

Venus Concept (NASDAQ:VERO)

Investor Overview

Summer 2024



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Non-Reliance

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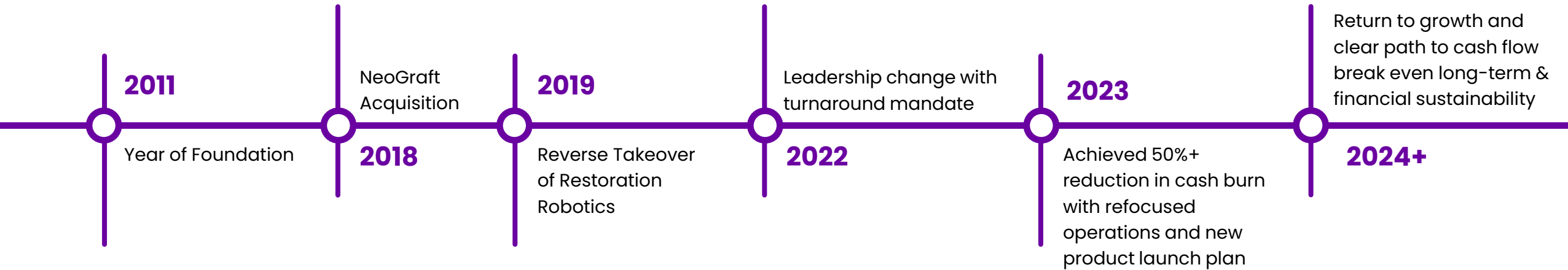
Investment Highlights

Venus Aesthetic Intelligence (Venus.AI) is a future-oriented approach to aesthetics innovation that aims to be transformational in delivering more than just leading device performance—with a shift towards total practice performance—from the moment the patient enters the clinic to post-treatment recovery

- 1** Comprehensive aesthetic portfolio of innovative energy-based devices with market leading platforms in all key treatment segments, including Face/Skin, Body Contouring and Hair Removal
- 2** Unique competitive positioning providing complete practice solutions for both Core (Physician) and fast-growing Non-Core (Medi-Spa) markets
- 3** Market leading Robotic Hair Restoration business expanding core access to male aesthetics segment and offering tremendous option value for the Company
- 4** Exciting and innovative Venus.AI technology pipeline, leveraging advanced R&D capabilities in energy-based technologies, robotics automation and AI/ML technologies, to deliver next-generation aesthetic robotics solutions (AI.ME)
- 5** Scalable global operating infrastructure with established direct US/NA coverage and an expanding hybrid (direct/distributor) network delivering profitable international growth
- 6** Successful business restructuring completed and capital restructuring near completion - delivering right-sized cost base, enhanced quality of revenues and working capital efficiency, and a refocused innovation roadmap - collectively providing a clear path to cash flow profitability and double-digit long-term growth



Company History & Leadership Team



Our Leadership Team



Rajiv De Silva
Chief Executive Officer



Dr. Hemanth Varghese
President & Chief Operating Officer



Domenic Della Penna
Executive Vice President & Chief Financial Officer



Michael Mandarello
General Counsel & Corporate Secretary



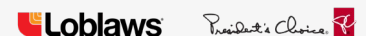
Ross Portaro
Executive Vice President & General Manager, Sales and Marketing



William McGrail
Executive Vice President, R&D, Technical Operations and Compliance



Anna Georgiadis
Chief Human Resources Officer



Market Leading Products Across All Key Aesthetic Segments

Core Product Platforms



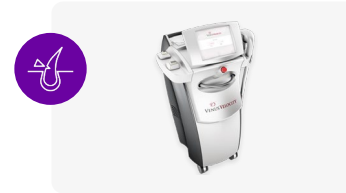
VENUS
VIVA MD

Skin resurfacing device using NanoFractional RF with SmartScan Technology



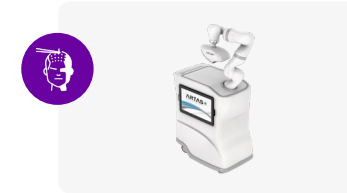
VENUS
BLISS MAX

3-in-1 solution targeting fat, muscle and skin body treatments



VENUS
VELOCITY

Diode laser with gold standard efficacy and safety and IoT technology

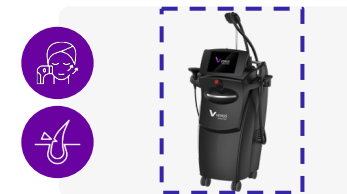


VENUS
ARTAS


Hair transplant platform with robotic and AI technology



VENUS
LEGACY
















VENUS
VERSA PRO


 = New Launch

Versatile and Robust Platforms



Company Uniquely Positioned in the Aesthetic Industry

	Face & Skin	Body	Hair Restoration	Hair Removal
 VENUS				
				
				
				
