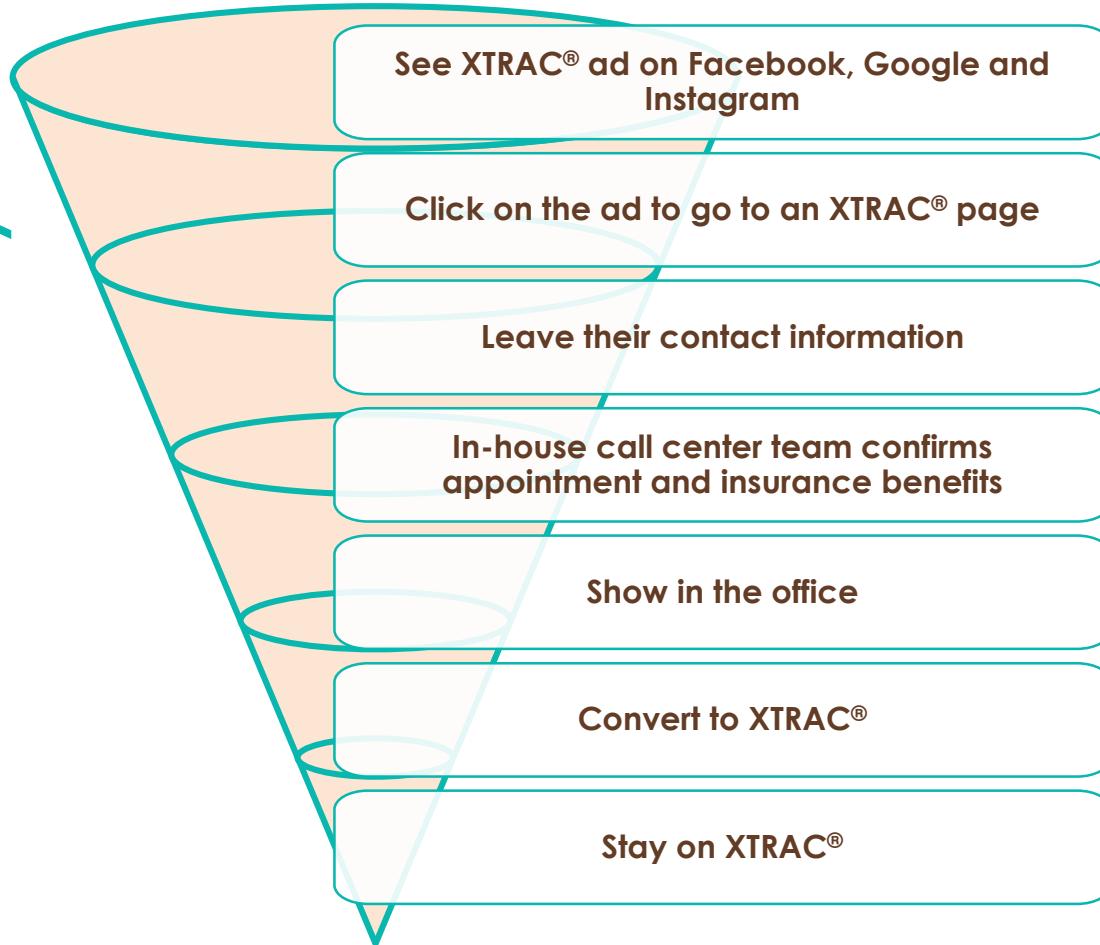
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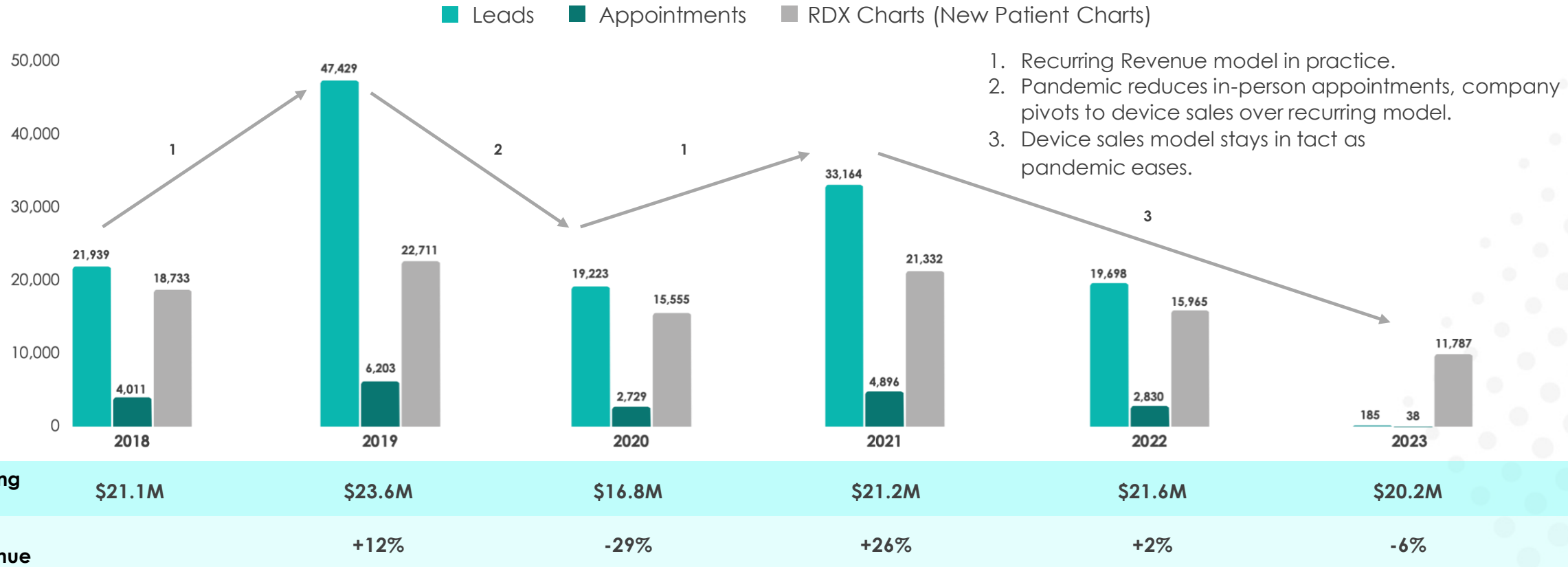
DTC Advertising Generates Direct and Indirect Appointments in Partner Clinics

