



# INVESTOR PRESENTATION

January 2021





# DISCLAIMER

*This presentation and the accompanying oral presentation contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Any statements contained herein that are not of historical facts may be deemed to be forward-looking statements. In some cases, you can identify these statements by words such as “anticipates,” “believes,” “plans,” “expects,” “projects,” “future,” “intends,” “may,” “should,” “could,” “estimates,” “predicts,” “potential,” “continue,” “guidance,” and other similar expressions that are predictions of or indicate future events and future trends. These forward-looking statements include, but are not limited to, statements about our financial performance; the growth in demand for our systems and other products; the anticipated timeline for the release of new products; and general economic conditions, including the global economic impact of COVID-19, involve risks and uncertainties that may cause results to differ materially from those set forth in the statements. These forward-looking statements are based on current expectations, estimates, forecasts, and projections about our business and the industry in which we operate and management's beliefs and assumptions and are not guarantees of future performance or developments and involve known and unknown risks, uncertainties, and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this presentation may turn out to be inaccurate. Factors that could materially affect our business operations and financial performance and condition include, but are not limited to, those risks and uncertainties described under Part I Item 1A— “Risk Factors” in our most recent Annual Report on Form 10-K, Part II Item 1A— “Risk Factors” in our Form 10-Q for the quarter ended September 30, 2020, and in other documents the Company may file with the SEC. You are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The forward-looking statements are based on information available to us as of the date of this presentation. Unless required by law, we do not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise.*

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*This presentation shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.*

*This presentation includes Adjusted EBITDA, a non-GAAP financial measure. Non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative or superior to GAAP measures. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies. Please see the reconciliations included in this presentation.*

# KEY INVESTMENT HIGHLIGHTS



**Leading Player in Both the \$3.4B<sup>1</sup> Energy Based Aesthetic Market and \$4.6B<sup>2</sup> Hair Restoration Market**



**Comprehensive Portfolio and Global Footprint Enhance Business Resilience**



**Differentiated Aesthetic Player With Advantages in Technology, Business Model and Data Analytics**



**Key New Product Launches Gaining Rapid Adoption and Driving Growth**



**Robust Development Pipeline**



**Recent Debt Restructuring Significantly Enhances Capital Structure**

**VENUSCONCEPT**

delivering the promise

1. Company estimates based on data from Medical Insight reports: "Energy-Based Body Shaping & Skin Tightening"- August 2019; "Energy-Based Aesthetic Devices"- October 2019; "Energy-Based Feminine Rejuvenation"- March 2019).  
2. International Society of Hair Restoration Surgery (ISHRS): 2020 Practice Census Results Report. Represents a 10% increase in market size since 2016 (\$4.1 billion USD in 2016).



# GLOBAL SCALE & INFRASTRUCTURE TO SUSTAIN GROWTH



**Hybrid model of direct reps, independent contractors and distribution partners**  
**170 Direct Sales & Marketing Team<sup>2</sup>**  
**~35 VeroGrafters – (1099)**



1. Total revenue for the fiscal year 2019, giving effect to the merger as if it had closed on January 1, 2018, decreased 1% year-over-year, to \$123.3 million, compared to total revenue, of \$124.6 million for the fiscal year 2018, giving effect to the merger as if it had closed on January 1, 2018.

2. Includes all units shipped in the year ended Dec 31, 2019; exact number is 12,895





3. Includes employees 109 based in the United States, 74 based in Canada, 60 based in Israel, and 162 in the rest of the world as of November 1, 2020.

4. Includes direct sales representatives, sales management, marketing and members of the physician engagement team as of November 1, 2020.

# DIFFERENTIATED CUSTOMER-CENTRIC APPROACH

*Our key differentiators include a customer friendly subscription sales model, unrivaled practice support and IoT data analytics that can help make customers more profitable*



-  **Reduce financial barriers for customers**
-  **Reduce obsolescence risk**
-  **Increase reach to patients**
-  **Only aesthetic company leveraging data to improve customer performance**



# GLOBAL AESTHETIC PRODUCT PORTFOLIO

Launch Year												
	2014	2015	2016	2016	2017	2017	2018	2018	2019	2019	2019	2019
Procedure(s) - US:	Venus Legacy	Venus Viva Viva MD (2020)	Venus Versa	Venus Freeze Plus	Venus Velocity	Venus Fiore	Venus Glow	NeoGraft	Venus Heal	Venus Bliss	ARTAS	Epileve
	<ul style="list-style-type: none"><li>Cellulite Reduction</li></ul>	<ul style="list-style-type: none"><li>Skin Rejuvenation</li></ul>	<ul style="list-style-type: none"><li>Vascular &amp; Pigmented Lesions</li><li>Skin Rejuvenation</li><li>Hair Removal</li></ul>	<ul style="list-style-type: none"><li>Rhytids &amp; Fine Lines</li></ul>	<ul style="list-style-type: none"><li>Diode Laser</li><li>Hair Removal</li></ul>	<ul style="list-style-type: none"><li>N/A</li></ul>	<ul style="list-style-type: none"><li>Skin Rejuvenation (Dermabrasion)</li></ul>	<ul style="list-style-type: none"><li>FUE hair transplant procedure</li></ul>	<ul style="list-style-type: none"><li>Muscle Aches &amp; Pain</li></ul>	<ul style="list-style-type: none"><li>Non-Invasive Lipolysis of Abdomen &amp; Flanks</li><li>Cellulite Reduction</li></ul>	<ul style="list-style-type: none"><li>Robotic FUE hair transplant procedure</li></ul>	<ul style="list-style-type: none"><li>N/A</li></ul>
Procedure(s) - OUS:	<ul style="list-style-type: none"><li>Cellulite Reduction</li><li>Skin Tightening</li><li>Body Contouring</li></ul>	<ul style="list-style-type: none"><li>Wrinkle Reduction</li></ul>	<ul style="list-style-type: none"><li>Vascular &amp; Pigmented Lesions</li><li>Skin Rejuvenation</li><li>Hair Removal</li><li>Body Contouring</li></ul>	<ul style="list-style-type: none"><li>Rhytids &amp; Fine Lines</li><li>Skin Tightening</li></ul>	<ul style="list-style-type: none"><li>Diode Laser</li><li>Hair Removal</li></ul>	<ul style="list-style-type: none"><li>Vaginal Rejuvenation</li></ul>	<ul style="list-style-type: none"><li>Skin Rejuvenation (Dermabrasion)</li></ul>	<ul style="list-style-type: none"><li>FUE hair transplant procedure</li></ul>	<ul style="list-style-type: none"><li>Muscle spasms</li><li>Back Pain</li><li>Soft Tissue Injuries</li></ul>	<ul style="list-style-type: none"><li>Skin Tightening</li><li>Circumferential Reduction</li><li>Cellulite reduction</li></ul>	<ul style="list-style-type: none"><li>Robotic FUE hair transplant procedure</li></ul>	<ul style="list-style-type: none"><li>Diode Laser</li><li>Hair Removal</li></ul>
<div><div></div><div>Key New Product Launches/Growth Drivers</div></div>												

