



June 2021

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Investment Highlights

Enhanced growth profile and balance sheet fueled by strategic transaction in 2018

\$1.5+ Billion potential market opportunity in U.S. cosmetic surgery

**Renuvion Cosmetic Technology:
truly differentiated; unique capabilities in cosmetic surgery procedures**













Strong commercial traction and physician feedback for Renuvion

**Growth profile benefitting from commercial strategy to drive adoption and utilization
in the US cosmetic surgery market and key OUS markets**

**Pursuing multiple strategic initiatives to position “Apyx Medical Corporation”⁽¹⁾
for sustainable, long-term growth in the cosmetic surgery market**


Experienced management team; enhanced with hires in 2018 and 2019

Management Team Overview

Mgmt. Team Member	Joined Apyx	Years of Relevant Experience	Representative Previous Experience	
Charlie Goodwin <i>Chief Executive Officer</i>	December 2017	27		
Tara Semb <i>Chief Financial Officer</i>	December 2018	26	  	
Todd Hornsby <i>Executive Vice President</i>	August 2014	20		
Moshe Citronowicz <i>Senior Vice President</i>	October 1993	33	KCR Technologies	Sequential Information Systems
Shawn Roman <i>Vice President of Research and Development</i>	October 2014	23		
Dr. Topaz Kirlew <i>Vice President of Quality Assurance & Regulatory Affairs</i>	February 2018	34	  	 
Jeff Hoffman <i>Vice President of Marketing</i>	February 2016	21		

Experienced management team; enhanced with hires in 2018 and 2019

Management Team Overview

Mgmt. Team Member	Joined Apyx	Years of Relevant Experience	Representative Previous Experience
Kari Larson <i>Senior Director of Clinical Affairs</i>	July 2019	16	  
Priscilla Herpai <i>Global Director of Regulatory Affairs</i>	February 2021	13	   
Laura Iversen <i>Director of Global Operations – Advanced Energy</i>	September 2018	22	     
Kim Hanson BSN, RNFA <i>Sr. Global Director of Clinical Operations and Medical Affairs</i>	June 2018	30	 

Experienced management team; enhanced with hires in 2018 and 2019

Company Snapshot

- Medical technology company, formerly known as Bovie Medical Corporation
- Two reportable operating segments:
 - **“Advanced Energy”** – commercializing the company’s Helium Plasma Technology
 - A patented technology using helium plasma and proprietary RF waveforms for cutting, coagulation and ablation of soft tissue
 - Sold under the *Renuvion*® *Cosmetic Technology* brand in the cosmetic surgery market
 - Sold under the *J-Plasma*® brand in the hospital-based surgery markets
 - **“OEM”** – original equipment manufacturer for other medical device manufacturers

Founded:	1978
Locations:	<ul style="list-style-type: none"> • Clearwater, FL • Sofia, Bulgaria
Full-Time Employees:	266 ⁽¹⁾

Year of IPO:	1982
Ticker (Nasdaq) :	APYX
Market Cap :	~\$347M ⁽²⁾
Avg. Daily Vol (LTM):	~80,000 ⁽³⁾

(1) As of 12/31/2020

(2) Market cap. based on common shares outstanding of 34.3M as of 5/10/21 x share price of \$10.12 as of 6/11/21

(3) As market close on 6/11/21

“LTM” = Last Twelve Months

“Apyx Medical”⁽¹⁾

Enhanced Growth Profile & Balance Sheet Fueled by Strategic Transaction



August 30, 2018: Completed divestiture and sale of “Core” operating segment and the Bovie brand to Symmetry Surgical, Inc. for \$97M in gross proceeds.

