

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): February 20, 2024

STRATA
SKIN SCIENCES

STRATA SKIN SCIENCES, INC.

(Exact Name of Registrant Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

000-51481
(Commission File Number)

13-3986004
(I.R.S. Employer Identification No.)

5 Walnut Grove Drive, Suite 140, Horsham, Pennsylvania
(Address of Principal Executive Offices)

19044
(Zip Code)

Registrant's telephone number, including area code: 215-619-3200

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	SSKN	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company.

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On February 20, 2024, STRATA Skin Sciences, Inc. (the “Company”) entered into (a) the Amendment No. 4 to Credit and Security Agreement (the “Amendment”) among MidCap Financial Trust (“MidCap”), as administrative agent, and the lenders identified therein, which amended the Credit and Security Agreement, dated as of September 30, 2021, as amended January 10, 2022, September 6, 2022 and June 30, 2023 (as amended by the Amendment, the “MidCap Credit Agreement”), and (b) a second amended and restated letter agreement (the “Second Amended and Restated Fee Letter Agreement”) with MidCap, as agent.

In connection with the Amendment, the parties revised the applicable minimum net revenue threshold financial covenant are set at \$29.0 million, \$29.25 million, \$29.5 million and \$30.0 million for the periods ending March 31, 2024, June 30, 2024, September 30, 2024 and December 31, 2024, respectively, and as set forth in the Amendment thereafter. Because the Company did not anticipate being in compliance with the applicable minimum net revenue financial threshold covenant for the period ended December 31, 2023 under the MidCap Credit Agreement, MidCap and the lenders in the Amendment, among other things, agreed to grant a limited waiver of the foregoing event that had occurred prior to the effectiveness of the Amendment and of any right the lenders may have to exercise any of their rights against the Company as a result.

Pursuant to the Second Amended and Restated Fee Letter Agreement, the Company agreed to pay MidCap, as administrative agent, the following fees: (a) an origination fee on September 30, 2021 in the amount of \$40,000, which was fully earned and paid; (b) on the maturity date of the MidCap Credit Agreement or any earlier date on which the obligations thereunder become due and payable in full or are otherwise paid full (such date, the “Full Exit Fee Payment Date”), the Company shall pay an exit fee equal to (i) 4.0% of the total aggregate principal amount of Credit Extensions (as defined in the MidCap Credit Agreement) made pursuant to the MidCap Credit Agreement (regardless of any repayment or prepayment thereof) as of the Full Exit Fee Payment Date (such aggregate amount, the “Exit Fee Base Amount”), less (ii) any Partial Exit Fee (as defined below) previously paid; (c) on the date of any voluntary or mandatory partial prepayment of the borrowings under the MidCap Credit Agreement (or on the date such mandatory prepayment becomes due and payable) (each such date, a “Partial Exit Fee Payment Date”), the Company shall pay an exit fee equal to 4.0% of the principal amount of the credit facilities paid or prepaid (or required to be paid in the case of a mandatory prepayment) as of the Partial Exit Fee Payment Date (such amount, the “Partial Exit Fee”); (d) an origination fee on June 30, 2023 in the amount equal to the the Credit Extensions (as defined in the MidCap Credit Agreement) in respect of Credit Facility #2 (as defined in the MidCap Credit Agreement), multiplied by (ii) 0.50%, which has been paid and is non-refundable; and (e) an origination fee payable contemporaneously with funding Credit Facility #3 in an amount equal to (i) the Credit Extensions (as defined in the MidCap Credit Agreement) in respect of Credit Facility #3 (as defined in the MidCap Credit Agreement), multiplied by (ii) 0.50%.