Patient Journey



DTC Model Driver

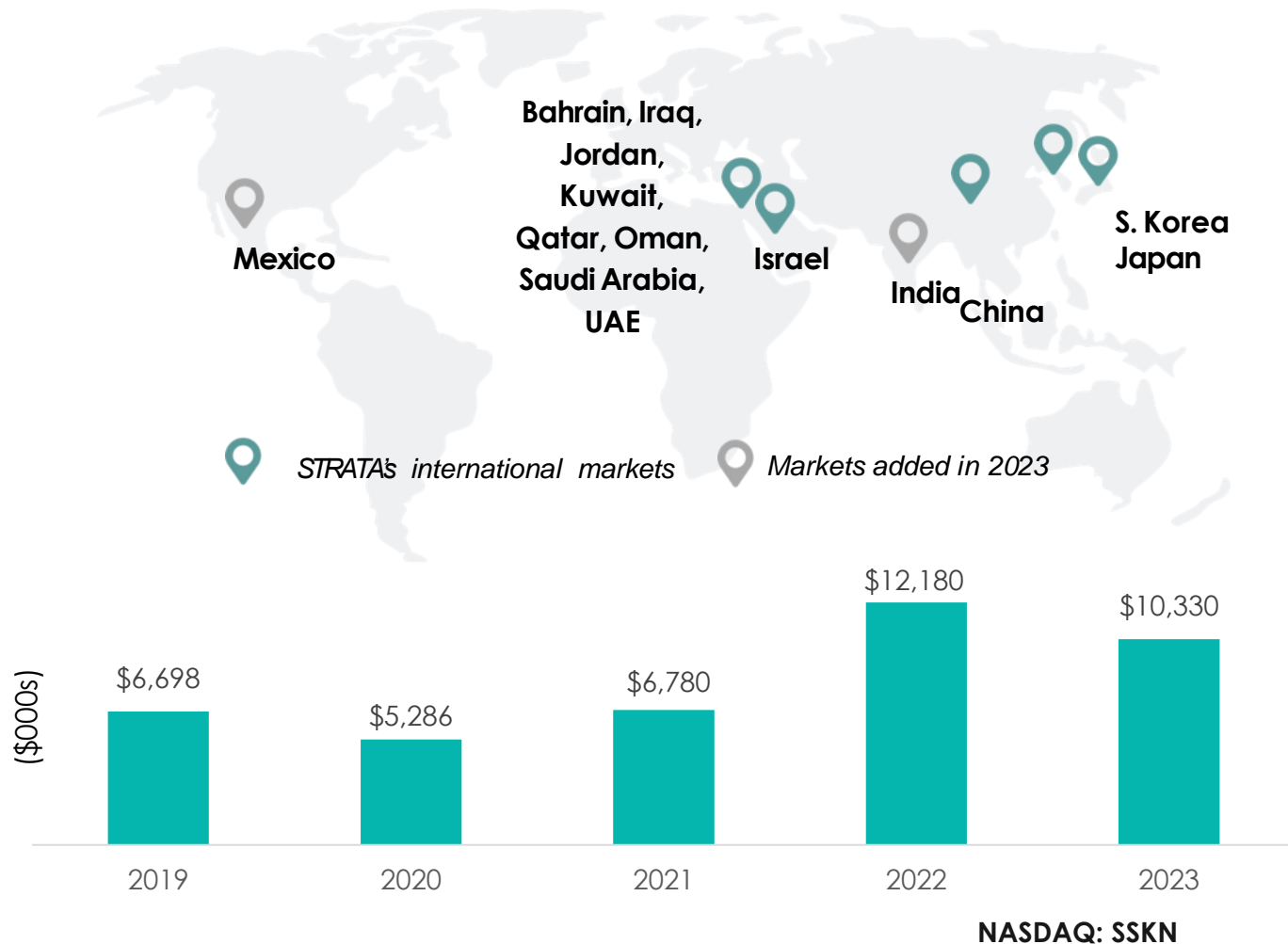
Core Business Refocused to DRIVE Recurring Revenue Model



Significant opportunity to increase ARR back to 2019 levels using proven DTC strategies that should yield appreciable incremental revenue and at higher incremental margins, allowing the Company to become cash flow positive again

International Sales Operations

Total International Install Base > 1,700 devices



- In-house Head of International Sales
- 45 international partner XTRAC[®] clinics (S. Korea, Japan) at 6/30/24
- Capital equipment sales preferred model
- Usage per device higher than in U.S. market
- TheraClear[®]X equipment sales opportunity
- Latin America & European markets untapped

XTRAC[®]: Overview



Safe, effective treatment



150+ peer-reviewed clinical studies



Psoriasis treatment is the number 1 domestic use for XTRAC[®] lasers – 80% of treatments