				
				
				
				
				
				

 Offer products in the segment



Offer advanced robotics capability in the space



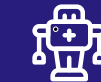
Future robotic offering



Only company with advanced robotics & AI/ML capabilities



End-to-end technology and portfolio



Pioneer in aesthetics robotics



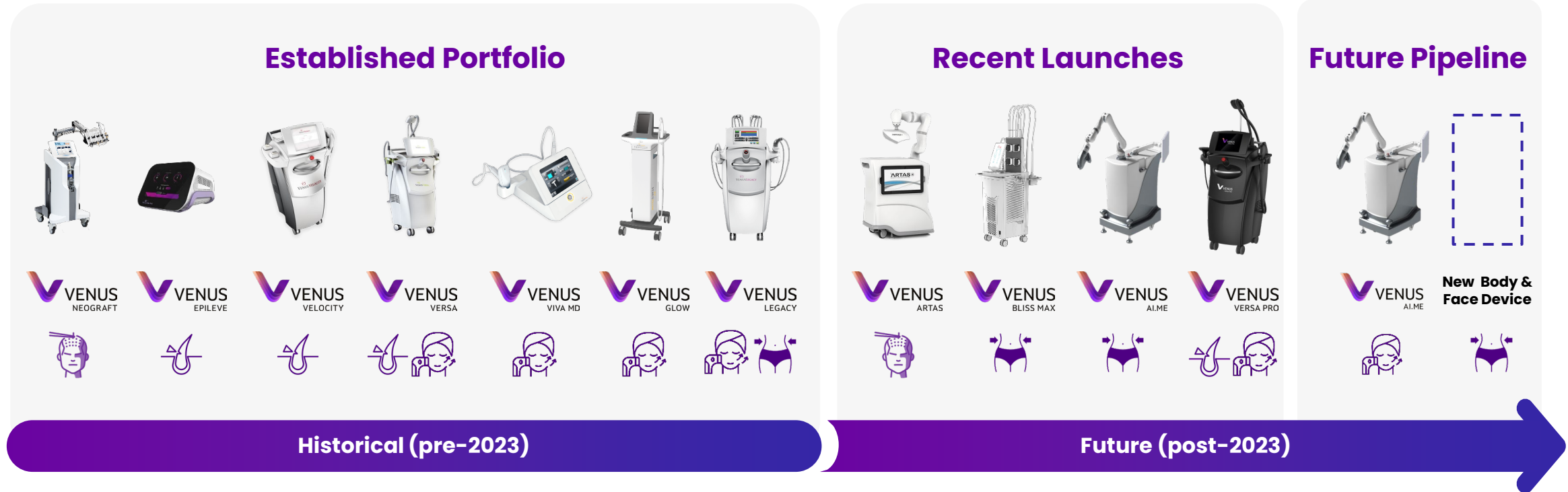
Market leader in Hair Restoration / Men's Health



Targeted and diversified global presence



A Company in Evolution



- **High quality energy-based** aesthetic device portfolio
- **Uniquely positioned** among competitors in **hair restoration**
- Emphasis on **subscription sales (internal financing) model**
- Global direct presence (**peak of 26 direct offices**)

- Expected launch of **industry first robotics platform in aesthetics**
- **Rejuvenation** of **energy-based** device portfolio
- Emphasis on **higher quality cash sales model**
- **Focused** geographic model (<10 direct offices)

Broad Portfolio Offering Across Modalities & Key Segments

Product	Segment				Technology						
	Face	Body	Hair Removal	Hair Restoration	Laser	Light (IPL, LED, LHE)	Radio-Frequency (Monopolar, Multipolar)	Electro magnetic Energy (PEMF / HIEF)	Electrical Muscle Stimulation	Robotics or AI / IoT	Mechanical
● Viva MD							✓	✓			
● Versa / Versa Pro						✓	✓	✓			
● Velocity					✓					✓	
● Legacy							✓	✓			
● Bliss Max					✓		✓	✓	✓	✓	
● Neograft										✓	✓
● ARTAS										✓	✓
● Epileve					✓					✓	
● New Face & Body							✓	✓	✓	✓	
● AI.ME Platform										✓	✓

● = Available in US based on FY23 sales data and Venus Concept US website

● = Under Development

= Face & Skin

= Body

= Hair Restoration

= Hair Removal

= Robotics

Sources: Company Analysis; Company Website; 10K Report.