The foregoing description of the Amendment, the MidCap Credit Agreement, and the Second Amended and Restated Fee Letter Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of such documents. Copies of the Amendment, the MidCap Credit Agreement, and the Second Amended and Restated Fee Letter Agreement are filed as Exhibits 10.1, 10.2, 10.3, and 10.4 to this Current Report on Form 8-K and are incorporated herein by reference. The representations, warranties and covenants set forth in the Amendment, the MidCap Credit Agreement, the Fee Letter Agreement, the A&R Warrant and the A&R Registration Rights Agreement have been made only for the purposes of the Amendment, the MidCap Credit Agreement, and the Second Amended and Restated Fee Letter Agreement, respectively, and solely for the benefit of the parties thereto and may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to such agreement instead of establishing these matters as facts. In addition, such representations and warranties were made only as of the dates specified in the Amendment, the MidCap Credit Agreement, and the Second Amended and Restated Fee Letter Agreement and information regarding the subject matter thereof may change after the date thereof. Accordingly, the Amendment, the MidCap Credit Agreement, and the Second Amended and Restated Fee Letter Agreement are included with this filing only to provide investors with information regarding its terms and not to provide investors with any other factual information regarding the Company or its business as of the date thereof or as of any other date. Investors and security holders should not rely on such representations and warranties as characterizations of the actual state of facts or circumstances, since they were made only as of a specific date and are modified in important part by the underlying disclosure schedules. In addition, certain representations and warranties may be subject to a contractual standard of materiality different from what might be viewed as material to stockholders.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of the Registrant.

The information set forth in Item 1.01 of this Current Report on Form 8-K regarding the Financing Agreements is incorporated herein by reference in this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

- [10.1](#) Amendment No. 4 to Credit and Security Agreement, dated as of February 20, 2024, among STRATA Skin Sciences, Inc., MidCap Financial Trust, as administrative agent, and the lenders identified therein.
- [10.2](#) Amendment No. 3 to Credit and Security Agreement, dated as of June 30, 2023, among STRATA Skin Sciences, Inc., MidCap Financial Trust, as administrative agent, and the lenders identified therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 30, 2023).
- [10.3](#) Credit and Security Agreement, dated as of September 30, 2021, as amended January 10, 2022, September 6, 2022 and June 30, 2023, among STRATA Skin Sciences, Inc., MidCap Financial Trust, as administrative agent, and the lenders identified therein (incorporated by reference to Exhibit A to Exhibit 10.2).
- [10.4](#) Letter agreement, dated as of February 20, 2024, between STRATA Skin Sciences, Inc. and MidCap Financial Trust, as administrative agent.
104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish a copy of such schedules and exhibits, or any section thereof, to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STRATA SKIN SCIENCES, INC.

Date: February 21, 2024

By: /s/ Christopher Lesovitz

Christopher Lesovitz
Chief Financial Officer

LIMITED WAIVER AND AMENDMENT NO. 4 TO CREDIT AND SECURITY AGREEMENT

This LIMITED WAIVER AND AMENDMENT NO. 4 TO CREDIT AND SECURITY AGREEMENT (this “**Agreement**”) is made as of this 20th day of February, 2024 (“**Effective Date**”), by and among **STRATA SKIN SCIENCES, INC.**, a Delaware corporation (together with each of its subsidiaries that hereafter becomes a party to this Agreement, the “**Borrower**”), **MIDCAP FINANCIAL TRUST**, as Agent for Lenders (in such capacity and together with its permitted successors and assigns, the “**Agent**”) and the other financial institutions or other entities from time to time parties to the Credit Agreement referenced below, each as a Lender.

RECITALS

A. Agent, Lenders and Borrower have entered into that certain Credit and Security Agreement, dated as of September 30, 2021 (as amended by that certain Limited Consent and Amendment No. 1 to Credit and Security Agreement, dated as of January 10, 2022, that certain Amendment No. 2 to Credit and Security Agreement, dated as of September 6, 2022 and that certain Amendment No. 3 to Credit and Security Agreement, dated as of June 30, 2023 and as further amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the “**Existing Credit Agreement**”) and the Existing Credit Agreement, as amended hereby, the “**Credit Agreement**”), pursuant to which the Lenders have agreed to make certain advances of money and to extend certain financial accommodations to Borrower in the amounts and manner set forth in the Credit Agreement.

