

# Investor Presentation

April 2024

# Cautionary Statements

## Forward-Looking Statements

Certain matters discussed in this presentation and oral statements made from time to time by representatives of the Company may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved.

All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to, projections of net revenue, margins, expenses, net earnings, net earnings per share, or other financial items; projections or assumptions concerning the possible receipt by the Company of any regulatory approvals from any government agency or instrumentality including but not limited to the

U.S. Food and Drug Administration, supply chain disruptions, component shortages, manufacturing disruptions or logistics challenges; or macroeconomic or geopolitical matters and the impact of those matters on the Company's financial performance.

Forward-looking statements and information are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected. Many of these factors are beyond the Company's ability to control or predict. Important factors that may cause the Company's actual results to differ materially and that could impact the Company and the statements contained in this release include but are not limited to risks, uncertainties and assumptions relating to the regulatory environment in which the Company is subject to, including the Company's ability to gain requisite approvals for its products from the U.S. Food and Drug Administration and other governmental and regulatory bodies, both domestically and internationally; the impact of the recent FDA Safety Communication on our business and operations; sudden or extreme volatility in commodity prices and availability, including supply chain

disruptions; changes in general economic, business or demographic conditions or trends; changes in and effects of the geopolitical environment; liabilities and costs which the Company may incur from pending or threatened litigations, claims, disputes or investigations; and other risks that are described in the Company's most recent Annual Report on Form 10-K and the Company's other filings with the Securities and Exchange Commission. For forward-looking statements in this presentation, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The Company assumes no obligation to update or supplement any forward-looking statements whether as a result of new information, future events or otherwise.

## Non-GAAP Financial Measures

We may present non-GAAP measures because we believe such measures are a useful indicator of our operating performance. Our management uses non-GAAP measures principally as a measure of our operating performance and believes that these measures are useful to investors because they are frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We also believe that they are useful to our management and investors as a measure of comparative operating performance from period to period. The non-GAAP financial measure presented in this presentation should not be considered as a substitute for, or preferable to, the measures of financial performance prepared in accordance with GAAP.

The Company has presented the following non-GAAP financial measure in this presentation: adjusted EBITDA. The Company defines adjusted EBITDA as its reported net income (loss) attributable to stockholders (GAAP) plus income tax expense (benefit), interest, depreciation and amortization, and stock-based compensation expense.

# Apyx<sup>®</sup> Medical at a Glance

An advanced energy technology company, known for our Renuvion<sup>®</sup> helium plasma technology, with a passion for elevating people's lives through innovative products in the cosmetic surgery market.

Leverages deep expertise and decades of experience in unique waveforms, applied to the changing needs and opportunities of today's environment.

<b>Ticker (Nasdaq) :</b>	APYX
<b>Market Cap :</b>	~\$47.1M <sup>(1)</sup>
<b>Avg. Daily Vol (LTM) :</b>	~207,000 <sup>(2)</sup>
<b>Locations :</b>	Clearwater, FL Sofia, Bulgaria
<b>Full-Time Employees :</b>	252 <sup>(3)</sup>

*(1) Market cap. based on common shares outstanding of 34.6M as of 3/19/24 x share price of \$1.36 as of 3/29/2023*

*(2) As of market close on 3/29/24*

*(3) As of 12/31/2023*

*"LTM" = Last Twelve Months*

# Value Proposition

With game-changing results in hundreds of thousands of cosmetic surgery procedures, supported by evidence-based outcomes, Renuvion has gained strong commercial traction and support from the surgeon community.

Apyx Medical Corporation has embarked on a growth strategy to drive adoption and utilization for Renuvion in the global cosmetic surgery market.



# Investment Highlights

- ~\$3 billion addressable market opportunity in the U.S. alone, including an annual opportunity in excess of \$700 million based on the number of procedures performed each year; outside the U.S. the opportunity is even greater
- Differentiated technology with innovative capabilities in cosmetic surgery, supported by compelling clinical and real-world evidence
- Experienced senior leadership team, with a multi-year track record of commercial execution
- Sales growth in the global cosmetic surgery market fueled by strong adoption and utilization trends
- Established global sales and distribution structure
- 4 new regulatory clearances in 2023 and 2022 for target clinical indications, providing the ability to market directly to patients
- Bringing evidenced-based medicine to the cosmetic surgery market, with a broad portfolio of clinical and real-world support