- Apyx Medical retained Advanced Energy and OEM operating segments and manufacturing facilities
 - Transaction allowed Apyx Medical to focus on most attractive growth opportunity: Advanced Energy operating segment
 - Apyx Medical will be OEM-provider of surgical generators to Symmetry Surgical for at least 10-years under generator manufacturing and supply agreement
- \$69 million in net after tax proceeds from the transaction significantly enhanced balance sheet

(1) Note, company formerly known as Bovie Medical Corporation; rebranded as “Apyx Medical Corporation” on 1/1/19 following the transaction with Symmetry Surgical, Inc. which closed on 8/30/18

***“Apyx Medical”: enhanced growth profile and balance sheet;
Increased focus on Advanced Energy segment opportunity***

Apyx Medical: Attractive Market Opportunity

Primary Market Opportunity: Selling Renuvion (powered by J-Plasma Technology) in the U.S. cosmetic surgery market

- ~15,000⁽¹⁾ plastic surgeons, cosmetic surgeons & dermatologists

Generators: ~\$1.3 billion potential market opportunity⁽²⁾

- Strong annual addressable market opportunity with initial clinical indication
 - Renuvion as a subdermal coagulator following liposuction procedures: ~\$170M⁽³⁾
- Pursuing additional clinical indications to expand annual addressable market in the U.S.
 - Dermal skin resurfacing procedures: ~\$85M⁽⁴⁾

Handpieces: ~\$255 million potential annual market opportunity

(1) Source: American Society of Plastic Surgeons (ASPS) database 2018

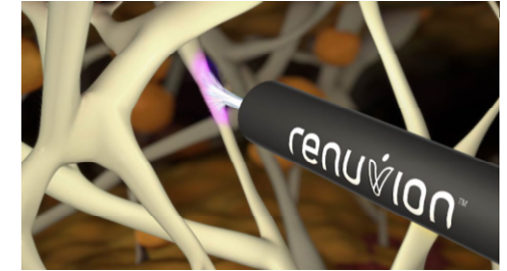
(2) Assumes 15,000 physicians x ~\$85,000 generator list price

(3) Assumes ~400,000 annual procedures x ~\$425 handpiece list price

(4) Assumes ~200,000 annual procedures x ~\$425 handpiece list price

\$1.5+ Billion potential market opportunity in U.S. cosmetic surgery

- Helium plasma and proprietary RF waveform for cutting, coagulating and ablating soft tissue
- Offers ability to deliver heat to tissue in a way never before possible:



1. Unique heating with helium plasma and proprietary RF energy and near instantaneous cooling

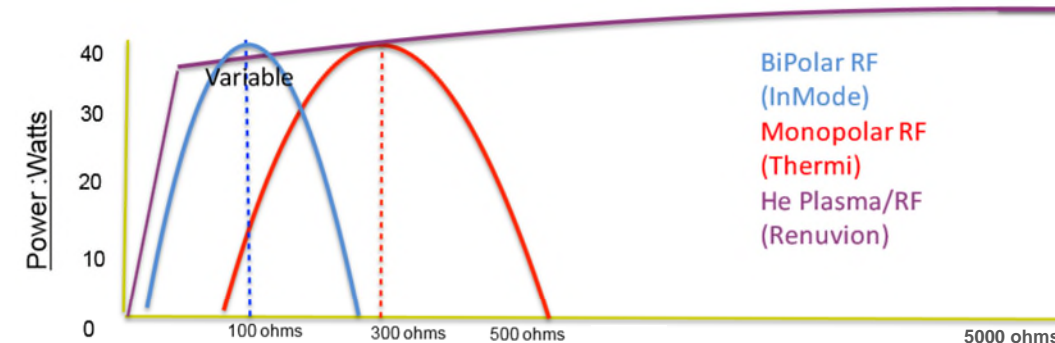
- Allows Renuvion to quickly heat the subdermal tissue to maximum contraction temperatures, while minimizing thermal diffusion to the skin surface