Viva MD

Fractional RF & MP(2) Tech for Skin Rejuvenation



Our fractional ablative / coagulative techniques improve the appearance of skin surfaces by micro-injuring the skin in a fractional manner to trigger a healing response in the treated area. This both tightens the skin and elicits collagen formation, resulting in a rejuvenated skin surface. Our fractional RF technology is highly versatile and can be used on patients of all skin tones

Viva's Unique FRF Technology is Protected by 12 Patents Granted Globally, Three of which are US Patents

- Up to 750 microns of ablation
- Customizable energy delivery for different indications

Ablation / Coagulation Control

- Homogeneous and consistent energy delivery
- SW control over energy density for darker skin types
- Comfortable procedure

SmartScan Technology

- Autoclavable
- Cost effective to manufacture
- Two configurations – 160 pins, 80 pins
- Supports SmartScan SW control

Unique Tip Design



Our Viva FRF technology is different in the way it enables a wide variety of skin treatments due to the variability in ablation / coagulation ratio controlled by the SW and the depth of ablation and coagulation which can reach up to 750 microns without the use of mechanical microneedles. It can treat a variety of skin conditions such as: enlarged pores, wrinkles, acne scars, and surgical scars, achieving compelling results while maintaining high comfort levels

Bliss Max

Multi-modal Premium Body Shaping



Bliss Max Overview



Four **1,064 nm diode lasers** for non-invasive lipolysis with hands-free operation

Laser Lipolysis



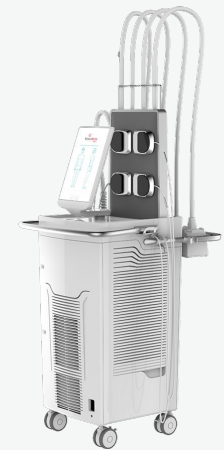
Four **FlexMAX EMS** applicators for hands-free muscle definition and toning

EMS



Proprietary **(MP)² tech** with VariPulse vacuum massage for skin tightening and cellulite reduction

Skin and Cellulite



Bliss Max is the only device in the market with three modalities each dedicated to treat a specific layer and designed ideally to target a specific type of tissue. Bliss Max's ability to treat fat, muscle and skin makes it an all-in-one body contouring platform

Velocity

State-of-the-Art Technology for Hair Removal



Velocity's diode laser technology is a gold-standard technology for hair removal. It employs the 810 nm laser energy to the treatment area through a chilled sapphire light guide that conductively cools the skin surface maintaining a lower temperature in the epidermis to enhance the comfort of the procedure and its safety. The Velocity is cleared for all skin types

Velocity Overview

- Very powerful in treating fine hair
- Allows high pulse repetition rate for effective slide mode
- Delivers high energy in short pulses

2,400W Peak Power 810 nm Diode

- Accommodates various treatment areas more efficiently
- Enables faster treatments for improved ROI
- Larger spot size enables better energy delivery

3 Spot Sizes – Up to 7cm²

- Allows operation in Slide mode, maintaining high comfort with great efficacy
- Enables faster treatments for improved ROI

Speed up to 10Hz Repetition Rate



Velocity is considered an incredibly powerful diode laser, allowing it to support several techniques of operation (standard and slide mode) with high efficacy and safety, so that results are not compromised to achieve speed and comfort. The mechanism allowing three spot sizes on one handpiece is unique to Venus and maximizes performance on every area treated regardless of its size. The 7cm² spot size is one of the largest spot sizes available in the market, enabling a very fast treatment.

ARTAS

Industry Leader in Minimally Invasive Robotic Solutions



ARTAS Overview

Dynamic **HD vision** system having **44-micron** resolution with AI integration provides precise and intelligent follicular tracking



Harvesting

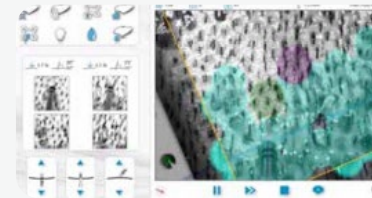
State-of-the-art **six-degree robotic arm** increases operational efficiency, consistency and repeatability



Use Cases

Implantation

Advanced AI consistently analyzes, monitors and tracks each hair follicle's characteristics and adjusts for patient movement