# U.S. Market Opportunity

## GENERATORS

**~\$2.3B** Potential market opportunity

**~15,000<sup>1</sup>**  
plastic surgeons,  
cosmetic surgeons,  
& dermatologists in  
the U.S.



## HANDPIECES

**~\$750M** Potential annual market opportunity

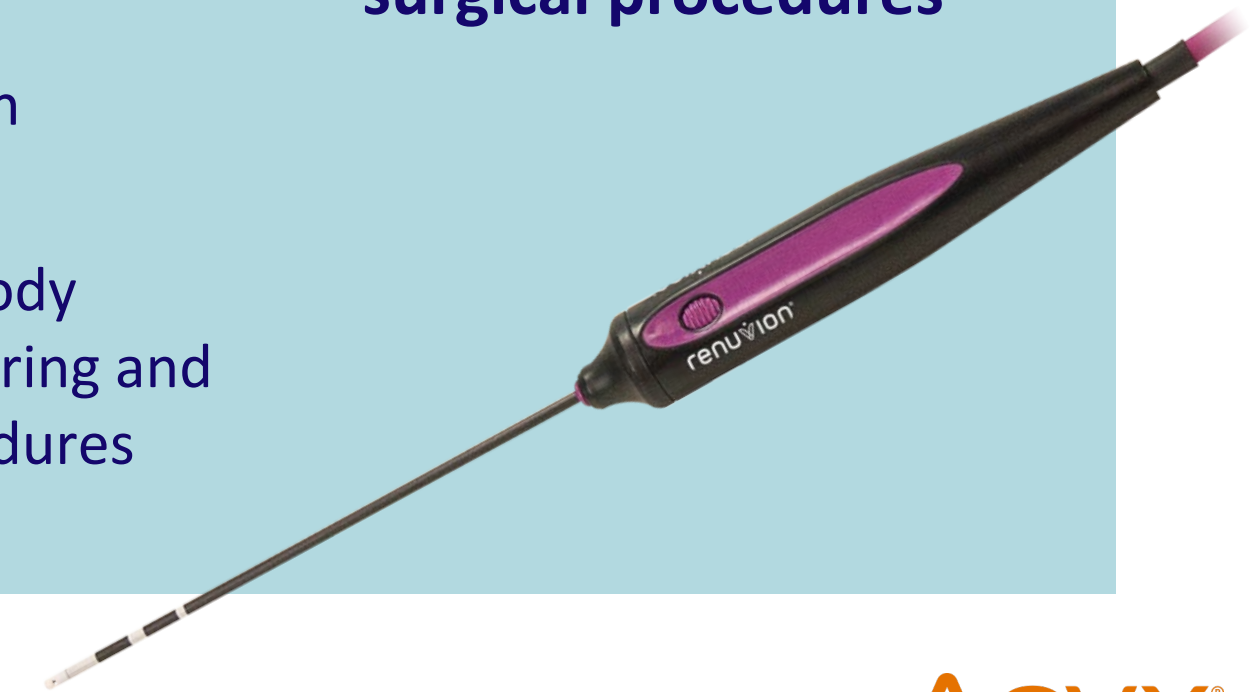
**~\$550M<sup>2</sup>**

> 1 million annual surgical procedures

- ~400K annual liposuction procedures
- ~700K annual surgical body contouring, neck contouring and wrinkle reduction procedures

**~\$200M<sup>3</sup>**

> 400K annual non-surgical procedures



1. Assumes ~15,000 physicians \* \$155,000 generator list price  
2. Assumes ~1,100,000 annual surgical procedures \* \$500 handpiece list price  
3. Assumes ~400,000 annual non-surgical procedures \* \$500 handpiece list price

Source: International Society of Aesthetic Plastic Surgery (ISAPS) 2021

# Experienced Leadership Team



**Charlie Goodwin**  
Chief Executive Officer  
25+ Years Experience

Joined Apyx:  
Dec. 2017



**Matt Hill**  
Chief Financial Officer,  
Treasurer & Secretary  
25+ Years Experience

Joined Apyx:  
Dec. 2023



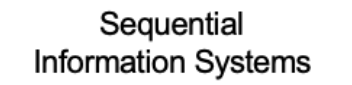
**Todd Hornsby**  
Executive Vice President Global  
Commercial Operations  
20+ Years Experience

Joined Apyx:  
Aug. 2014



**Moshe Citronowicz**  
Senior Vice President  
Manufacturing Operations  
30+ Years Experience

Joined Apyx:  
Oct. 1993



**Shawn Roman**  
Vice President R&D  
20+ Years Experience

Joined Apyx:  
Oct. 2014



**Terry Sullivan**  
Vice President of Quality  
Assurance & Regulatory Affairs  
30+ Years Experience

Joined Apyx:  
Aug. 2023



**Kim Hanson BSN, RNFA**  
Vice President of  
Medical Affairs  
30+ Years Experience

Joined Apyx:  
June 2018



# What is Renuvion?

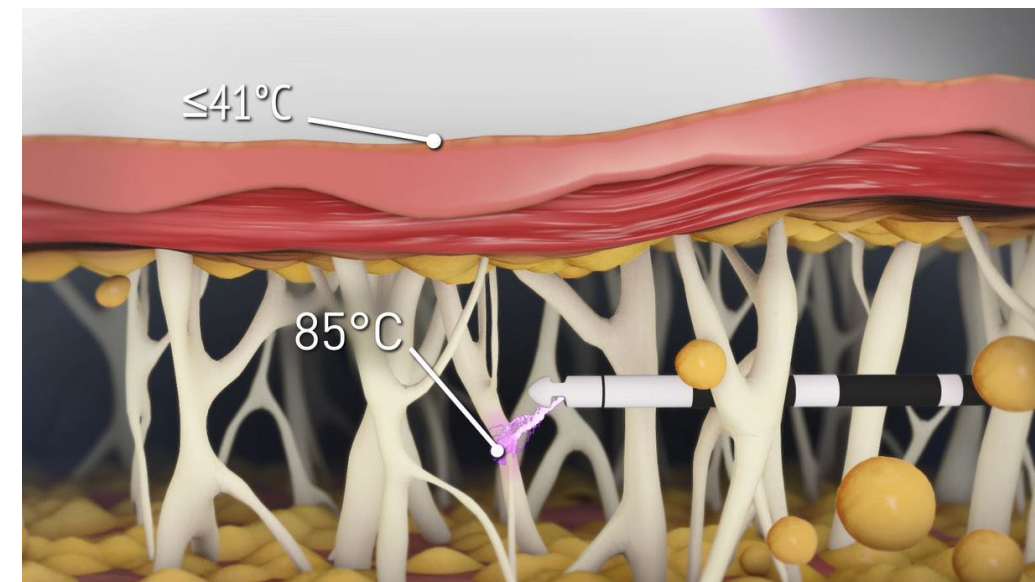
## Renuvion Apyx One Generator and Handpieces