102 / 19

Issued / Pending U.S. Patent Applications <sup>1</sup>

135 / 39

Issued / Pending Foreign Counterpart Patent Applications <sup>1</sup>

1. As of December 30, 2019

# NEWEST ENTRANT IN THE \$1.4B BODY CONTOURING MARKET<sup>1</sup>

Non-invasive, multi-purpose platform enjoying robust adoption and high user satisfaction



## Overview

Diode Laser with (MP)<sup>2</sup> technology

Non-invasive lipolysis of the abdomen  
and flanks<sup>2</sup>  
Cellulite reduction

Fat reduction and skin tightening in one  
device

## Key Features

Fast, comfortable treatments

Statistically significant clinical results<sup>3</sup>

No consumable cost  
3-year warranty

1. Medical Insights: "Energy-Based Body Shaping & Skin Tightening"- August 2019

2. In individuals with a Body Mass Index (BMI) of 30 or less

3. In a 60-patient clinical study done with the Venus Bliss device, all participants received a single diode laser treatment to either their flanks or abdomen. Based on the data review, subjects saw a statistically significant reduction in adipose layer thickness as measured by ultrasound, 6- and 12-weeks following treatment. Greater than 90% of the subjects found the treatment to be comfortable and the majority were satisfied with the results.



# VENUS BLISS™ RESULTS

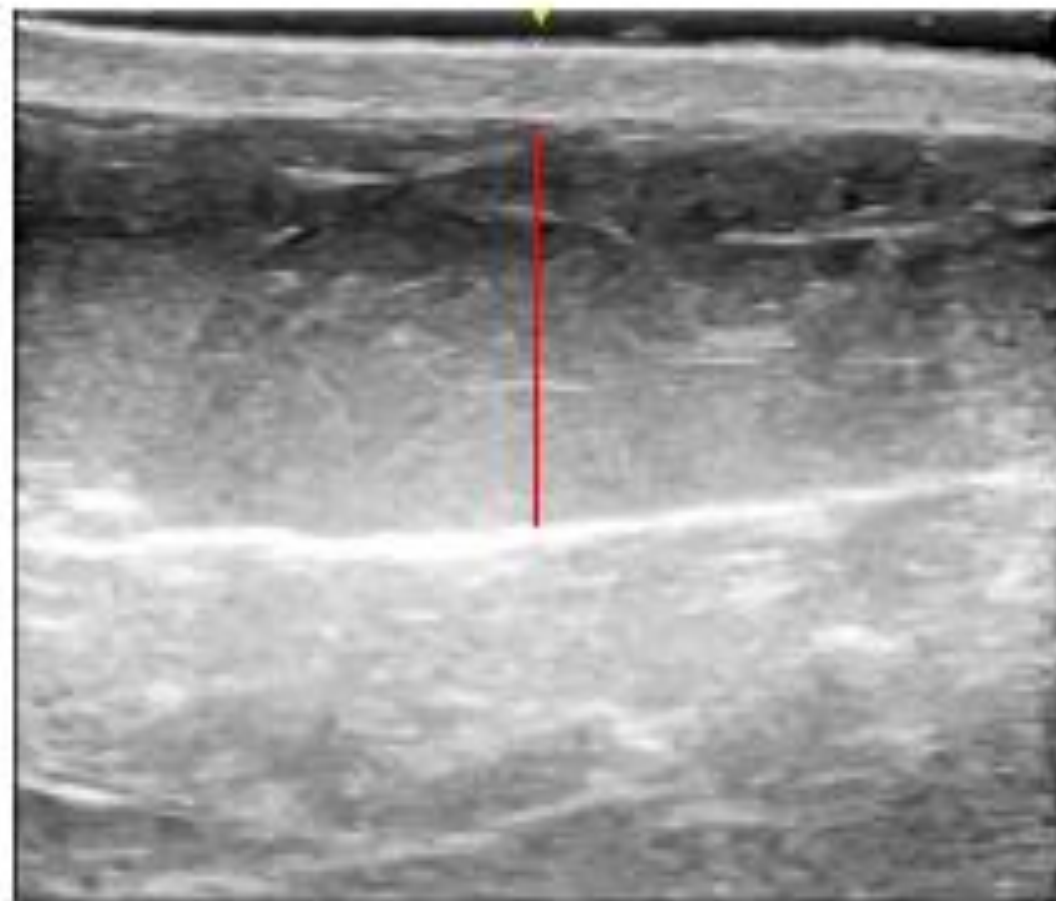
Clinical data shows a **41%** decrease in adipose layer thickness