Opportunities exist for expanding use for other approved indications like vitiligo and eczema



Clinical support team focused on:

- In-office training
- Best practices



Indicated for Chronic Dermatological Diseases

PSORIASIS



~7.5 million

adults in the US^{1,a}

VITILIGO



~2–3 million

adults in the US²

ATOPIC DERMATITIS



~16.5 million

adults in the US³

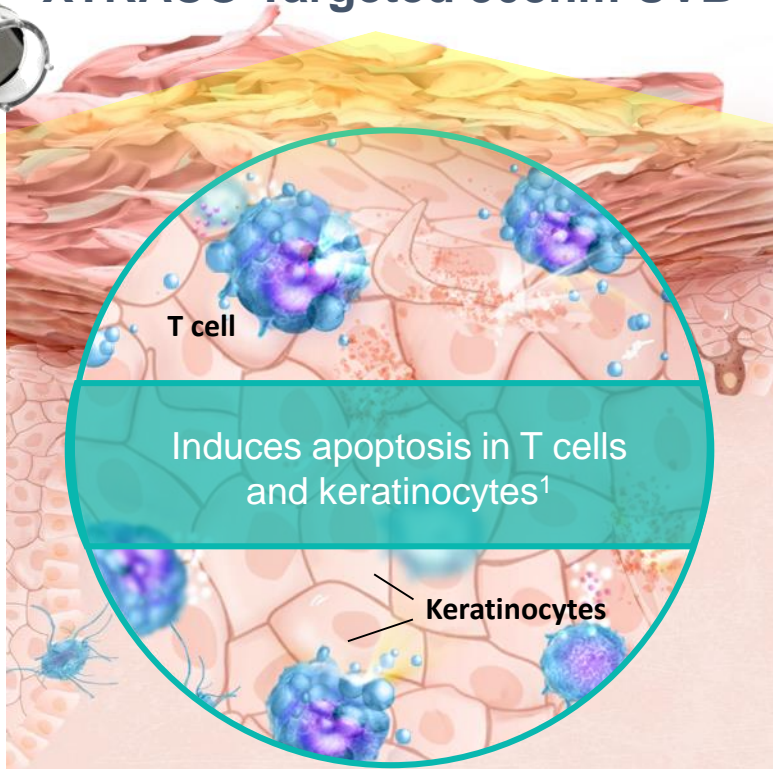
Visible skin disorders can limit healthy psychosocial development and have profoundly negative consequences on quality of life³⁻⁵

1. Armstrong AW et al. *JAMA Dermatol.* 2021;157(8):940-946.^aIncludes people 20 years of age and older.
2. Gandhi K et al. *JAMA Dermatol.* 2022;158(1):43-50.
3. Fuxench ZCC et al. *J Invest Dermatol.* 2019;139(3):583-590.
4. Elbuluk N, Ezzedine K. *Dermatol Clin.* 2017;35:117-128. 5. Armstrong AW, Read C. *JAMA.* 2020;323(19):1945-1960.

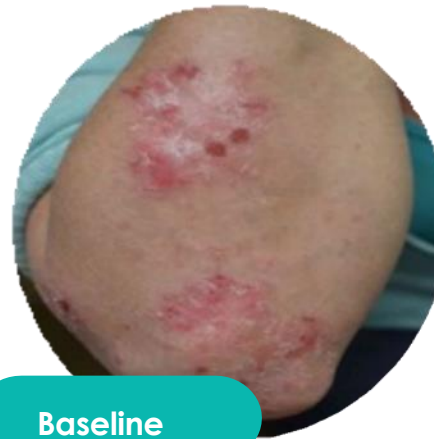
Induces Apoptosis of T cells and Keratinocytes in Psoriatic Plaques

Psoriasis: Autoimmune disease that causes the skin to regenerate faster than normal; characterized by red, itchy scaly patches

XTRAC® Targeted 308nm UVB



XTRAC® Psoriasis Clinical Protocol - 6.2 treatments to PASI* 75



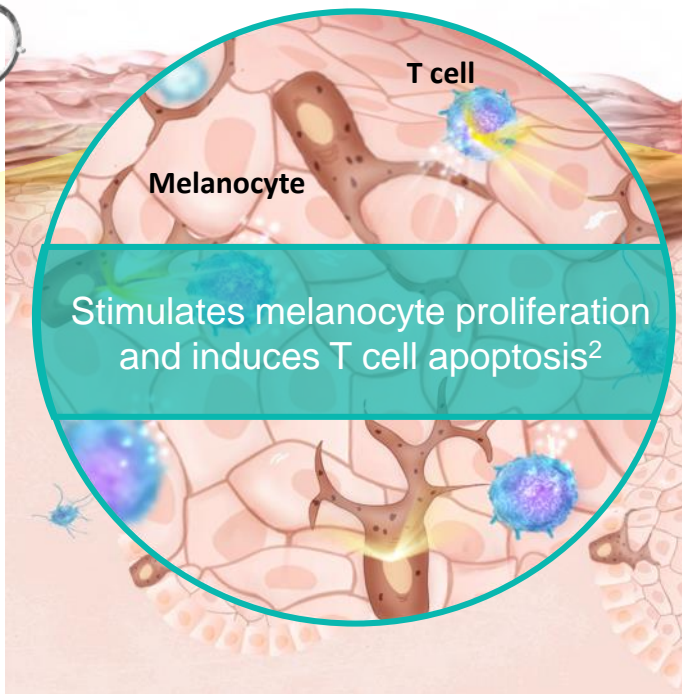
***PASI** – A 75% reduction in the Psoriasis Area and Severity Index (PASI) score (PASI 75) is the current benchmark of primary endpoints for most clinical trials of psoriasis Tx- treatments