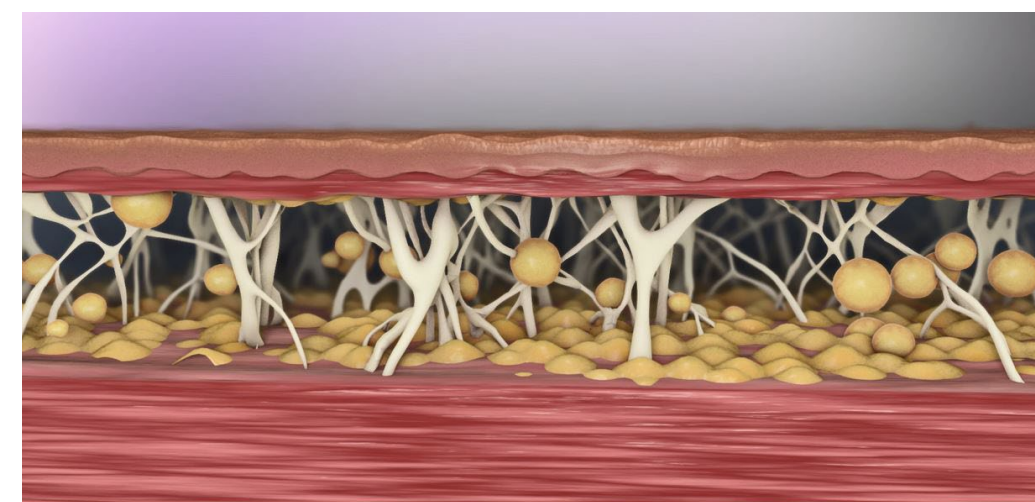
## How The Device Works



Handpiece inserted sub-dermally



Contract skin via direct heating



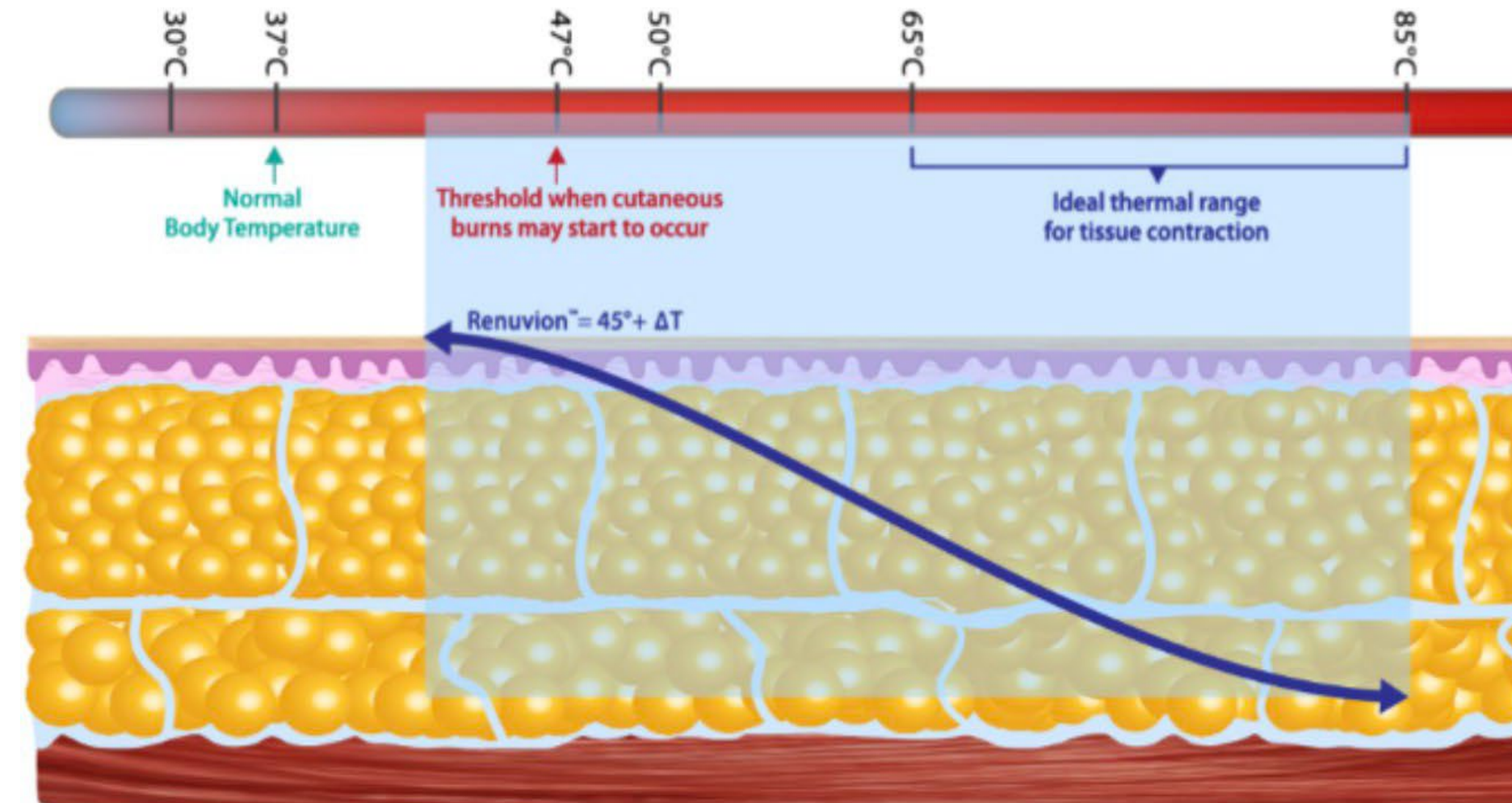
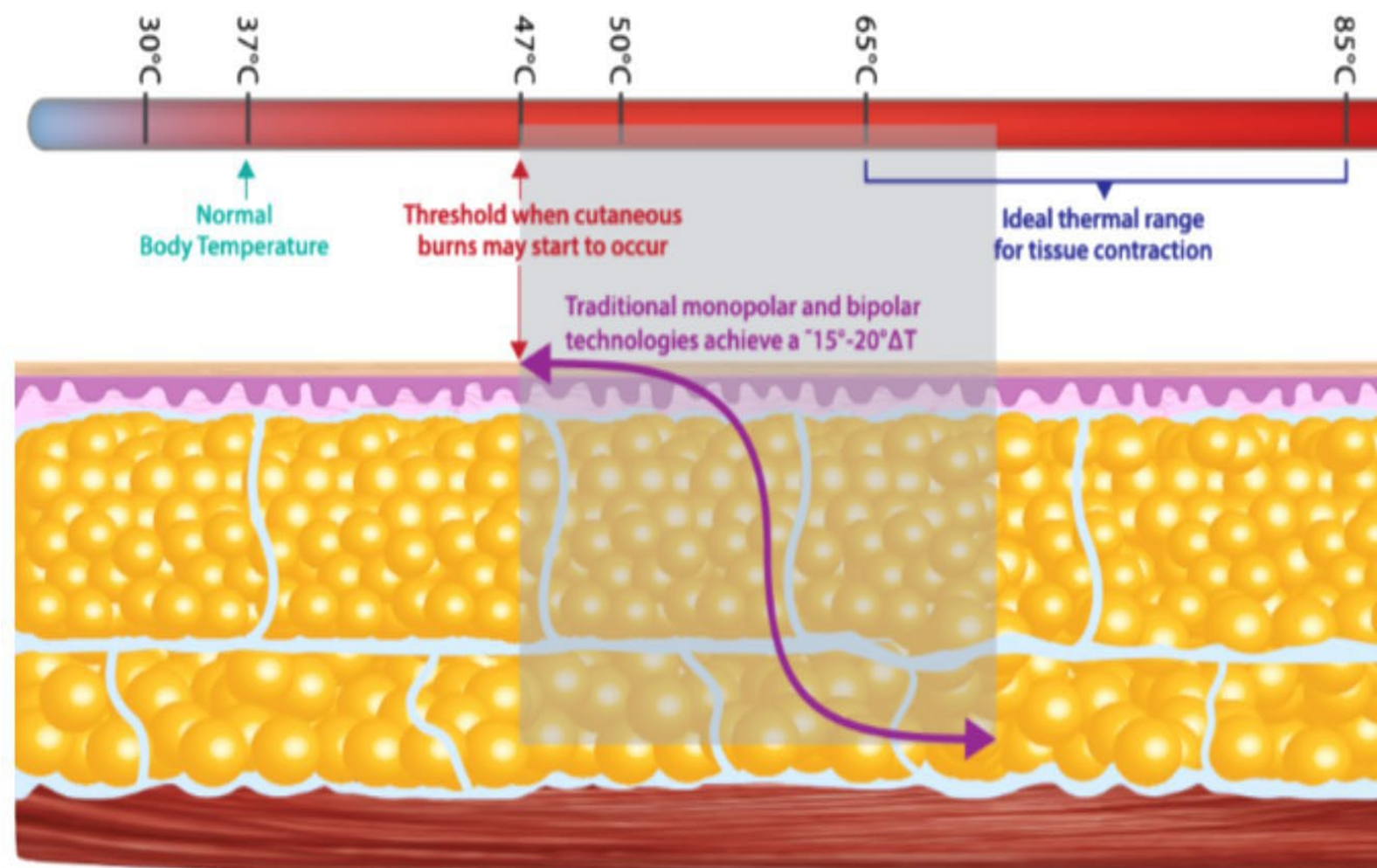
Longer-term skin contraction through neocollagenesis