## RESULTS

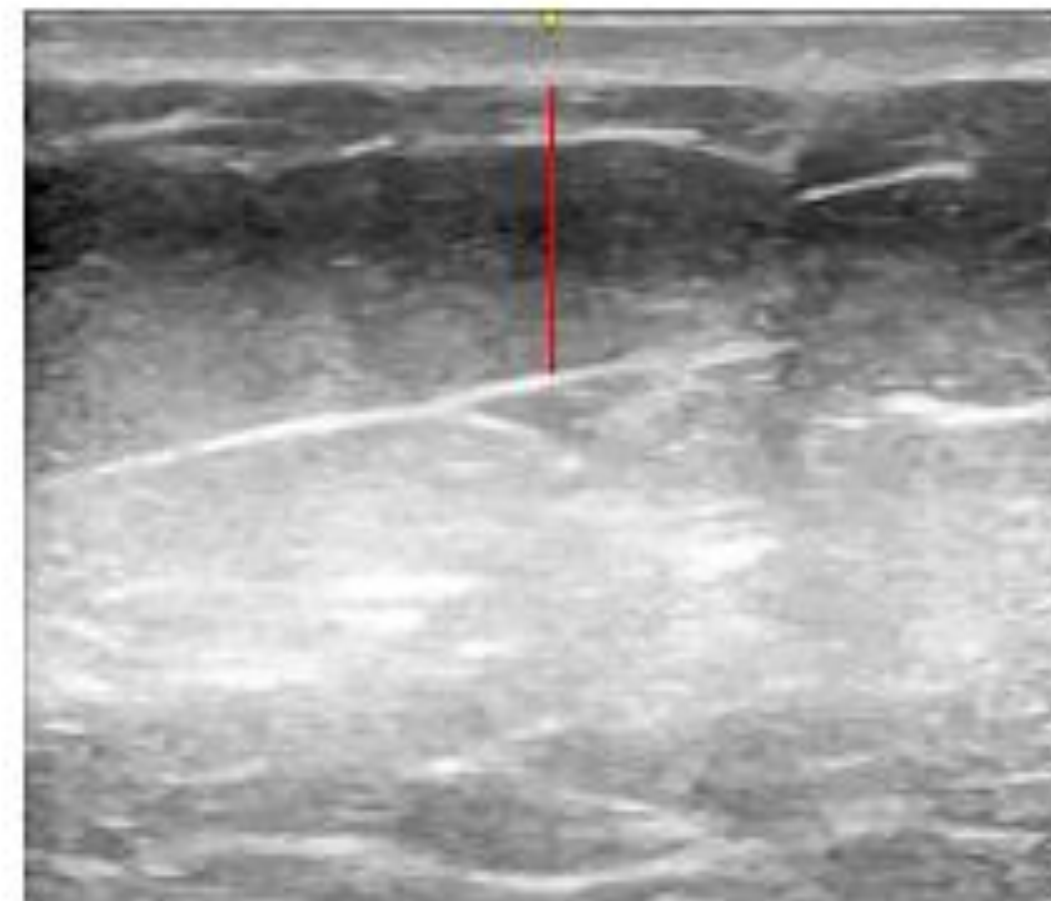
Clinical studies have shown up to a **41%** reduction in adipose layer thickness