2. Ability to deliver full power to all soft tissues

- Allows for faster and more efficient heating of the subdermal tissue

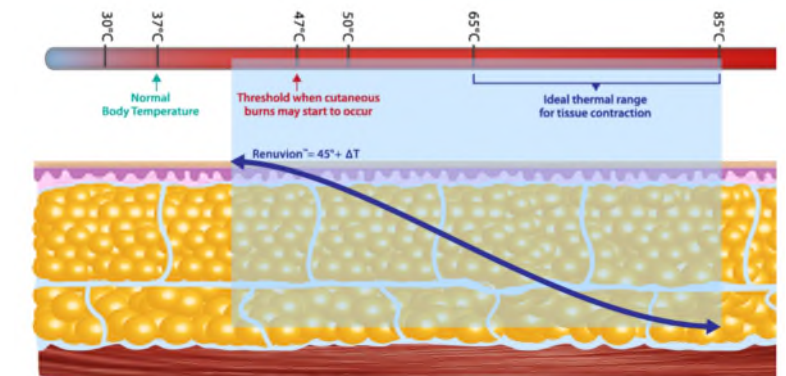
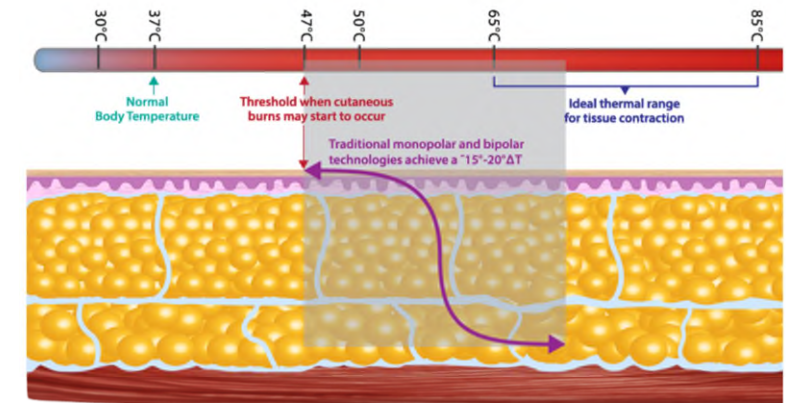
3. Non-contact energy delivery

- Allows for 360° energy application to all desired tissues in the subdermal space



Renuvion's unique ability to manage tissue temperature allows for improved tissue effect & reduced treatment time

- **Traditional mono- and bipolar RF technologies:**
 - Rely on full thickness heating, which results in inefficient and slow heat delivery
 - Difficult to achieve ideal treatment temperature range for subdermal tissue contraction while maintaining safe skin surface temperature
 - Struggle between desired immediate tissue effect (internal $>65^{\circ}\text{C}$) and safety (external at $<\sim 47^{\circ}\text{C}$)
- **Renuvion Cosmetic Technology:**
 - Able to quickly deliver maximum contraction temperatures to subdermal tissue, while maintaining safe skin surface temperature
 - Allows for improved tissue effect and time efficiency

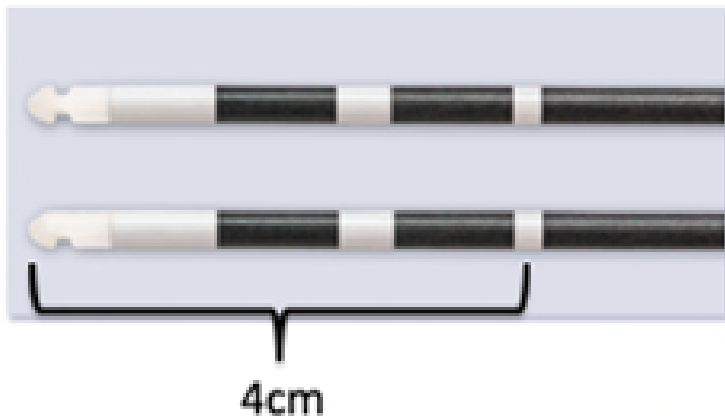
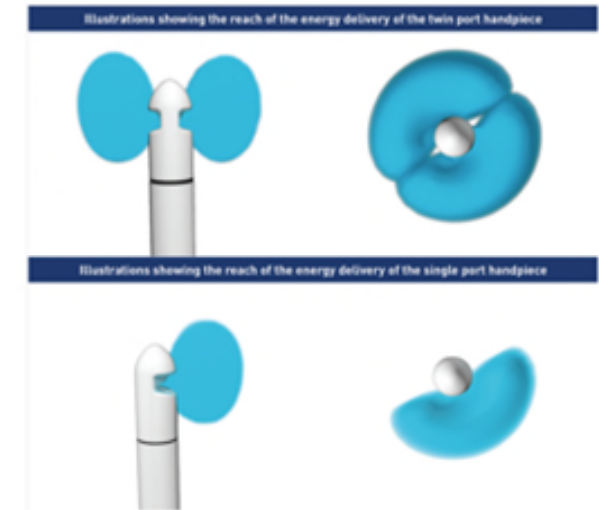