# The Dilemma

The optimal temperature for subdermal tissue contraction is 85°C.

Most standard monopolar and bipolar radiofrequency devices can't reach this temperature quickly enough without causing a concerning rise in skin temperature.<sup>1-5</sup>



1. Feldman LS, et al. (eds). The SAGES Manual on the Fundamental Use of Surgical Energy (FUSE), ISBN 978-1-4614-2073-6.
2. Chen SS, Wright NT, Humphrey JD. Heat-induced changes in the mechanics of a collagenous tissue: isothermal free shrinkage. Journal of Biomechanical Engineering 1997;109:372-378.
3. McDonald MB. Conductive Keratoplasty: A Radiofrequency-based Technique for the Correction of Hyperopia. Trans Am Ophthalmol Soc 2005;103:512-536.
4. Chen SS, Humphrey JD. Heat-induced changes in the mechanics of a collagenous tissue: pseudoelastic behavior at 37° C. JBiomech 1998;31:211-216.
5. Wright NT, Humphrey JD. Denaturation of collagen during heating: An irreversible rate process. Annu Rev Biomed Eng; 2002;4:109-128.

The safety and efficacy of Renuvion is supported by more than 90 published clinical papers, abstracts and posters, as well as 2 multi-site IDE clinical studies.

**Research**

### Safety and Efficacy of Renuvion Helium Plasma to Improve the Appearance of Loose Skin in the Neck and Submental Region

Anesthetic Surgery Journal 2023, Vol 00(0) 1-11  
© The Author(s) 2023. Published by Oxford University Press on behalf of the Anesthetic Society.  
This is an Open Access article distributed under the terms of the Creative Commons Attribution Non-Commercial-NoDerivs License (<https://creativecommons.org/licenses/by-nc-nd/4.0/>), which permits non-commercial reproduction and distribution of the work in any medium, provided the original work is not altered or transformed in any way, and that the work is properly cited. For commercial reuse, please contact [journals.permissions@oup.com](mailto:journals.permissions@oup.com)

Paul G. Ruff IV, MD, FACS<sup>1</sup>; Gaurav Bharti, MD; Joseph Hunstad, MD; Bill Kortelis, MD; Barry DiBernardo, MD; Richard Gentile, MD; Steven Cohen, MD<sup>2</sup>; Allison Martinez, BA; and Sachin M. Shridharani, MD, FACS

**Abstract**  
Background: Minimally invasive procedures that deliver thermal energy during excisional and noninvasive options to address face or neck skin laxity. Renuvion, was first utilized for subdermal tissue coagulation for cutting, coagulation, and ablation of soft tissue.  
Objectives: The purpose of this study was to demonstrate the safety, improving the appearance of loose skin in the neck and submental region.  
Methods: Patients undergoing the procedure with the helium plasma device were seen for 6 months following the procedure. The primary effectiveness endpoint was met: 92.5% demonstrated no pain to moderate reported related to the study device or procedure.  
Conclusions: The data demonstrate benefit to patients by improvement in neck and submental region. Outcomes resulted in US Food and Drug Administration approval for the device to include subcutaneous dermatological and of loose skin in the neck and submental region.

**Level of Evidence: 4**

Editorial Decision date: February 24, 2023; online publish-ahead-of-print March 1, 2023

Dr Ruff is a plastic surgeon in private practice in Washington, DC, USA. Dr Bharti, Hunstad, and Kortelis are plastic surgeons in private practice in Huntsville, NC, USA. Dr DiBernardo is a Breast Surgery contributing editor for ASJ Open Forum. Dr DiBernardo is a plastic surgeon in private practice in Montclair, NJ, USA. Dr Gentile is a plastic surgeon in private practice in Youngstown, OH, USA. Dr Cohen is a plastic surgeon in private practice in San Diego, CA, USA and is a clinical editor for Anesthetic Surgery Journal. Ms Martinez is a freelance medical writer in Washington, DC, USA. Dr Shridharani is an associate clinical professor, Department of Surgery, Division of Plastic and Reconstructive Surgery, University of Maryland School of Medicine, Baltimore, MD, USA.