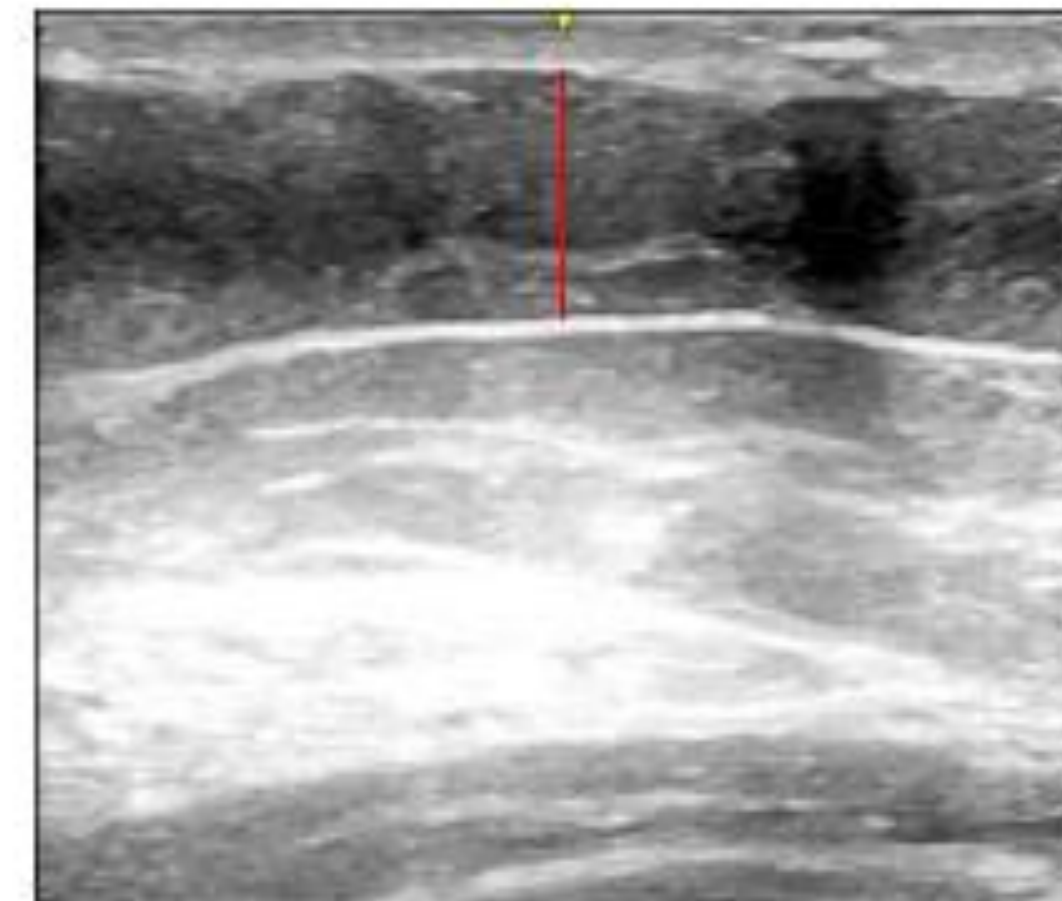
Abdomen



Baseline  
1.30



6 week  
0.95  
**27% decrease**



12 week  
0.80  
**41% decrease**

*Courtesy of Jeffrey M. Kenkel, MD, FACS*



# Bliss Non-Invasive Fat Reduction/Body Contouring

Multi-Purpose Platform Drives Compelling ROI

Avg. No. Of Weekly Tx. Laser

**3.57**

Avg. No. Of Weekly Tx. RF

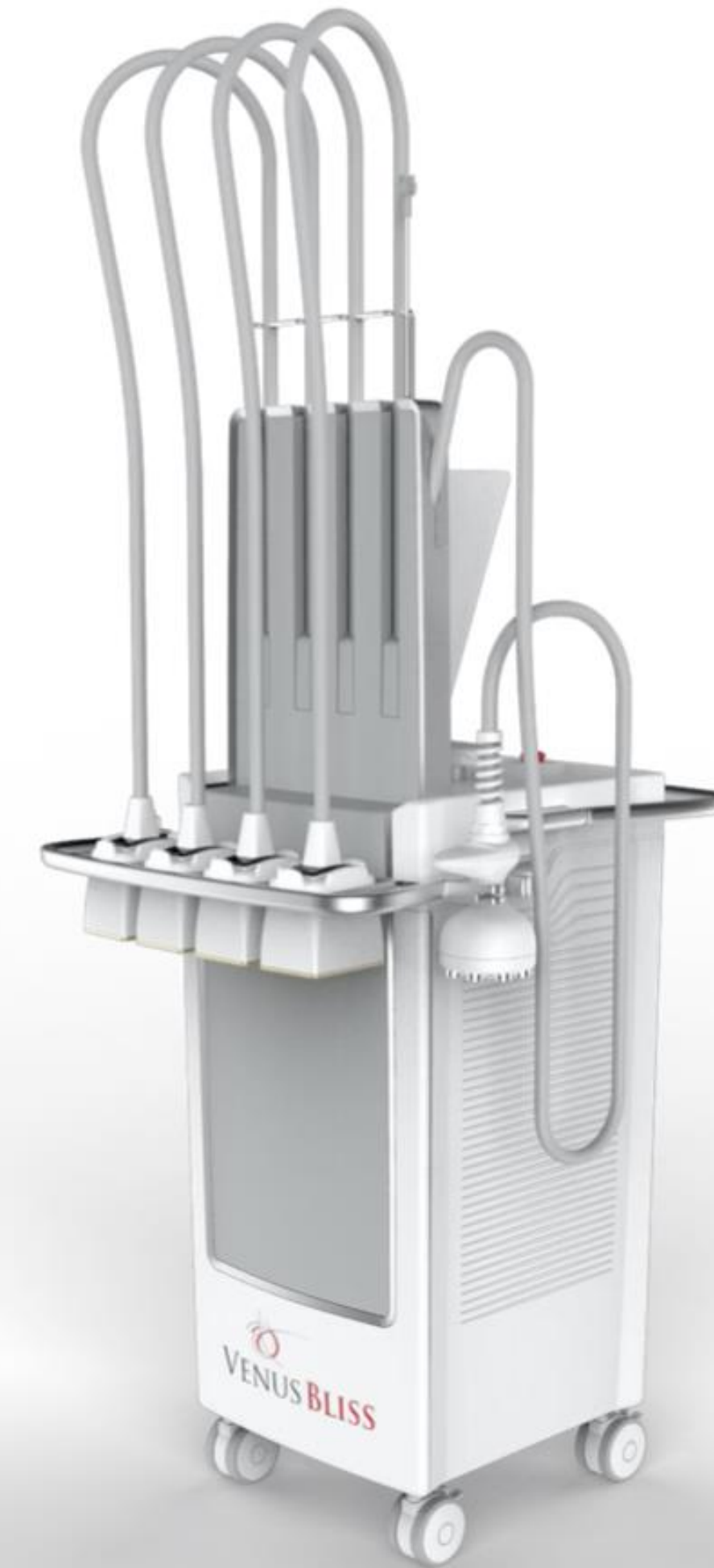
**5.92**

Avg. weekly Revenue per clinic

**\$3744**

Avg. Time to ROI (Weeks)