Renuvion's unique ability to manage heat solves the internal-external tissue temperature dilemma

New Renuvion APR Handpieces (“Apyx Plasma/RF Handpiece”)

Designed by Physicians, for Physicians

- Launched 15cm handpiece in Q1 and 27cm handpiece in Q2
- **Key Benefits:**
 - Designed specifically for percutaneous use
 - Smaller diameter (3mm vs 5mm) with rounded tip
 - Improved ergonomics
 - Improved safety



Physician Feedback

“Renuvion has already made such an impact on my business that patients are coming in the door and asking for it by name.”

-Paul Ruff, MD
Plastic Surgeon

“Renuvion is one of the best investments in my practice that I’ve ever made. I’m expanding my usage with it every day and I’ve even purchased another system for my second office.”

-Kyle Song, MD
Plastic Surgeon

“I had one of the bipolar systems previously and upgraded to Renuvion because I found it to be faster, and it allows me to give my patients better results.”

-Richard Hodnett, MD
Plastic Surgeon

Strong feedback from physicians in the cosmetic surgery market

Commercial Strategy

U.S. Commercial Strategy:

- Marketing and selling Renuvion to “early adopters” in the U.S. cosmetic surgery market
- Employing a hybrid selling model comprised of⁽¹⁾:
 - 31 field-based selling professionals
 - 5 sales managers
 - 2 independent sales agencies
- Driving growth by expanding customer base and increasing utilization from existing accounts

International Commercial Strategy:

- Utilizing a network of distributors, who market and sell into physician’s offices and the hospital surgical suite
 - Products sold in >55 countries via distributor network⁽¹⁾
- Growth fueled by penetrating existing markets and expanding distributor relationships

(1) As of 3/31/2021

Growth profile benefitting from commercial strategy to drive adoption and utilization in the US cosmetic surgery market and key OUS markets

Establishing Foundation for Long-term Growth

Focused on building support to facilitate broad-based adoption of Renuvion by:

1. Enhancing physician and practice support for cosmetic surgery customers
2. Expanding clinical support for Renuvion in cosmetic surgery procedures
3. Formulizing regulatory strategy in the cosmetic surgery market
4. Improving manufacturing capabilities and efficiencies

Pursuing multiple strategic initiatives to position Apyx Medical for sustainable, long-term growth in the cosmetic surgery market

Establishing Foundation for Long-term Growth

1. Enhancing physician and practice support for cosmetic surgery customers

Establishing “Renuvion Cosmetic Technology” brand:

- Channel-specific branding for the cosmetic surgery market
- Created for physicians, with their input
- Designed to:
 - Enhance physician practice-based marketing
 - Provide a more patient friendly brand for the technology
 - Leverage the increasing awareness of Renuvion in the cosmetic surgery market