**Body Contouring**

### Safety of Helium-based Plasma Technology for Coagulation of Soft Tissue: A Retrospective Review

Anesthetic Surgery Journal Open Forum 2022, Vol 00(0) 1-8  
© The Author(s) 2022. Published by Oxford University Press on behalf of the Anesthetic Society.  
This is an Open Access article distributed under the terms of the Creative Commons Attribution Non-Commercial License (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited. For commercial reuse, please contact [journals.permissions@oup.com](mailto:journals.permissions@oup.com)

Sachin M. Shridharani, MD, FACS<sup>1</sup>; and MacKenzie L. Kennedy, BS

**Abstract**  
Background: The subdermal application of energy using a helium-based plasma radiofrequency (RF) device has been shown to improve skin laxity. Helium-based plasma RF technology (Renuvion; Apyx Medical, Clearwater, FL) utilizes RF to ionize helium into an electrically conductive plasma capable of coagulating and contracting soft tissue with high precision and minimal thermal spread. This study provides information on the early use of the new generation of electrocautery generator (APYX-RS3) containing a feature that allows for quantification of the amount of energy delivered to tissue during treatments.  
Objectives: To collect procedure details, treatment settings, and safety data in patients treated with a helium-based plasma device for soft tissue coagulation.  
Methods: A retrospective review was conducted of patients aged ≥ 18 years who underwent treatment with a helium-based plasma RF device (Renuvion) for soft tissue coagulation. Demographic data, procedure details, and adverse events were collected.  
Results: Chart review identified 47 patients with an average age of 45 years and an average BMI of 25.9 kg/m<sup>2</sup>. The amount of energy (J) delivered per treatment area was greatest for abdomen, buttocks, and thighs, with an average of 13.7 kJ, 13.5 kJ, and 10.6 kJ, respectively. No serious, unexpected, or device-related AEs were reported.  
Conclusions: The use of the generator that quantifies the energy (joules) being applied during the procedure allows the provider to understand and optimize their energy usage. While further research is needed to establish the safety and efficacy of the device for skin tightening, this study provides important information regarding energy application.

**Level of Evidence: 4**

Editorial Decision date: October 26, 2022; online publish-ahead-of-print November 7, 2022

Dr Shridharani is an associate clinical professor, Department of Plastic Surgery, Washington University School of Medicine, St. Louis, MO, USA, and a cosmetic medicine contributing editor for ASJ Open Forum. Ms Kennedy is the director of clinical research at a private clinic, New York, NY, USA.

Corresponding Author: Dr Sachin M. Shridharani, 650 5th Avenue ABCD New York, NY 10021, USA. E-mail: [smshrid@u.washington.edu](mailto:smshrid@u.washington.edu)

Advances in Cosmetic Surgery 3 (2020) 173–188  
**ADVANCES IN COSMETIC SURGERY**

### Advances in Skin Tightening with Liposculpture Plasma Technology Versus Radiofrequency

Ryan Neinstein, MD, FRCS<sup>1,2</sup>; Christopher D. Funderburk, MD, FRCS<sup>1,2</sup>; and Paul G. Ruff IV, MD, FACS<sup>1,2</sup>

**Abstract**  
Background: The use of helium plasma technology for skin tightening and liposculpture has gained popularity in the cosmetic industry. This study compares the safety and efficacy of helium plasma technology versus radiofrequency energy for soft tissue coagulation and liposculpture in the subcutaneous space.  
Methods: A retrospective chart review was conducted of patients who underwent treatment with helium plasma technology or radiofrequency energy for skin tightening and liposculpture. Demographic data, procedure details, and safety data were collected.  
Results: The study included 100 patients who underwent treatment with helium plasma technology or radiofrequency energy. The results showed that helium plasma technology was associated with a higher rate of skin tightening and liposculpture compared to radiofrequency energy.  
Conclusions: Helium plasma technology is a safe and effective treatment for skin tightening and liposculpture. It is a viable alternative to radiofrequency energy for these procedures.

**Level of Evidence: 4**

Editorial Decision date: August 28, 2020; online publish-ahead-of-print September 15, 2020

Received 30 July 2020 | Revised 28 August 2020 | Accepted 3 September 2020  
DOI: 10.1002/der2.232

**INVITED REVIEW**

### A retrospective chart review of subdermal neck coagulation using helium plasma technology

Vaishali Doolabh MD<sup>1,2</sup> | Paul Ruff MD<sup>1,2</sup>

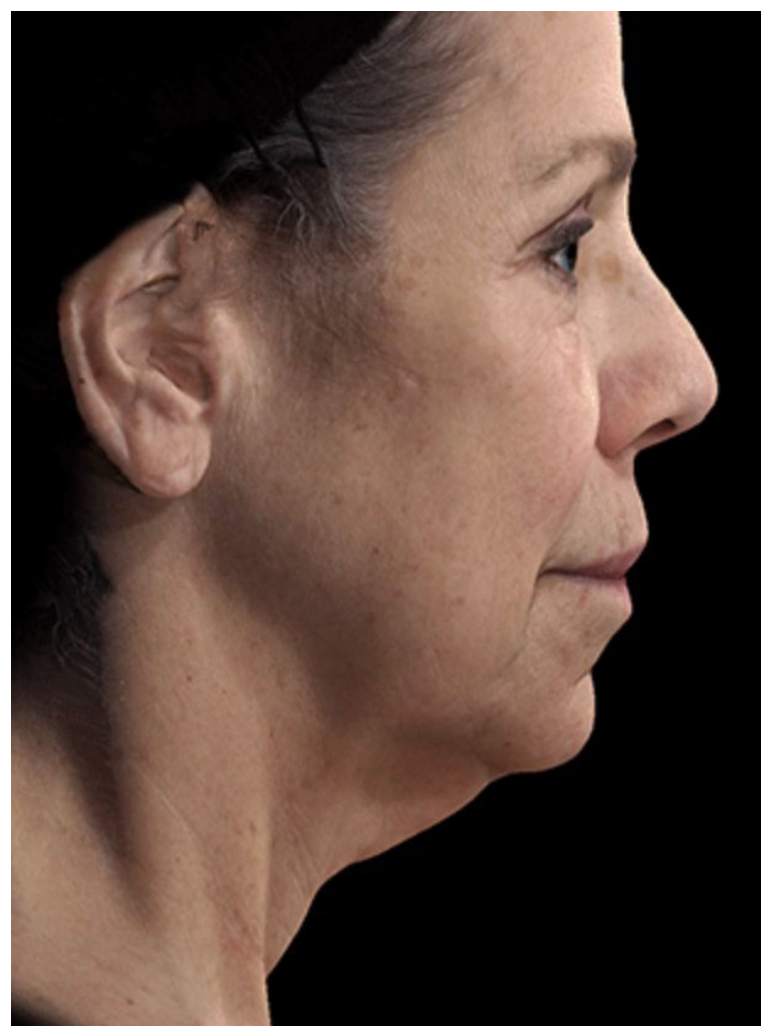
**Abstract**  
Background: A helium-based plasma technology has recently been cleared by the Food and Drug Administration for cutting, coagulation, and ablation of soft tissue (Renuvion® System; Apyx™ Medical Corporation). As the safety of helium plasma used for treating lax and sagging skin in the neck area has not been previously reported, the objectives of this study were to obtain safety results from helium plasma used for neck rejuvenation to summarize subject and procedure variables, and to assess treatment outcomes for the development of future treatment protocols.  
Methods: Two retrospective chart reviews were performed using data from patients who had undergone a helium plasma procedure in the neck area to assess safety (Study 1) and effect (Study 2). For Study 2, pre- and posttreatment images of treatment areas were assessed by blinded reviewers.  
Results: In Study 1 (N = 15), two adverse events felt to be treatment-related were noted. In Study 2 (N = 13), mean improvements included a 37.29% reduction in submental angle and reduction in the submental area.  
Conclusions: Helium plasma technology appears to be a safe and well-tolerated treatment. Consistent and reproducible tissue contraction in the submental and neck area was observed between the authors' sites.