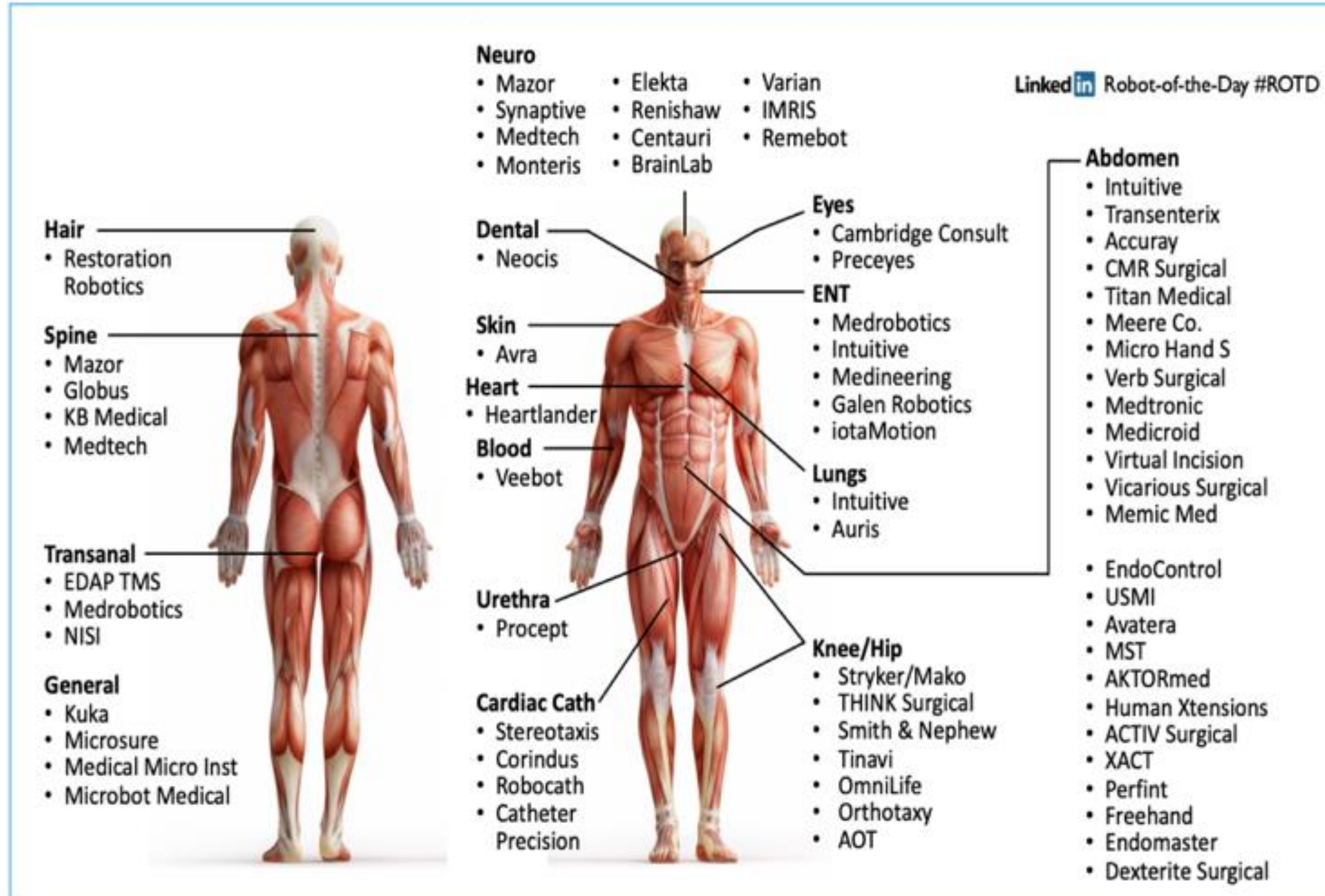
**34.7**





# ROBOTICS IN MEDICINE

FUTURE IS ALREADY HERE



Over **70** companies are developing a robotic technology to be used in medical intervention

**Millions** of patients have been treated for a wide variety of conditions worldwide

The Medical Robotics Market could **quadruple** over the next 5 years



# COMPREHENSIVE HAIR RESTORATION PORTFOLIO

DIFFERENTIATED SOLUTIONS IN THE \$4.6 BILLION<sup>1</sup> GLOBAL HAIR RESTORATION MARKET



## MECHANICAL FUE

- Women
- Curly hair
- Less shaving
- Color blind (light & blond hairs)
- Lower volume cases
- Fine tuning of specific areas of scalp (temples/temporal peaks, post face lift)

## ROBOTIC FUE

- High volume cases
- Faster & higher yield
- Market differentiation with AI and robotic technology
- Attract patients who want the newest robotic technology
- Reduce human variability and fatigue



## TWO COMPLEMENTARY TECHNOLOGIES





# RESULTS

ROBOTICS PRECISION AND REPEATABILITY IDEAL FOR HAIR RESTORATION



**BEFORE ARTAS**



**12 MONTHS POST-ARTAS**

Photos courtesy of Bernstein Medical - Center of Hair Restoration, Robert M. Bernstein, MD