Developed a field based team of clinical specialists

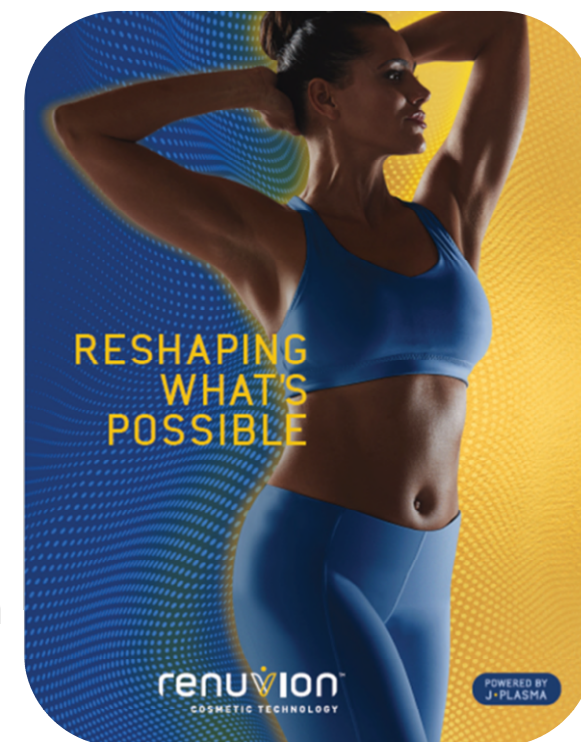
- Providing case support, training and staff education

Hosting Virtual Physician Mentor Programs (PMPs)

- Educational events where current Renuvion users educate new users on the proper safe and effective techniques and guidelines

Hosting Annual Users Meeting

- Initial event in April 2021 featured presentations and discussions hosted by 22 key opinion leaders and top surgeon users from around the world



Establishing Foundation for Long-term Growth

2. Expanding clinical support for Renuvion in cosmetic surgery procedures

- **Total Clinical Publications –**
 - 15 published manuscripts and book chapters supporting the use of Renuvion in subdermal procedures
 - 11 published manuscripts supporting the use of Renuvion in dermal resurfacing procedures
- **2021 Clinical Highlights –**
 - Announced the publication of a peer-reviewed article supporting the use of Renuvion in dermal resurfacing procedures in the *Journal of Cosmetic Dermatology*
 - Focused on completing and submitting additional clinical manuscripts for publication
- **2020 Clinical Highlights –**
 - Published results of first U.S. IDE study evaluating the use of Renuvion in dermal skin resurfacing in the peer-reviewed journal, *Lasers in Surgery & Medicine*
 - Announced the publication of two separate peer-reviewed articles supporting the use of Renuvion in the journal, *Dermatological Reviews*

Establishing Foundation for Long-term Growth

3. Formulizing regulatory strategy in the cosmetic surgery market

- Current focus areas:
 - **US: Pursue specific clinical indications for the use of Renuvion in target procedures**
 - Initial U.S. target: dermal resurfacing procedures
 - May 28, 2021: submitted 510(k) premarket notification for the use of Renuvion in dermal resurfacing procedures
 - Next U.S. target: skin laxity procedures
 - Enrolling patients in Phase II of U.S. IDE clinical study evaluating the use of Renuvion technology skin laxity procedures in the neck and submental region
 - Anticipate completing Phase II enrollment during Q3'21
 - **OUS: Obtain regulatory clearance in new countries outside the U.S. with large, growing cosmetic surgery markets**
 - 2020: Announced regulatory clearance in 11 new countries, including Brazil.
- Longer-term focus: Continue to develop and execute multi-year strategy to secure additional clinical indications for target cosmetic surgery procedures

Establishing Foundation for Long-term Growth

4. Improving manufacturing capabilities and efficiencies

- Focused on identifying new ways to improve manufacturing capabilities and implement lean initiatives
 - Appointed Craig Swandal to the Board of Directors and Laura Iversen as Director of Global Operations - Advanced Energy to identify and pursue improvements
 - Strategy includes implementing new process improvements to reduce per unit manufacturing costs of Advanced Energy products