**KEYWORDS**  
helium plasma, neck rejuvenation, radiofrequency, tissue contraction

**1 | INTRODUCTION**  
During the process of denaturation, hydrothermal crosslinks between protein molecules, such as collagen, are instantaneously broken and then quickly reformed as tissue cooks. This leads to the creation of uniform clumps of protein coagulum through the process of coagulation which results in predictable soft tissue contraction and stimulates long-term neocollagenesis and collagen remodeling.<sup>1,2</sup>  
A helium-based plasma technology has recently been cleared by the Food and Drug Administration for cutting, coagulation, and ablation of soft tissue (Renuvion® System; Apyx™ Medical Corporation). The Apyx™ Plasma/RF system consists of a

Clinical Publications at:  
<https://physicians.renuvion.com/library/>

## Skin Laxity



**Before**

**After**

Patient: 65-year-old-female

Results from IDE Clinical Study\* where Renuvion was the only technology used.

\*NCT04146467 on clinicaltrials.gov

## Facial Renewal



**Before**

**After**

Patient: 55-year-old-female

Results from IDE Clinical Study\*, using a single-pass technique.

\*NCT04185909 on clinicaltrials.gov

# 4 New Specific FDA Clinical Indications and 4 FDA Product Clearances in 12 Months



**Jan 2019**

Changed Company name to APYX<sup>®</sup> Medical



**May 2022**

510(k) Clearance for Facial Renewal and the Dermal Handpiece



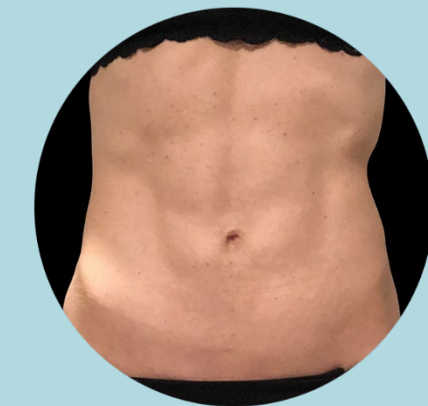
**Oct 2022**

510(k) Clearance for the Apyx One Console



**Apr 2023**

510(k) Clearance for Specific Use after Liposuction



**Oct 2019**

510(k) Clearance for the APR Handpieces



**July 2022**

510(k) Clearance for Neck Laxity



**Feb 2023**

510(k) Clearance for the Contraction of Subcutaneous Soft Tissue



**June 2023**

510(k) Clearance for the Micro Handpiece



# Global Presence

- U.S. direct sales model<sup>1</sup> of:
  - 31 field-based selling professionals
  - 4 sales managers
  - 3 independent sales agencies
- Driving growth by expanding customer base and increasing utilization from existing accounts

We are also registered to sell our products through distributors in ***over 60 countries.***

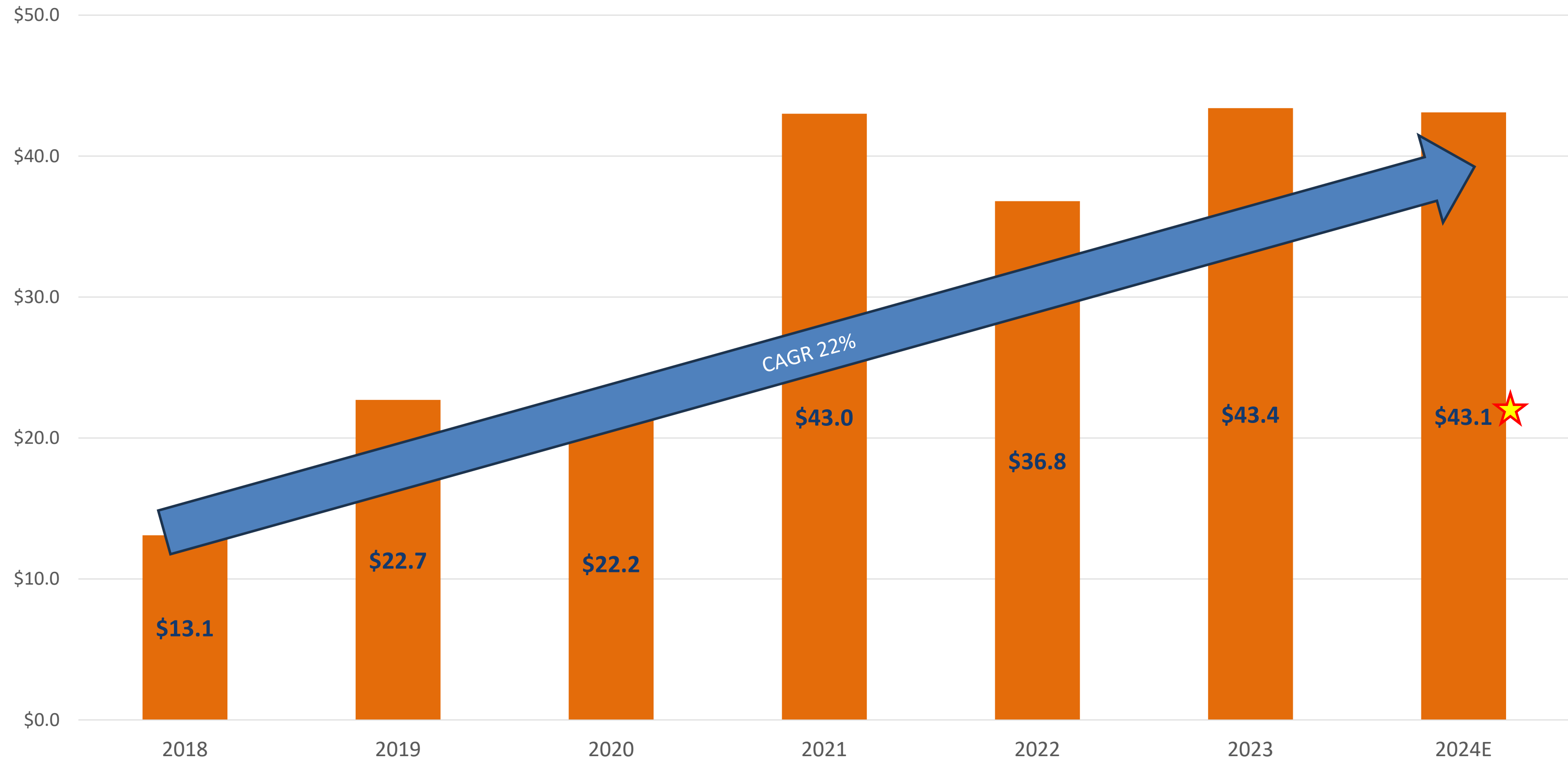
Our manufacturing operations are supported by facilities located in Clearwater, FL, Sofia, Bulgaria and through our contract manufacturing partner in Ningbo, China.