B. Borrower has requested, and Agent and Lenders have agreed, to enter into this Agreement, all in accordance with the terms and subject to the conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the terms and conditions set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agent, Lenders, and the Borrower hereby agree as follows:

1. **Recitals; Construction.** This Agreement shall constitute a Financing Document and the Recitals and each reference to the Credit Agreement, unless otherwise expressly noted, will be deemed to reference the Credit Agreement as modified hereby. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement (including those capitalized terms used in the Recitals hereto).

2. **Limited Waiver.** An Event of Default has occurred under Section 10.1(c) of the Existing Credit Agreement due to Borrower’s Net Revenue for the Defined Period ending December 31, 2023 being less than the Applicable Minimum Net Revenue Threshold for such Defined Period in violation of the financial covenant in Section 9.1 of the Existing Credit Agreement (the “**Subject Event of Default**”). Subject to the satisfaction of the conditions set forth in Section 5 below, and in reliance on the representations and warranties contained in Section 4 below, Agent and the Lenders hereby waive the Subject Event of Default. The limited waiver set forth in this Section 2 is effective solely for the purposes set forth herein and shall be limited precisely as written and shall not, except as expressly provided herein, be deemed to (a) be a consent to any amendment, waiver or modification of any term or condition of the Credit Agreement or of any other Financing Document; (b) prejudice any right that Agent or Lenders have or may have in the future under or in connection with the Credit Agreement or any other Financing Document; (c) constitute a consent to or waiver of any past, present or future Default or Event of Default (other than the Subject Events of Default) or other violation of any provisions of the Credit Agreement or any other Financing Documents; (d) create any obligation to forbear from taking any enforcement action, or to make any further extensions of credit; or (e) establish a custom or course of dealing among any of the Credit Parties, on the one hand, or Agent or any Lender, on the other hand.

3. **Amendments to Existing Credit Agreement.** Subject to the terms and conditions of this Agreement, including, without limitation, the conditions to effectiveness set forth in Section 5 below, the Existing Credit Agreement is hereby amended as follows:

(a) The following definition of “Fourth Amendment Effective Date” is hereby added to Section 15 of the Existing Credit Agreement in the appropriate alphabetical order therein:

“**Fourth Amendment Effective Date**” means February 20, 2024.

(b) The definition of “Applicable Minimum Net Revenue Threshold” in Section 15 of the Existing Credit Agreement is hereby amended by deleting such definition in its entirety and replacing it with the following:

“**Applicable Minimum Net Revenue Threshold**” means (i) for each Defined Period ending on or before December 31, 2026, the minimum Net Revenue amount set forth on the **Minimum Net Revenue Schedule** attached hereto for such Defined Period and (ii) for each Defined Period ending after December 31, 2026, a minimum Net Revenue amount for such Defined Period to be determined by Agent, in good faith on or prior to March 5th of the year in which such Defined Period ends, in consultation with Borrower, based upon the most recent financial information and projections provided by Borrower pursuant to Section 6.2 of this Agreement; provided that in no event shall the minimum Net Revenue amount for any such Defined Period under this clause (ii) be less than an amount equal to the greater of (x) the applicable minimum Net Revenue amount for the immediately preceding date the financial covenant in Section 9.1 was tested, and (y) \$33,000,000.

(c) The Credit Facility Schedule for each Credit Facility, is hereby amended by replacing the references to the “Third Amendment Effective Date” with references to the “Fourth Amendment Effective Date” in the “Applicable Prepayment Fee” section of each such Credit Facility Schedule.

(d) The Minimum Net Revenue Schedule attached to the Existing Credit Agreement is hereby amended by deleting such Minimum Net Revenue Schedule in its entirety and replacing it with the Minimum Net Revenue Schedule attached to this Agreement as Schedule 1.