Site Making

2022 Update Significantly Improved Implantation Speed



ARTAS is the only robotic solution that is available in the market today, it leverages the advantages of a robotic system: vision, processing (supported by AI / ML) and automation to offer a new category within the FUE hair restoration category

FY 2023 Product Launch: Versa Pro

Fresh Update of one of Venus's Most Versatile Devices



Strong upgrade opportunity with a potential install base of 2,200+ systems globally, 1,300+ in the US, in addition to new device sales



An improved look & feel, with the addition of the Viva MD applicator and Viva tip consumables to increase recurring revenue base



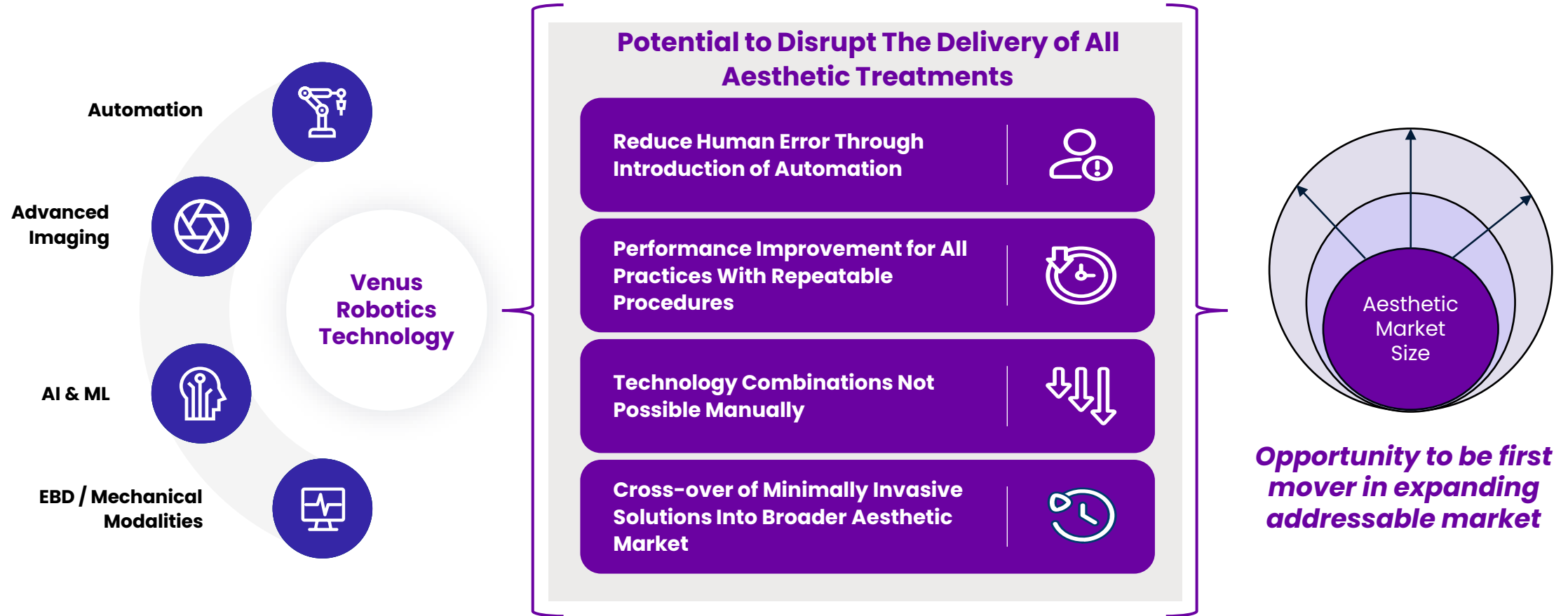
New system includes:

- New color of the main console
- 10 handpieces, like before, with the addition of Viva MD applicator to replace the Viva applicator
- New 80 pin tips for a deeper ablation and coagulation effect (up to 750nm)
- New branded procedure to leverage combination treatment
- Launch kit including marketing materials & education program



Future of Aesthetics Practices

Opportunity to lead introduction of Robotics/AI to enhance treatment delivery

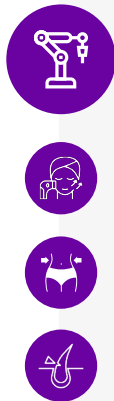


Venus AI.ME

Our Next-Generation Aesthetic Platform



The First Robotic Aesthetic Offering



Platform Approach

- ✓ Same base platform with automated delivery method and powered by latest AI/ML technology
- ✓ Non-invasive (automated) platform targeting Non-Core segment
- ✓ Non-invasive & Minimally Invasive option targeting Core Physicians