<sup>1</sup> as of September 30, 2023



# Strong Track Record of Advanced Energy Sales Growth Fueled by Adoption and Utilization of Renuvion in the Global Cosmetic Surgery Market

Advanced Energy Revenue 2018 – 2024 (\$M)



★ Represents the Midpoint of 2024 Guidance

# 2024 Strategic Initiatives

- Continue to raise awareness of Renuvion®
- Facilitate new customer adoption and develop network OUS
- Continue to expand library of clinical evidence supporting the use of our Advanced Energy products
- Manage expenses while driving progress towards profitability



In January 2023, we launched our first global direct to consumer brand campaign

#THISISME



# Financial Summary

# Financial Highlights – Income Statement

(\$ in 000's)

	Q4 2023	Q4 2022	H1 Q4 2023	H1 Q4 2022
Advanced Energy Revenue	\$12,134	\$10,545	\$43,382	\$36,803
OEM Revenue	2,528	2,066	8,967	7,707
<b>Total Revenue</b>	<b>\$14,662</b>	<b>\$12,611</b>	<b>\$52,349</b>	<b>\$44,510</b>
<i>Total Revenue Growth (Y/Y)</i>	16.3%		17.6%	
Cost of Goods Sold	5,733	4,370	18,590	15,379
<b>Gross Profit</b>	<b>\$8,929</b>	<b>\$8,241</b>	<b>\$33,759</b>	<b>\$29,131</b>
<i>Gross Margin</i>	60.9%	65.3%	64.5%	65.4%
Total Other Costs and Expenses	14,705	14,174	53,710	52,693
Gain on Sale Leaseback	2,692		2,692	
<b>Loss from Operations</b>	<b>(\$3,084)</b>	<b>(\$5,933)</b>	<b>(\$17,259)</b>	<b>(\$23,562)</b>
Net (Loss) Attributable to Stockholders	(\$9,607)	(\$6,049)	(\$18,713)	(\$23,184)
Adjusted EBITDA	(\$4,693)	(\$4,116)	(\$13,386)	(\$15,372)

# FY'24 Financial Outlook

## FY'24 Financial Outlook:

Total revenue of \$49.7 to \$52.9 million, ~(-5%) to +1% year-over-year

Total revenue guidance assumes:

- Advanced Energy revenue of \$41.6 to \$44.6 million, (-4% )to +3% year-over-year
- OEM revenue of \$8.1 to \$8.3 million, (-10%) to +7% year-over-year

Net loss attributable to stockholders of approximately \$26.5 to \$24.3 million, compared to \$18.7 million for the year ended December 31, 2023.

# Appendix

- 510(k) Received April 28, 2023: Renuvion is the only device FDA cleared for coagulation of subcutaneous soft tissues following liposuction for aesthetic body contouring.
- 510(k) Received February 23, 2023: Renuvion is the only device FDA cleared for the delivery of radiofrequency energy and/or helium plasma where coagulation/contraction of soft tissue is needed. Soft tissue includes subcutaneous tissue.
- 510(k) Received July 18, 2022: Renuvion is the only device FDA cleared for improving the appearance of loose skin on the neck and chin.
- 510(k) Received May 26, 2022: Renuvion is FDA cleared for dermatological procedures for the treatment of moderate to severe wrinkles and rhytides, limited to patients with Fitzpatrick skin types I, II or III.