Manufacturing Overview:			
Facility location:	Clearwater, FL	Sofia, Bulgaria	China
Size:	60,000 sq. ft.	22,000 sq. ft.	70,000 sq. ft.
Owned / Contracted:	Owned	Owned	Contracted
Capabilities:	<ul style="list-style-type: none"> • Assembly • Integration • Final Testing • Service and Repair • Packaging • Sterilization Management 	<ul style="list-style-type: none"> • Manufacturing • Complex Component Assembly • Final Assembly and Testing • Service and Repair • Packaging and Sterilization Management 	<ul style="list-style-type: none"> • Component Manufacturing • Sub-Assemblies • Finished Medical Devices (Electrodes)

Financial Results Summary

(\$ in 000's)

	Q1		FY	
	2021	2020	2020	2019
Revenue	\$8,638	\$4,997	\$27,711	\$28,235
<i>Revenue Growth (Y/Y)</i>	72.9%		-1.9%	
Cost of Goods Sold	2,778	2,013	10,207	9,141
Gross Profit	\$5,860	\$2,984	\$17,504	\$19,094
<i>Gross Margin</i>	67.8%	59.7%	63.2%	67.6%
Total Other Costs and Expenses	10,605	10,476	37,587	39,963
Loss from Operations	(\$4,745)	(\$7,492)	(\$20,083)	(\$20,869)
Adjusted EBITDA	(\$3,413)	(\$5,803)	(\$14,497)	(\$16,885)

- Total revenue results in 2020 reflect the impact of COVID-19 on the Advanced Energy business
- In Q1'21, global Advanced Energy handpiece sales grew 92% year-over-year, driven by strong global growth in sales of generators and handpieces, which increased by >100% and >80% year-over-year, respectively

FY'21 Financial Guidance

On May 12, 2021, the Company updated its fiscal year 2021 financial guidance:

- **Total revenue in the range of \$37.6 million to \$39.7 million, representing growth of 36% to 43% year-over-year.** The Company's prior guidance range for total revenue was \$36.7 million to \$38.7 million, representing growth of 32% to 40% year-over-year.
 - Total revenue guidance assumes:
 - Advanced Energy revenue in the range of \$33.1 million to \$35.2 million, representing growth of 49% to 59% year-over-year. The Company's prior guidance range for Advanced Energy revenue was \$32.3 million to \$34.3 million, representing growth of 45% to 55% year-over-year.
 - OEM revenue of approximately \$4.4 million, representing a decrease of 20% year-over-year.
- **GAAP net loss in the range of \$20.3 million to \$18.0 million.** The Company's prior guidance range for GAAP net loss was \$20.7 million to \$18.4 million.
- **Adjusted EBITDA loss in the range of \$14.1 million to \$11.5 million.** The Company's prior guidance range for Adjusted EBITDA loss was \$14.6 million to \$12.0 million.

***FY'21 revenue growth and long-term path to profitability
fueled by strong growth in high-margin AE segment***

Well-Positioned to Weather COVID-19 Pandemic



- Strong balance sheet condition
 - Cash and cash equivalents investments at 3/31/21: \$39.5 million
 - Working capital of \$53.3 million, including ~\$7.5 million of expected tax refunds related to CARES Act
 - Resources expected to be adequate to fund operations for multiple years
- Pursuing targeted strategies to control near-term expenses
- Continuing to invest in key areas to support future growth and position APYX to recover quickly as COVID-19 crisis subsides
 - Announced no intention of changing the size of sales team or furloughing employees during recent earnings calls
 - Continuing to support U.S. IDE clinical studies in dermal resurfacing and skin laxity



Appendix

Balance Sheet (Slide 1 of 2)

(In thousands)