# NeoGraft® RESULTS



**Before**



**After**

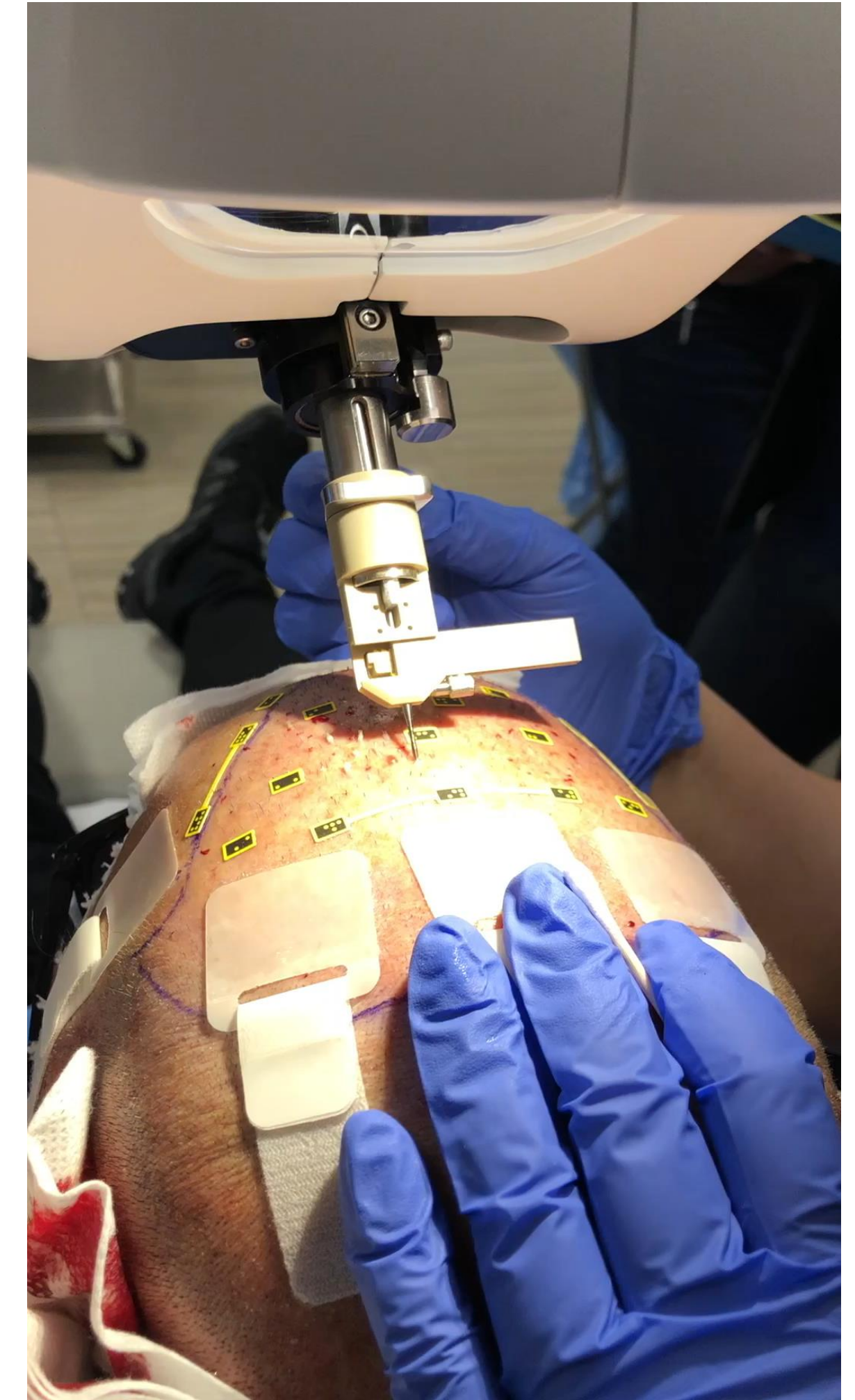


# VeroBotics Development Update

Significant upgrades to enhance ARTAS' margins

## Implantation Update

- **Product Improvements:**
  - Upgrades and new accessories to improve repeatability and workflow
  - New software has speed and repeatability improvements
- **Commercial Re-launch:**
  - Training Focus Sites in implantation
  - Build clinical experience / data
    - Dr. Chumak presentation on Robotic Implantation at ISHRS Meeting
    - White paper – implantation case series
- **Next Development Projects – workflow improvements**
  - Cartridge improvements – easier to load, higher capacity, faster workflow
  - Implant mechanism upgrades – higher capacity, improved geometry and usability



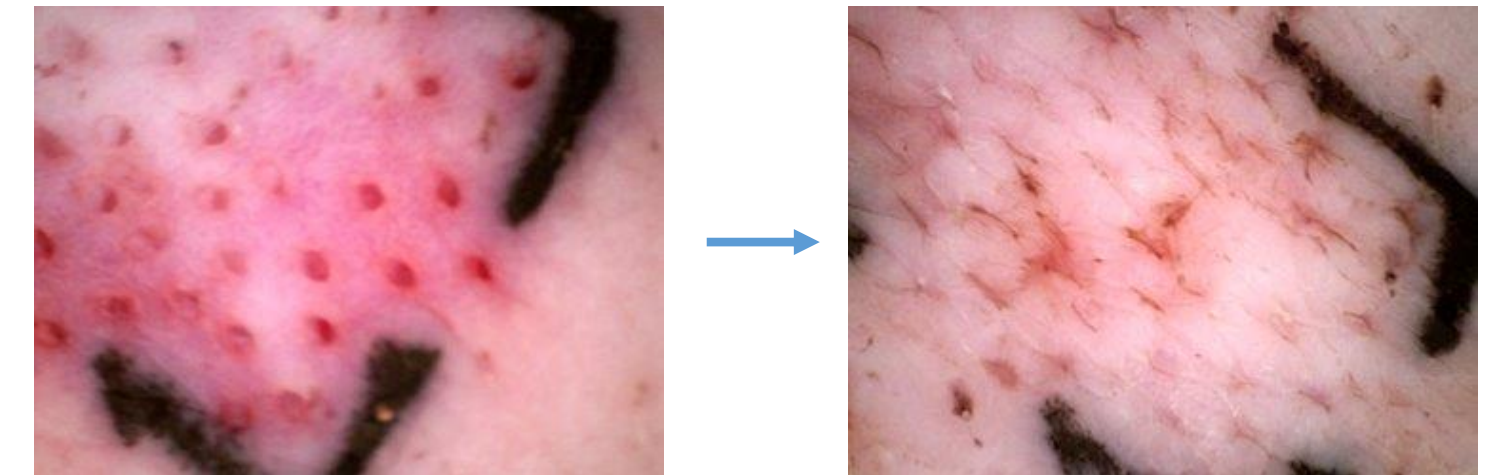


# RoboCor / InjectoBot

Non-surgical procedure with potential to disrupt the skin tightening market

## Animal Studies:

- Confirmed directional skin tightening effect with micro-coring and compressive wound dressing
- Compared different core removal and compression methods
- Understanding healing histology and biologic requirements to achieve rapid, scar-less healing



## In House Study

- Tested coring device behind ear and on upper arm
- Advanced our understanding of core removal in human skin