1. Abrouk M et al. *Psoriasis Targets Ther.* 2016;6:165-173. 2. Esmat S et al. *Dermatol Clin.* 2017;35:171-192. 3. Oh CT et al. *Lasers Surg Med.* 2016;48(6):629-637,

Induces Melanocyte Proliferation and T cell Apoptosis in Vitiligo Patches

Vitiligo: An autoimmune condition due to a loss of melanocytes, characterized by white patches of skin losing its pigment

XTRAC® Targeted 308nm UVB



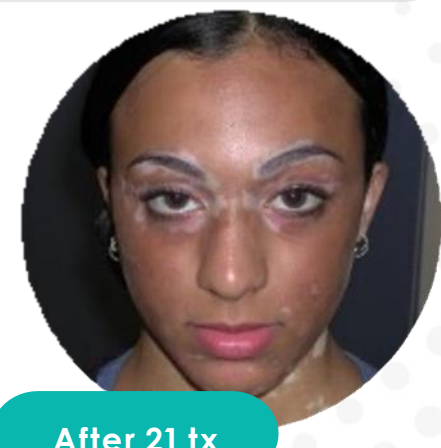
XTRAC® Vitiligo Clinical Protocol - >75% repigmentation in less than 20 treatments¹



Baseline



After 18 tx



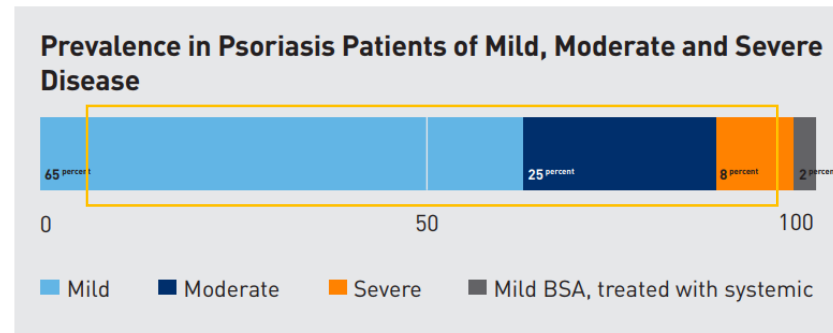
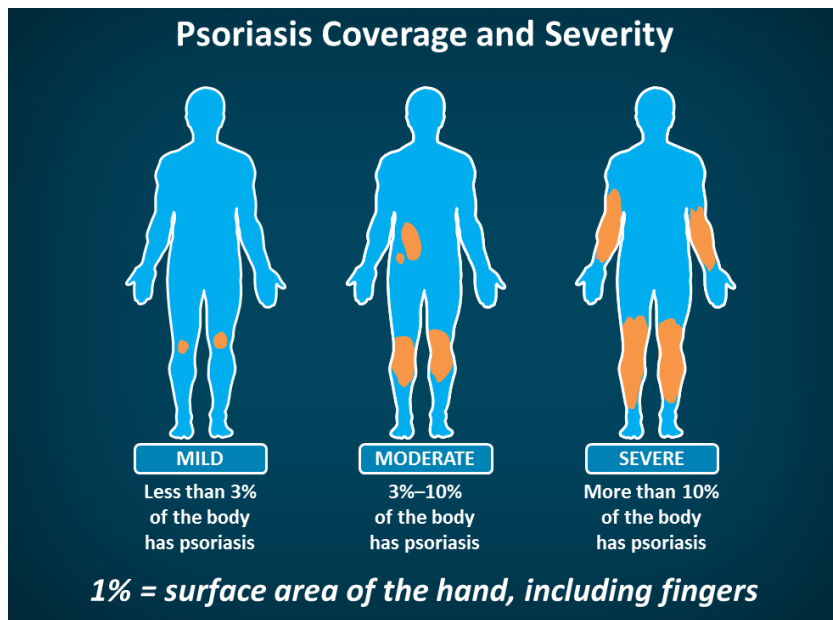
After 21 tx