	March 31, 2021 (Unaudited)	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 39,539	\$ 41,915
Trade accounts receivable, net of allowance of \$300 and \$300	7,683	8,399
Income tax receivables	7,654	7,654
Other receivables	1,110	1,275
Inventories, net of provision for obsolescence of \$374 and \$388	4,463	4,051
Prepaid expenses and other current assets	2,593	2,795
Total current assets	63,042	66,089
Property and equipment, net	6,599	6,541
Operating lease right-of-use assets	212	237
Finance lease right-of-use assets	383	437
Other assets	860	807
Total assets	\$ 71,096	\$ 74,111

Balance Sheet (Slide 2 of 2)

(In thousands)



LIABILITIES AND EQUITY

Current liabilities:

Accounts payable

\$	2,283	\$	1,511
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Accrued expenses and other liabilities

7,090	7,278
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Current portion of operating lease liabilities

125	126
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Current portion of finance lease liabilities

232	238
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Total current liabilities

9,730	9,153
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Long-term operating lease liabilities

94	129
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Long-term finance lease liabilities

107	183
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Contract liabilities

855	621
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Other liabilities

141	166
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Total liabilities

10,927	10,252
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EQUITY

Common stock, \$0.001 par value; 75,000,000 shares authorized;
34,317,863 issued and outstanding as of March 31, 2021, and 34,289,222
outstanding as of December 31, 2020

34	34
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Additional paid-in capital

62,281	61,066
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(Accumulated deficit) retained earnings

(2,280)	2,621
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Total stockholders' equity

60,035	63,721
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Non-controlling interest

134	138
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Total equity

60,169	63,859
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Total liabilities and equity

\$	71,096	\$	74,111
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Income Statement

(In thousands)

Three Months Ended
March 31,



	2021	2020
Sales	\$ 8,638	\$ 4,997
Cost of sales	2,778	2,013
Gross profit	5,860	2,984
Other costs and expenses:		
Research and development	1,115	980
Professional services	1,521	2,389
Salaries and related costs	4,245	3,311
Selling, general and administrative	3,724	3,796
Total other costs and expenses	10,605	10,476
Loss from operations	(4,745)	(7,492)
Interest income	3	216
Interest expense	(4)	(6)
Other (loss) income, net	(93)	426
Total other (loss) income, net	(94)	636
Loss before income taxes	(4,839)	(6,856)
Income tax expense (benefit)	66	(4,905)
Net loss	(4,905)	(1,951)
Net loss attributable to non-controlling interest	(4)	—
Net loss attributable to stockholders	<u>\$ (4,901)</u>	<u>\$ (1,951)</u>
Loss per share		
Basic and Diluted	\$ (0.14)	\$ (0.06)
Weighted average number of shares outstanding - basic and diluted	34,302	34,17

GAAP to Non-GAAP Reconciliation: Net Loss to Adjusted EBITDA



(Unaudited) (In thousands)

(In thousands)

Net loss attributable to stockholders
Interest income
Interest expense
Income tax expense (benefit)
Depreciation and amortization
Stock based compensation
Adjusted EBITDA

Three Months Ended March 31,	
2021	2020
\$ (4,901)	\$ (1,951)
(3)	(216)
4	6
66	(4,905)
227	214
1,194	1,049
<u>\$ (3,413)</u>	<u>\$ (5,803)</u>

GAAP to Non-GAAP Reconciliation: FY'21 Financial Guidance



(Unaudited) (In thousands)

The following unaudited table presents a reconciliation of net loss to Adjusted EBITDA for the Company's 2021 guidance:

<i>(In millions)</i>	Year Ending	
	December 31, 2021	
Net loss attributable to stockholders	\$	(19.1)
Interest income		—
Interest expense		—
Income tax expense		0.3
Depreciation and amortization		0.7
Stock based compensation		5.4
Adjusted EBITDA	\$	(12.8)

Note: figures may not sum to totals due to rounding.

The reconciliation assumes the mid-point of the Adjusted EBITDA loss range and the midpoint of each component of the reconciliation, corresponding to guidance for GAAP net loss of \$20.3 million to \$18.0 million for 2021.