## Next:

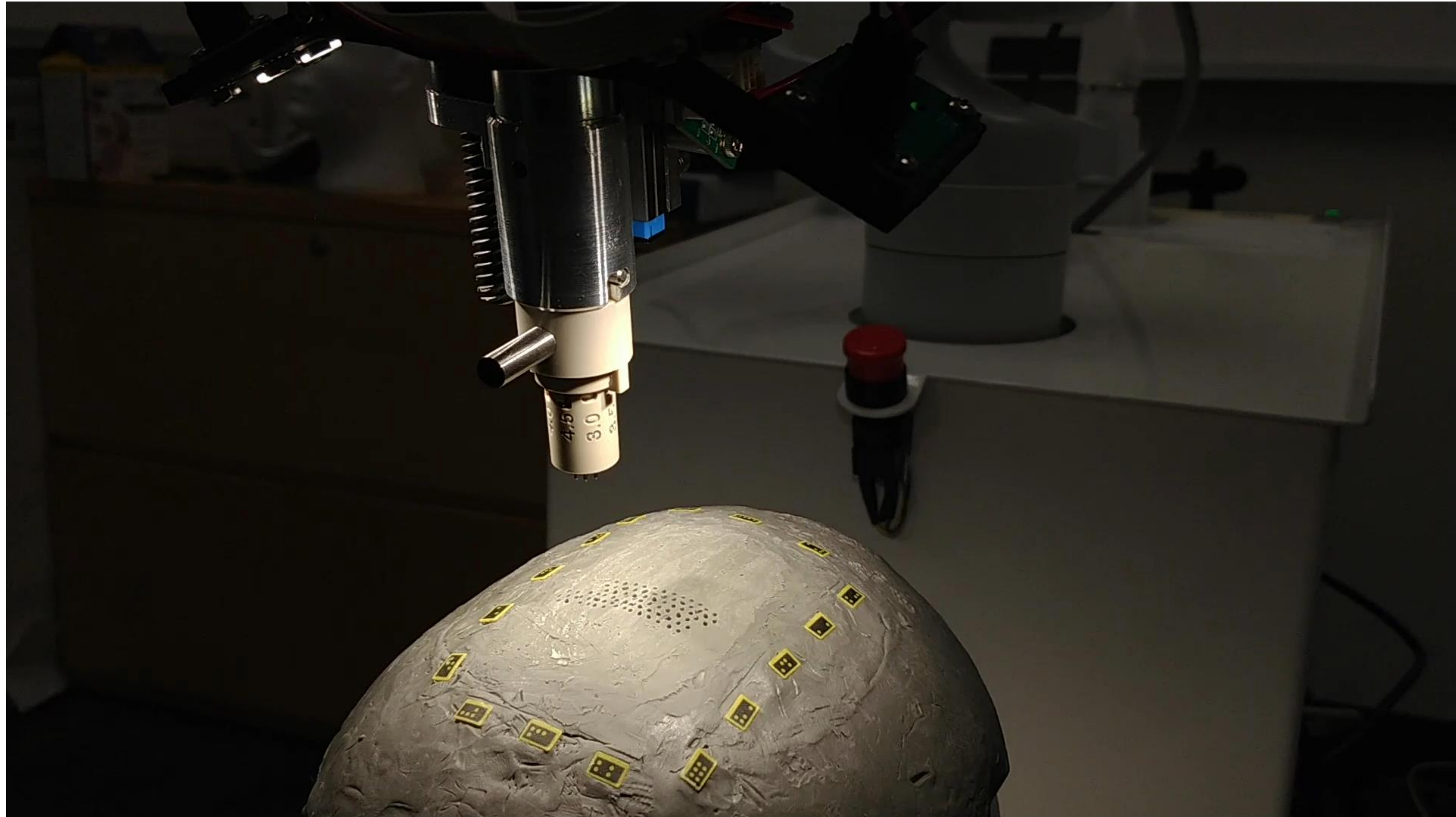
- IRB studies to continue in-vivo research and development
- Finalize coring methods and parameters
- Adjunctive energy-based wound healing modalities





# RoboCor / InjectoBot

Innovative skin tightening technique





# BALANCE SHEET OVERVIEW – Pre \$22.5M Equity Raise on 12/22/21

## Old Balance Sheet Structure (9/30/2020)

Balance Sheet Item	Balance (\$M)	Rate	Payment	Maturity
Cash	\$12.8	-	-	-
<b>Debt</b>				
Term Loan	\$67.6 <sup>1</sup>	9.00%	Cash	9/22/2022
Line of Credit	\$3.9	L+3.25%	Cash	N/A
PPP Loan	\$4.1	1.00%	Cash	N/A
<b>Total</b>	<b>\$75.6</b>			

### Key Commentary

- 1 Looming maturity
- 2 High cost of debt at ~9.00%
- 3 Highly restrictive debt covenants

1. Entire principal balance depicted, without issuance costs and discounts, as of 9/30/2020  
2. Cash reflects balance as of 9/30/2020  
3. Year 1 interest in kind  
4. 15% Principal repayment on 3<sup>rd</sup> and 4<sup>th</sup> anniversary  
5. PPP Loan forgiveness of approximately \$2M to file by 12/23/2020

## New Balance Sheet Structure (12/10/2020)

Balance Sheet Item	Balance (\$M)	Rate	Payment	Maturity
Cash	\$12.8 <sup>2</sup>	-	-	-
<b>Debt</b>				
Term Loan	\$50.0	L+3.00%	Cash <sup>3</sup>	12/10/2025 <sup>4</sup>
Line of Credit	\$0.7	L+3.25%	Cash	N/A
Sec. Sub. Convertible Notes*	\$26.7	8.00%	Cash	12/10/2025
PPP Loan <sup>5</sup>	\$4.1	1.00%	Cash	N/A
<b>Total</b>	<b>\$81.5</b>			

\*Conversion Price: \$3.25; Interest Decreases to 6% After Three Years

### Key Commentary

- 1 Extends debt maturity by ~3 years
- 2 Lowers cost of debt to <5.00%
- 3 Cash interest savings of \$4.5M in 2021
- 4 Significantly reduced covenants, granting the Company greater flexibility