Long lasting results

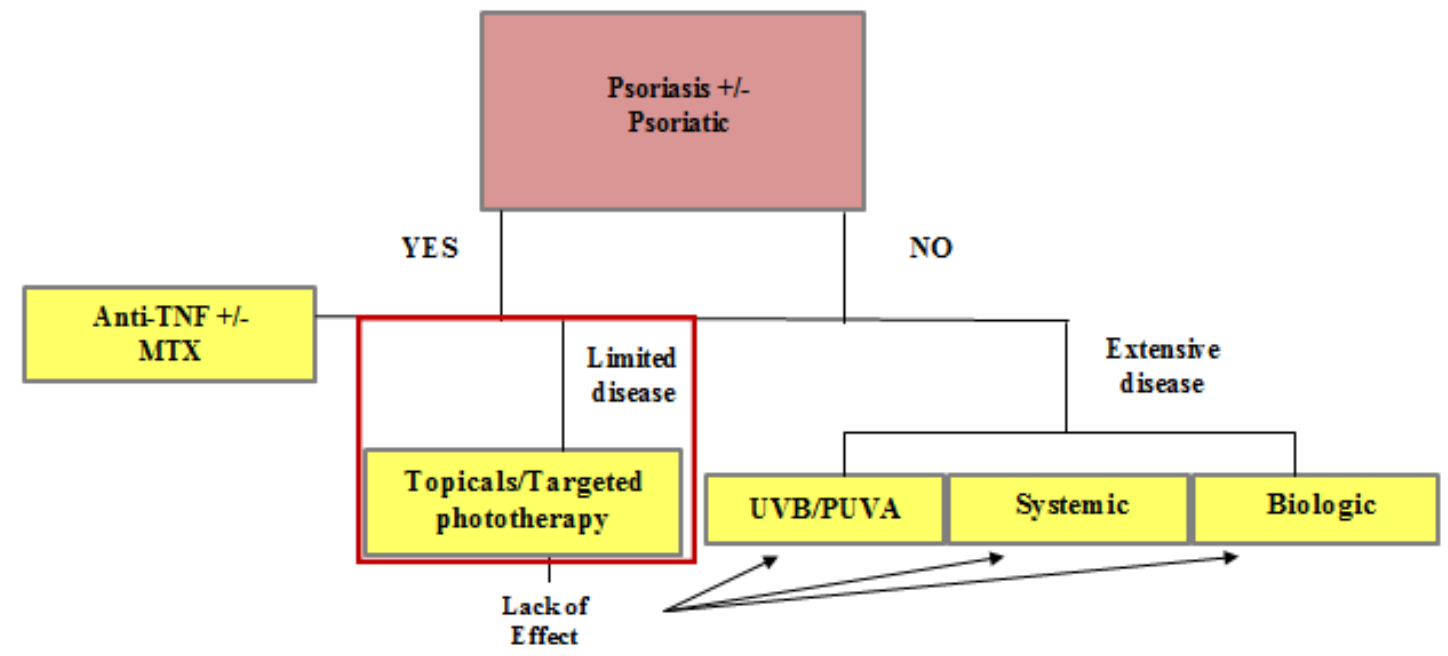
- ✓ No pigment loss during 2-year follow-up²
- ✓ 80% facial repigmentation retention at 3-year follow-up³

1. Shi Q et al. *Photodermatol Photoimmunol Photomed*. 2013;29(1):27-33. 2. Esposito M et al. *Clin Exp Dermatol*. 2004;29:133-137. 3. Hong SB et al. *J Korean Med Sci*. 2005;20:273-278
2. Hadi S et al. *Photomed Laser Surg*. 2006; 24(3):354-357
3. Sethi S, Silverberg NB. *J Drugs Dermatol*.2022;21(7):773-775.

XTRAC[®] is a Preferred Treatment for 90% of Psoriasis Patients (<10% BSA)



Source: National Psoriasis Foundation



American Academy of Dermatology Psoriasis Clinical Guideline

Has Clinical and Economic Competitive Advantage

	XTRAC®	NB-UVB	Topical Steroids	Non-Biologic Systemics	Biologics
Approximate Costs (\$)	✓ 1K-3K	3K-9K	1K-7K	1K	32K-68K
Clinical Outcomes	✓ 92%	71%	75%	48%	50-70%
Speed of Onset	✓ 5	10	3	14	12
Days of Actual Care	✓ 18	80	294	52	12-65
Remission	✓ 2.5 Months	Continued with maintenance	Continued with maintenance	Continued with maintenance	Continued with maintenance
Adverse Events	✓ Mild Temp	Mild Temp	Mild-Mod Temp –Lasting	Mild-Severe Temp – Lasting	Mild-Severe Temp – Lasting

1. Marchetti A, Bhutani T, Lockshin B, Siegel DM, Behringer F. Therapies for Psoriasis: Clinical and Economic Comparisons. J Drugs Dermatol. 2020 Nov 1;19(11):1101-1108. doi: 10.36849/JDD.2020.5510. PMID: 33196750

XTRAC® Adds (Delegated)* Reimbursed Recurring Revenue for Dermatology Partners

CPT Code	Description	2024 National Average Medicare Payment Rate
96920	Excimer Laser Treatment for Psoriasis (<250 sq cm)	\$152.92
96921	Excimer Laser Treatment for Psoriasis (250 - 500 sq cm)	\$167.65
96922	Excimer Laser Treatment for Psoriasis (>500 sq cm)	\$228.23

Number of Treatment/ Week	20	30
# of Weeks / Year	48	48
Total # of Treatments / Year	960	1440
Average Revenue Per Treatment	\$190	\$190
Physician Gross Revenue (Annual)	\$182,067	\$273,100

* Subject to state legislation

** Patients who are eligible to receive CPT code 10040 services are those with acne lesions such as milia, comedones, cysts, or pustules that require surgical intervention. This may include patients with severe or persistent acne that has not responded to other treatments, or those with large or painful cysts that need to be drained or removed. Determination of the appropriate usage of the CPT code is made by the treating physician.

TheraClear[®]X: Overview



Safe, effective treatment



Peer-reviewed clinical studies



Opportunities exist for expanding use for expanding the installed base to clinics using reimbursed acne surgery procedures



Clinical support team focused on:

- In-office training
- Best practices



Acne is the Most Common Skin Condition in Dermatology

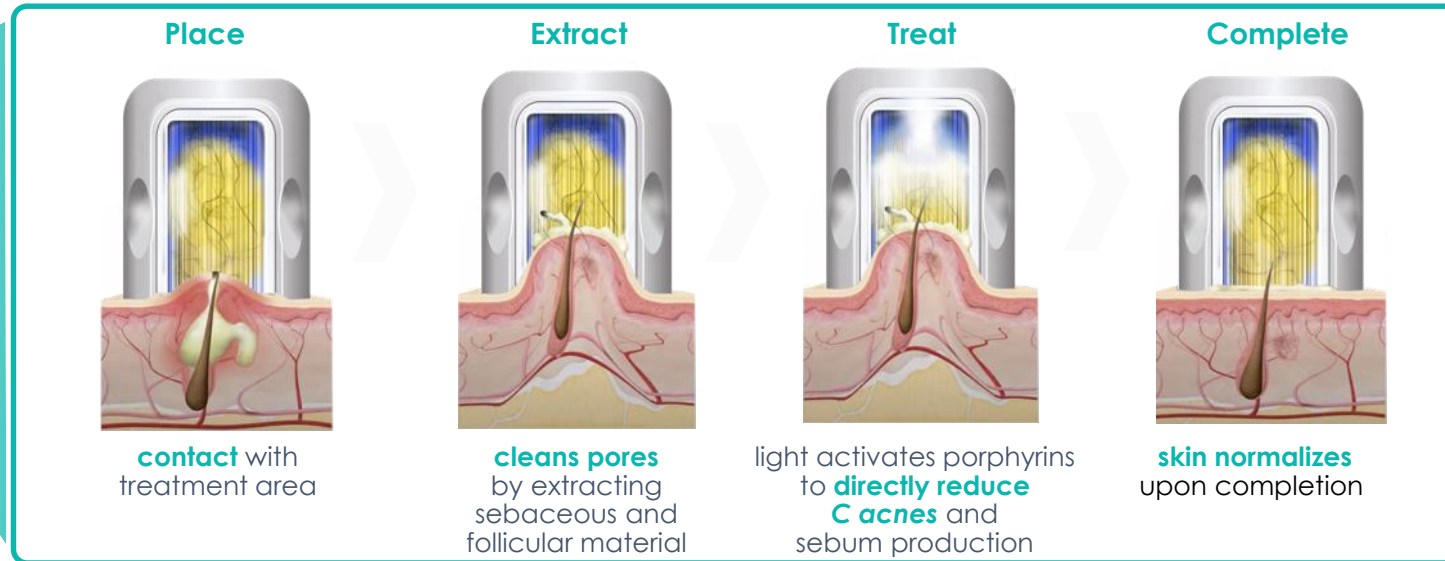


- **Up to 50 Million Americans** affected annually²
- **~85%** of all adolescents experience some degree of acne from the ages of 12 to 24 years³
- **>50%** of US women experience acne in their 20s⁴
- Acne occurring in adults is increasing⁵

1. Bickers DR et al. J Am Acad Dermatol. 2006;55:490-500.
2. Tan JKL, Bhate K. Br J Dermatol. 2015;172 (Suppl 10):3-12.
3. White GM. J Am Acad Dermatol. 1998;39:S34-S37.
4. Collier CN et al. J Am Acad Dermatol. 2008;58:56-59.
5. Holzmann R, Shaker K. Skin Pharmacol Physiol. 2014;27 (Suppl 1):3-8.

Photopneumatic Technology Combines VACUUM with PULSED BROADBAND LIGHT

- Clears bacteria and follicular contents from pilosebaceous unit, C acnes are removed both mechanically and thermally from the active acne lesion. Reduces sebum production



Baseline



After 4 tx

1. Photos courtesy of Suneel Chilukuri, MD.

Addresses Limitations of Existing Acne Therapies

TheraClear®X

- ✓ Comfortable in-office treatment with no down-time
- ✓ Visible improvement of acne lesions as early as after second treatment
- ✓ Visible improvement of skin texture, pore size, and perilesional erythema after the first few treatments

Systemic and topical acne treatments

- × Are often associated with poor adherence due to forgetfulness, inconvenience, and adverse effects^{1,2}
- × Typically require 3 to 6 weeks to achieve visible improvement³
- × Can be associated with skin dryness, irritation, burning, and bleaching effects²



Treatment regimen

Initiation

4 to 6 treatments, scheduled 1-2 weeks apart

Maintenance

1 to 2 months apart as needed



Procedure

~15 minutes per treatment

No pre-treatment with topical analgesics

Comfortable with **no down time**

Can be **delegated** (depending on state laws)



Time to improvement

Visible improvement of acne lesions **as early as after second treatment**

Visible improvement of skin texture, pore size, and perilesional erythema **after the first few treatments**

1. Snyder S et al. Am J Clin Dermatol. 2014;15(2):87-94. 2. Tuchayi SM et al. Patient Pref Adherence. 2016;10:2091-2096 3. Fox L et al. Molecules. 2016;21:1063. doi:10.3390/molecules21081063. 4. Data on file. STRATA Skin Sciences.

TheraClear®X Adds (Delegated)* Reimbursed Recurring Revenue for Dermatology Partners

CPT Code	Description	2024 National Average Medicare Payment Rate
10040	Acne Surgery, which Involves the opening or removal of multiple milia, comedones, cysts and pustules.	\$114.61

Number of Treatment/ Week	20	30
# of Weeks / Year	48	48
Total # of Treatments / Year	960	1,440
Average Revenue Per Treatment	\$114.61	\$114.61
Physician Gross Revenue (Annual)	\$110,025.60	\$165,038.40

* Subject to state legislation

** Patients who are eligible to receive CPT code 10040 services are those with acne lesions such as milia, comedones, cysts, or pustules that require surgical intervention. This may include patients with severe or persistent acne that has not responded to other treatments, or those with large or painful cysts that need to be drained or removed. Determination of the appropriate usage of the CPT code is made by the treating physician.