# People

Renuvion mentioned by Dr. Paul Nassif in People

# People

# THE DOCTORS

# CBS

# PRIME MAGAZINE

# ET

# E!

# Haute Beauty

# BOTCHED

# NEWBEAUTY

# THE AESTHETIC GUIDE

# healthline



# Haute Beauty

Renuvion featured in Haute Beauty

# Q4 2023 Financials – Balance Sheet

	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 43,652	\$ 10,192
Trade accounts receivable, net of allowance of \$608 and \$668	14,023	10,602
Income tax receivables	—	7,545
Other receivables	30	99
Inventories, net of provision for obsolescence of \$875 and \$457	9,923	11,797
Prepaid expenses and other current assets	2,734	2,737
<b>Total current assets</b>	<b>70,362</b>	<b>42,972</b>
Property and equipment, net	1,915	6,761
Operating lease right-of-use assets	5,162	710
Finance lease right-of-use assets	69	115
Other assets	1,732	1,217
<b>Total assets</b>	<b>\$ 79,240</b>	<b>\$ 51,775</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 2,712	\$ 2,669
Accrued expenses and other current liabilities	9,661	8,928
Current portion of operating lease liabilities	347	216
Current portion of finance lease liabilities	20	37
<b>Total current liabilities</b>	<b>12,740</b>	<b>11,850</b>
Long-term debt, net of debt discounts and issuance costs	33,185	—
Long-term operating lease liabilities	4,896	470
Long-term finance lease liabilities	53	73
Long-term contract liabilities	1,246	1,408
Other liabilities	198	181
<b>Total liabilities</b>	<b>52,318</b>	<b>13,982</b>
<b>EQUITY</b>		
Preferred Stock, \$0.001 par value; 10,000,000 shares authorized; 0 issued and outstanding as of December 31, 2023 and December 31, 2022	—	—
Common stock, \$0.001 par value; 75,000,000 shares authorized; 34,643,888 issued and outstanding as of December 31, 2023 and 34,597,822 issued and outstanding as of December 31, 2022	35	35
Additional paid-in capital	81,114	73,282
Accumulated deficit	(54,448)	(35,735)
<b>Total stockholders' equity</b>	<b>26,701</b>	<b>37,582</b>
Non-controlling interest	221	211
<b>Total equity</b>	<b>26,922</b>	<b>37,793</b>
<b>Total liabilities and equity</b>	<b>\$ 79,240</b>	<b>\$ 51,775</b>

# Q4 2023 Financials – Statement of Operations

	Three Months Ended December 31, (Unaudited)		Year Ended December 31,	
	2023	2022	2023	2022
Sales	\$ 14,662	\$ 12,611	\$ 52,349	\$ 44,510
Cost of sales	5,733	4,370	18,590	15,379
<b>Gross profit</b>	<b>8,929</b>	<b>8,241</b>	<b>33,759</b>	<b>29,131</b>
Other costs and expenses:				
Research and development	1,248	1,255	4,844	4,544
Professional services	1,866	2,433	7,031	9,044
Salaries and related costs	4,867	4,677	19,637	18,621
Selling, general and administrative	6,724	5,809	22,198	20,484
<b>Total other costs and expenses</b>	<b>14,705</b>	<b>14,174</b>	<b>53,710</b>	<b>52,693</b>
Gain on sale-leaseback	—	—	2,692	—
<b>Loss from operations</b>	<b>(5,776)</b>	<b>(5,933)</b>	<b>(17,259)</b>	<b>(23,562)</b>
Interest income	443	64	921	157
Interest expense	(1,116)	(3)	(2,478)	(15)
Other (expense) income, net	—	(42)	622	509
Loss on extinguishment of debt	(3,088)	—	(3,088)	—
<b>Total other (expense) income, net</b>	<b>(3,761)</b>	<b>19</b>	<b>(4,023)</b>	<b>651</b>
<b>Loss before income taxes</b>	<b>(9,537)</b>	<b>(5,914)</b>	<b>(21,282)</b>	<b>(22,911)</b>
Income tax expense (benefit)	87	151	(2,432)	367
<b>Net loss</b>	<b>(9,624)</b>	<b>(6,065)</b>	<b>(18,850)</b>	<b>(23,278)</b>
Net loss attributable to non-controlling interest	(17)	(16)	(137)	(94)
<b>Net loss attributable to stockholders</b>	<b>\$ (9,607)</b>	<b>\$ (6,049)</b>	<b>\$ (18,713)</b>	<b>\$ (23,184)</b>
<b>Loss per share:</b>				
Basic and Diluted	\$ (0.28)	\$ (0.17)	\$ (0.54)	\$ (0.67)
Weighted average number of shares outstanding - basic and diluted	34,644	34,597	34,622	34,516



# Q4 2023 Financials – EBITDA

The Company has presented the following non-GAAP financial measure in this presentation: adjusted EBITDA. The Company defines adjusted EBITDA as its reported net income (loss) attributable to stockholders (GAAP) plus income tax expense (benefit), interest, depreciation and amortization, and stock-based compensation expense.

<i>(In thousands)</i>	<b>Three Months Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net loss attributable to stockholders	\$ (9,607)	\$ (6,049)	\$ (18,713)	\$ (23,184)
Interest income	(443)	(64)	(921)	(157)
Interest expense	1,116	3	2,478	15
Income tax expense (benefit)	87	151	(2,432)	367
Depreciation and amortization	152	202	692	890
Stock based compensation	914	1,641	5,114	6,697
Gain on sale-leaseback	—	—	(2,692)	—
Loss on extinguishment of debt	3,088	—	3,088	—
<b>Adjusted EBITDA</b>	<b>\$ (4,693)</b>	<b>\$ (4,116)</b>	<b>\$ (13,386)</b>	<b>\$ (15,372)</b>

# ESG Fundamentals – Marketing, Training, Product Design and Certification

- The strategy around our marketing has been focused on evidenced-based medicine, user education, and patient safety.
- Training on compliant and responsible promotion is provided to all new employees, as well as existing employees, on an annual basis, based on our Standard Operating Procedures.
- Product design is critical to Apyx Medical's customers, and we evaluate our products with the rigor required for medical devices. We know it is our responsibility to ensure safe design for our patients and optimal efficacy for our physicians. We involve our physicians/customers in our new product development process.
- Our products are medical devices subject to rigorous quality and regulatory requirements globally. Apyx Medical's Leadership is committed to ensuring a quality culture, and we desire to be seen as the gold standard for product quality and regulatory compliance in our target market, plastic and cosmetic surgery.
- We partner with physicians to conduct clinical research to gather a better understanding of the safety and effectiveness of our products in both new and existing procedures and applications. We are committed to providing the users of our product with the clinical data they need to make evidence-based decisions on what is best for the care of their patients.

# ESG Fundamentals – Education, Diversity and Community Outreach

- To ensure that all patients have a safe experience with our products, we created an educational program that is offered to every physician user after purchase of our equipment. We pride ourselves on safety and have a team of clinical nurses all over the world who are assigned to provide product training to all new users, live case demonstrations, and provide the guidelines to every new physician customer.
- We have worked to create a culture that embraces equality, diversity and inclusion and fosters an engaged and diverse workforce where everyone can be passionate about the work that they do. Currently, over half of our global workforce is represented by women, including half of our executive management team. In addition, in the U.S., approximately 36% of our employees are from minority ethnic\racial groups.
- Each year we partner with Mildred Helms Elementary school in Florida, near our headquarters, to provide uniforms and other needed supplies to local kids in need. Employees are also encouraged to recommend charities and scholastic organizations that are important to them for corporate donations and sponsorship. We also plan community service activities around our Clearwater, FL headquarters for our employees to participate in.