# Appendix



# FINANCIAL INFORMATION – Q3'20 and YTD 2020

## Venus Concept Inc. Supplemental Financial Information - Revenue by Geographic Area

<i>(Dollars in millions)</i>	Three months ended September 30,		Increase / (decrease)		Nine months ended September 30,		Increase / (decrease)	
	2020	2019	\$	%	2020	2019	\$	%
United States	\$ 7.8	\$ 10.1	\$ (2.3)	(23.1) %	\$ 22.3	\$ 31.3	\$ (9.0)	(28.7) %
International	12.9	16.0	(3.1)	(19.6) %	29.8	47.2	(17.4)	(36.8) %
<b>Total</b>	<b>\$ 20.7</b>	<b>\$ 26.2</b>	<b>\$ (5.5)</b>	<b>(20.9) %</b>	<b>\$ 52.2</b>	<b>\$ 78.6</b>	<b>\$ (26.4)</b>	<b>(33.6) %</b>

## Venus Concept Inc. Supplemental Financial Information - Revenue by Type

<i>(Dollars in millions)</i>	Three months ended September 30,		Increase / (decrease)		Nine months ended September 30,		Increase / (decrease)	
	2020	2019	\$	%	2020	2019	\$	%
Lease revenue	\$ 9.4	\$ 16.4	\$ (7.0)	(42.6) %	\$ 23.7	\$ 48.8	\$ (25.1)	(51.4) %
System revenue	7.5	7.1	0.4	5.6 %	17.8	21.2	(3.4)	(16.2) %
Product revenue	2.6	1.2	1.5	125.4 %	7.1	4.1	3.0	73.3 %
Service revenue	1.1	1.5	(0.3)	(23.4) %	3.6	4.4	(0.9)	(19.2) %
<b>Total</b>	<b>\$ 20.7</b>	<b>\$ 26.2</b>	<b>\$ (5.5)</b>	<b>(20.9) %</b>	<b>\$ 52.2</b>	<b>\$ 78.6</b>	<b>\$ (26.4)</b>	<b>(33.6) %</b>

# FINANCIAL INFORMATION – Q3'20 and YTD 2020

## Consolidated Statements of Loss

	Three Months Ended September		Nine Months Ended September	
	2020	2019	2020	2019
	<i>(dollars in thousands)</i>		<i>(dollars in thousands)</i>	
Revenues:				
Leases	\$ 9,431	\$ 16,427	\$ 23,709	\$ 48,812
Products and Services	11,249	9,727	28,475	29,740
Total Revenues	20,680	26,154	52,184	78,552
Cost of Goods Sold	7,177	7,386	17,504	21,645
Gross Profit	13,503	18,768	34,680	56,907
Operating Expenses:				
Sales and Marketing	5,657	9,201	18,813	28,983
General and Administrative	11,291	14,445	40,442	34,637
Research and Development	1,849	1,686	6,043	5,667
Goodwill Impairment	-	-	27,450	-
Total Operating Expenses	18,797	25,332	92,748	69,287
Loss from Operations	(5,294)	(6,564)	(58,068)	(12,380)
Other Expenses:				
Foreign Exchange Loss	1,096	396	4,209	409
Finance Expenses	1,897	2,097	6,522	5,904
Loss Before Income Taxes	(8,287)	(9,057)	(68,799)	(18,693)
Income Tax (Benefit)	(966)	(80)	(1,010)	867
<b>Net Loss</b>	<b><u>\$(7,321)</u></b>	<b><u>\$(8,977)</u></b>	<b><u>\$(67,789)</u></b>	<b><u>\$(19,560)</u></b>

## Reconciliation of Net Loss to Adjusted EBITDA

	Three Months Ended September		Nine Months Ended September	
	2020	2019	2020	2019
	<i>(dollars in thousands)</i>		<i>(dollars in thousands)</i>	
Net Loss	\$ (7,321)	\$ (8,977)	\$ (67,789)	\$ (19,560)
Foreign Exchange Loss	1,096	396	4,209	409
Finance Expenses	1,897	2,097	6,522	5,904
Income Taxes (Benefit)	(966)	(80)	(1,010)	867
Depreciation and Amortization	1,181	329	3,695	1,064
Stock-based Compensation Expense	547	313	1,603	1,732
Goodwill Impairment Charge	-	-	27,450	-
Other Adjustments <sup>1</sup>	2,178	5,950	7,572	8,600
<b>Adjusted EBITDA</b>	<b><u>\$(1,388)</u></b>	<b><u>\$ 28</u></b>	<b><u>\$(17,748)</u></b>	<b><u>\$ (984)</u></b>

### Non-GAAP Measure

To supplement the Company's unaudited financial data presented on a generally accepted accounting principles (GAAP) basis, management has used Adjusted EBITDA which is a non-GAAP measure. Adjusted EBITDA is defined as net loss, plus foreign exchange loss, plus finance expenses, plus income tax expense (benefit), plus depreciation and amortization, plus stock-based compensation expense, plus goodwill impairment charge, plus other adjustments. This non-GAAP measure is an indicator management uses as a basis for evaluating the Company's performance. Disclosure of this non-GAAP measure provides investors with the same information that management uses for this purpose. Adjusted EBITDA is not a measure of our performance under GAAP and should not be considered in isolation or as an alternative to reported operating loss or any other measure prepared in accordance with GAAP. While management believes that Adjusted EBITDA provides useful supplemental information to investors, there are limitations associated with the use of this measure. Adjusted EBITDA is not prepared in accordance with GAAP and may not be directly comparable to a similarly titled measure of other companies due to a potential difference in the exact method of calculation. Adjusted EBITDA should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP.

1. For the three and nine months ended September 30, 2020, the other adjustments are mainly represented by severance and retention payments (\$nil and \$1.5 million, respectively), additional bad debt provision due to COVID-19 (\$2.2 million and \$5.7 million, respectively) as well as a loss on sale of subsidiary in Bulgaria (\$nil and \$0.4 million, respectively). For the three and nine months ended September 30, 2019, the other adjustments are mainly represented by professional fees related to the Company's merger with Venus Concept Ltd.