Technologies

- ✓ Microneedling
- ✓ MP(2)
- ✓ Hair Removal
- ✓ Cellulite
- ✓ Diode Laser

Competitive Advantage

- ✓ Incorporates automation into workflow to reduce human error
- ✓ Proven history from Hair Restoration experience
- ✓ Flexible in adapting Venus Aesthetic technologies and combination technology offerings
- ✓ State of the art software to deliver high precision outcomes

Venus Connect

Leveraging The Power of Our Connected Device Ecosystem



Updated Strategic Plan: Key Pillars

01

Right sizing the business by rationalizing our international infrastructure, reducing costs and simplifying the organization

Completed ✓

02

Changing business model to focus on cash sales and reduce reliance on subscription sales model

Completed ✓

03

Focusing on the US as our primary market while maintaining an optimal mix of direct presence and distributors in international

Completed ✓

04

Strengthening financial health by simplifying existing capital structure and raising capital to catalyze product and commercial growth drivers

05

Returning to growth through investing in R&D with a focus on robotics with targeted efforts to rejuvenate our energy-based product portfolio and to build a sustainable consumables revenue base to complement device sales. Pursue business development opportunities to accelerate growth and pipeline progress

06

Demonstrating long-term financial sustainability by achieving cash flow break even through execution of product growth plan, managed cost spend, improvement of working capital and focused R&D investments

Phase 1

Phase 2 – Current Focus



Strong Results from Phase I Turnaround Plan

Category	Status	FY 2022	LTM Q1'24	Commentary
Rationalizing the Cost Base	✓ ✓	Cash OPEX		<ul style="list-style-type: none"> Reduction of 18% in cash OPEX and 23% in GAAP OPEX period over period Projected annualized reduction in FY24 of 22% in cash OPEX vs. FY22
		\$87M	→ \$72M	
Shifting to Higher Quality Revenues	✓ ✓	Cash vs. Subscription		<ul style="list-style-type: none"> Successful re-balancing of business model Remaining subscription sales under new credit model
		58% : 42%	→ 69% : 31%	
Refocus on the US and Optimize International Markets	✓	Direct Offices		<ul style="list-style-type: none"> Reduction of 5 offices as of early 2024
		15	→ 10	
Reduction in Cash Burn	✓ ✓	CF From Ops / Unlevered CF¹		<ul style="list-style-type: none"> 63% and 74% reduction in Cash Flow from Ops and Cash Flow¹, respectively
		(\$27M) / (\$23M)	→ (\$10M) / (\$6M)	

1. Unlevered Cash Flow is defined as Cash Flow from Operations excluding Finance Expenses minus CAPEX

Debt Restructuring Complete to Date

October 2023:
Provided Financial Relief & Flexibility for the Company in the Short-Term

Term Loan (CNB)

- On October 5th, 2023, the Company announced that CNB restructured the loan to provide relief and flexibility
- Per the agreement, 100% (\$7.7M) of the 2023 annual payment of principal plus accrued interest is deferred to end of term, and 50% (\$3.9M) of the 2024 annual payment of principal plus accrued interest is deferred to end of term (represents ~\$11.6M in total deferred payment)
- Agreement includes a \$3.0M minimum cash covenant and interest rate reset to 1-month SOFR + 3.25%

Convertible Debt (Madryn)

- On October 5th, 2023, the Company announced that Madryn restructured its convertible notes to provide relief and flexibility
- Per the agreement, \$5.0M of the original convertible debt was exchanged for new senior convertible preferred stock, which pays a 12.5% dividend-in-kind on a quarterly basis
- The remaining outstanding balance of the notes bear an interest rate of 3-month adjusted SOFR + 8.5% per annum; interest payments are PIK'd and the notes carry a new conversion price of \$24.00

April & May 2024:
First Step in a Multifaceted Plan to Simplify the Company's Capital Structure and Provide Operational Capital