SUMMARY

Financial Metrics

(All numbers below in \$'000s except for U.S. Installed Base)

	2018	2019	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024
U.S. Gross Recurring Revenue	\$21,411	\$24,590	\$16,901	\$22,071	\$22,271	\$4,735	\$5,057	\$4,883	\$4,947	\$19,622	\$4,578	\$4,735
U.S. Installed Base (XTRAC® Devices)	746	820	832	890	909	916	930	929	923	923	907	882
Average Gross Recurring Revenue/device/Qtr	\$7,175	\$7,497	\$5,078	\$6,200	\$6,125	\$5,169	\$5,438	\$5,256	\$5,360	\$5,315	\$5,047	\$5,369
Revenues, net	\$29,855	\$31,586	\$23,090	\$29,977	\$36,161	\$7,567	\$8,250	\$8,852	\$8,689	\$33,358	\$6,754	\$8,435
Cost of revenues	12,735	11,316	8,956	10,127	14,393	3,179	3,932	3,898	3,888	14,897	3,674	3,498
Gross profit	17,120	20,270	14,134	19,850	21,768	4,388	4,318	4,954	4,801	18,461	3,080	4,937
Operating expenses:												
Engineering and product development	1,065	1,002	1,274	1,434	1,029	315	374	248	380	1,317	241	199
Selling and marketing	10,624	12,003	9,038	13,106	15,301	3,742	3,416	3,038	2,760	12,956	3,018	3,014
General and administrative	8,786	10,275	7,898	9,712	10,087	2,917	2,490	2,283	2,818	10,508	2,710	2,210
Impairment of goodwill	-	-	-	-	-	-	-	-	2,284	2,284	5,969	-
Total Expenses	\$20,475	\$23,280	\$18,210	\$24,252	\$26,417	\$6,974	\$6,280	\$5,569	\$8,242	\$27,065	\$11,938	\$5,423
Loss from operations	(\$3,355)	(\$3,010)	(\$4,076)	(\$4,402)	(\$4,649)	(\$2,586)	(\$1,962)	(\$615)	(\$3,441)	(\$8,604)	(\$2,889)	(\$486)
Non-GAAP adjusted EBITDA	\$3,736	\$3,036	\$1,492	\$1,467	\$2,557	(\$759)	(\$95)	\$1,291	\$520	\$957	(\$1,279)	\$1,012
Net cash provided (used) by operating activities	\$2,896	\$2,229	\$2,096	\$1,508	(\$924)	(\$1,203)	\$175	\$(997)	\$1,506	(\$519)	(\$804)	\$591

STRATA Investment Summary

Unique and Proven Business Model

- Best-in-class Excimer Laser technologies
- Recurring revenue driven by DTC and growing installed base
 - Installed base of 882 XTRAC® domestic devices for Psoriasis, Vitiligo, and Eczema treatments
 - Installed base of 117 TheraClear®X domestic devices for Acne treatments
 - Installed base of ~1700 XTRAC® and VTRAC® devices internationally
- Providing “business in a box” for dermatology practices without an upfront capital spend by practices
- Over 300 peer-reviewed, published clinical studies

A Win-Win-Win Business Model

- For patients – safest, most effective, minimal side effects
- For clinics – stable increased revenue base
- For Payers – the cheapest treatment available

Opportunity for Renewed Growth in U.S. in Recurring Revenue per Device

- Re-emphasis on DTC marketing in U.S. with near-term opportunity of increasing recurring revenue/device by 40%
- More rigorous sales and marketing strategy and process in place
- Both initiatives could collectively grow revenue by double digit percent and help return the company to positive cash flow



THANK YOU!

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www.strataskin.com

APPENDIX

STRATA
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Acquisitions to Drive Top-line Growth



January 2022

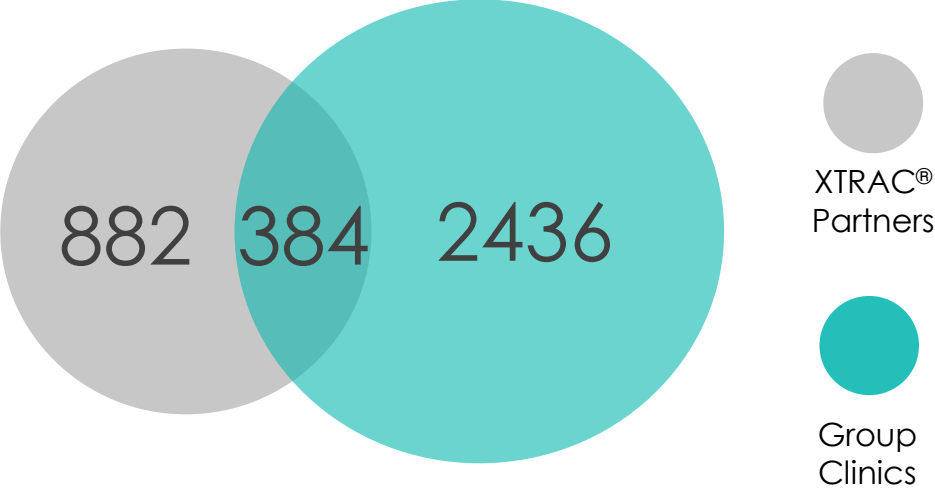
- \$1M Acquisition
- Adds attractive business segment to address \$5.5B acne market



August 2021

- \$3.7M Acquisition
- Minimal acquisition cost compared to exclusivity in external laser market

Domestic XTRAC® Installed Base Growth Drivers



As of 6/30/2024

Over 250 comeback opportunities of existing excimer laser owners

Signed strategic expansion into group clinic rollups

Within the 48 groups:

- 61 TheraClear®X devices
- Penetration grew from 86 in 2018 to 386 in 2023
- Group partnership accounts represent 37% of XTRAC® domestic recurring revenue

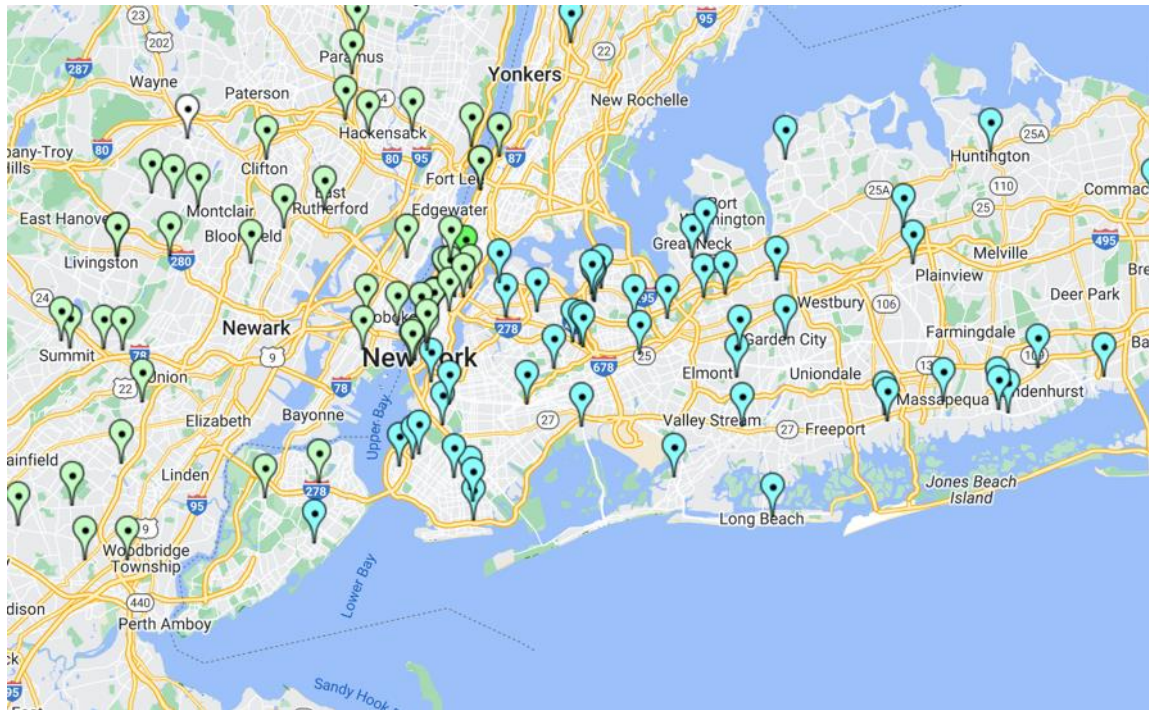
Increased penetration into facility locations (e.g. Kaiser, VA, and Mt. Sinai)

Representative PE Backed Groups:

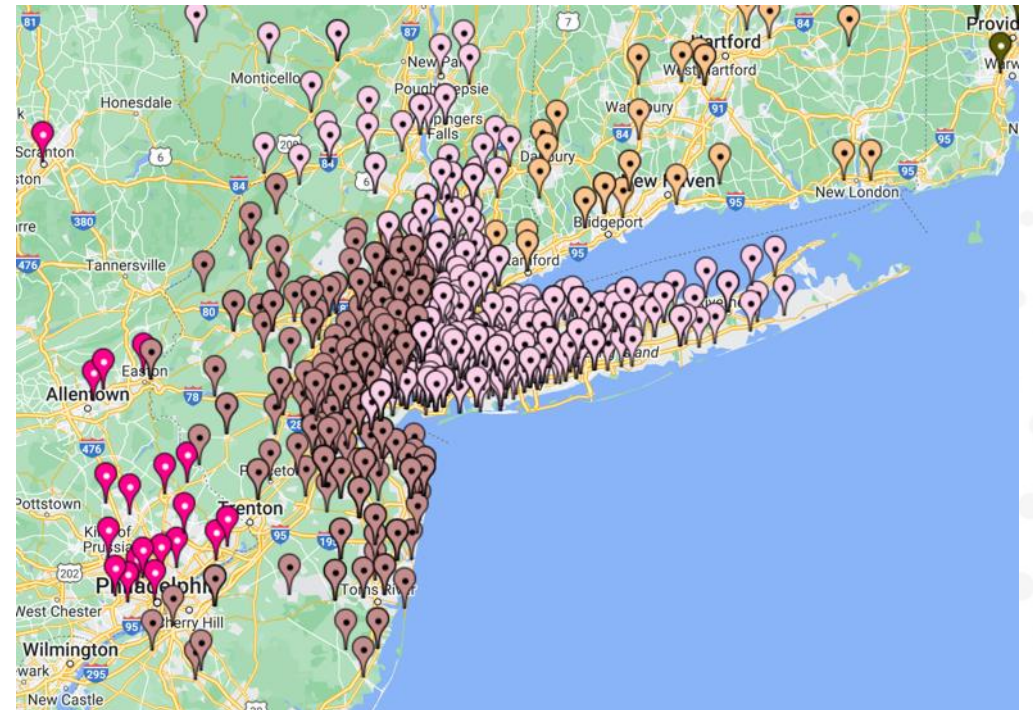


Example – NYC Metro Area XTRAC[®] Placements and DTC Leads (1Q24)

Metro NYC XTRAC[®] installed base



Metro NYC 1Q24 DTC Patient Leads



Psoriasis Case Study: Patient I.B., Lewisburg, PA



Treatment Room



Before



After