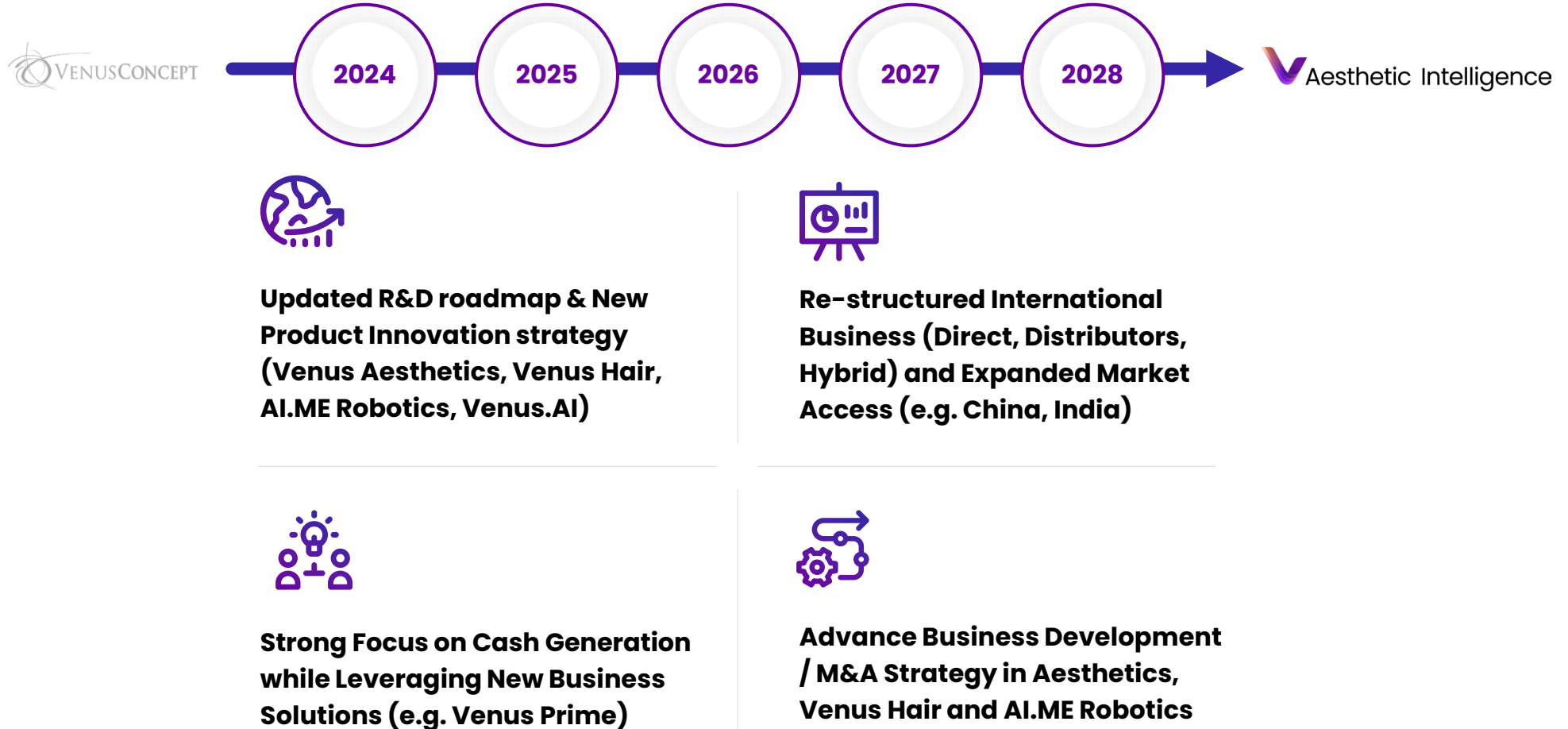
Term Loan (Madryn)

- On April 24th, 2024, the Company announced that Madryn purchased the MSLP loan from CNB
- The MSLP Loan balance was \$51.3M as of 12/31/23 and carried an interest rate of 1-month SOFR + 3.25%
- On May 28th, 2024, Madryn exchanged \$35.0M of the MSLP loan into Series Y Preferred Shares

Bridge Loan (Madryn)

- On April 24th, 2024, the Company announced that Madryn, in conjunction with the MSLP Loan purchase, entered into a Loan and Security Agreement
- The Loan provides up to \$5.0M in debt financing to support the Company's near-term liquidity requirements
- \$2.2M of this facility was drawn down at closing at an interest rate of 12.0%

Growth Drivers Based on Key Pillars



Longer-Term Aspirations

Growth Aspirations

Revenue: Double Digit Growth
Operating Cash Flow: ~50% Cash Burn Reduction YoY, Positive in 2026
EBITDA Margin: Positive in 2H 2025, Industry Standard 2026+

2023

Right size business, re-focus business model and rejuvenate R&D

2024

Growth with key pipeline launches

2025+

Accelerate pipeline / inorganic growth



VENUS