4. **Representations and Warranties; Reaffirmation of Security Interest.** Each Credit Party hereby confirms that all of the representations and warranties set forth in the Credit Agreement are true and correct in all material respects (without duplication of any materiality qualifier in the text of such representation or warranty) with respect to such Credit Party as of the date hereof except to the extent that any such representation or warranty relates to a specific date in which case such representation or warranty shall be true and correct in all material respects as of such earlier date. Each Credit Party reaffirms its obligations under each Security Document to which it is a party, and confirms and agrees that all security interests and Liens granted to the Agent continue in full force and effect. Nothing herein is intended to impair or limit the validity, priority or extent of Agent’s security interests in and Liens on the Collateral. Each Credit Party acknowledges and agrees that the Credit Agreement, the other Financing Documents and this Agreement constitute the legal, valid and binding obligation of such Credit Party, and are enforceable against such Credit Party in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws relating to the enforcement of creditors’ rights generally and by general equitable principles.

5. **Conditions to Effectiveness.** This Agreement shall become effective as of the date on which each of the following conditions has been satisfied, as determined by Agent in its sole discretion:

(a) Agent shall have received a duly authorized, executed and delivered counterpart of the signature page to this Agreement from Borrower, Agent and the Lenders;

(b) Agent shall have received a fully executed copy of that certain Second Amended and Restated Fee Letter;

(c) all representations and warranties of Borrowers contained herein shall be true and correct in all material respects (without duplication of any materiality qualifier in the text of such representation or warranty) as of the date hereof except to the extent that any such representation or warranty relates to a specific date in which case such representation or warranty shall be true and correct in all material respects (or, in the case of any representation or warranty that is, by its terms, qualified by materiality, in all respects) as of such earlier date (and such parties' delivery of their respective signatures hereto shall be deemed to be its certification thereof);

(d) prior to (except with respect to the Subject Event of Default) and after giving effect to the agreements set forth herein, no Default or Event of Default shall exist under any of the Financing Documents; and

(e) the Borrowers shall have delivered such other documents, information, certificates, records, permits and filings as Agent may reasonably request.

6. **Costs and Fees.** Borrowers shall be responsible for the payment of all reasonable, documented and invoiced out-of-pocket costs and fees of Agent's counsel incurred in connection with the preparation, negotiation, execution and delivery of this Agreement and any related Financing Documents.

7. **Release.** In consideration of the agreements of Agent and Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Credit Party, voluntarily, knowingly, unconditionally and irrevocably, with specific and express intent, for and on behalf of itself and all of its respective parents, subsidiaries, affiliates, members, managers, predecessors, successors, and assigns, and each of their respective current and former directors, officers, shareholders, agents, and employees, and each of their respective predecessors, successors, heirs, and assigns (individually and collectively, the "**Releasing Parties**") does hereby fully and completely release, acquit and forever discharge each of Agent, Lenders, and each their respective parents, subsidiaries, affiliates, members, managers, shareholders, directors, officers and employees, and each of their respective predecessors, successors, heirs, and assigns (individually and collectively, the "**Released Parties**"), of and from any and all actions, causes of action, suits, debts, disputes, damages, claims, obligations, liabilities, costs, expenses and demands of any kind whatsoever, at law or in equity, whether matured or unmatured, liquidated or unliquidated, vested or contingent, choate or inchoate, known or that reasonably should have been known that the Releasing Parties (or any of them) has against the Released Parties or any of them (whether directly or indirectly), based in whole or in part on facts, known or that reasonably should have been known, existing on or before the date hereof. Each Credit Party acknowledges that the foregoing release is a material inducement to Agent's and each Lender's decision to enter into this Agreement and agree to the modifications contemplated hereunder, and has been relied upon by Agent and Lenders in connection therewith.

8. **No Waiver or Novation.** The execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of Agent, nor constitute a waiver of any provision of the Credit Agreement, the Financing Documents or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing. Nothing herein is intended or shall be construed as a waiver of any existing Defaults or Events of Default under the Credit Agreement or other Financing Documents or any of Agent's rights and remedies in respect of such Defaults or Events of Default (other than with respect to the Subject Event of Default). This Agreement (together with any other document executed in connection herewith) is not intended to be, nor shall it be construed as, a novation of the Credit Agreement.

9. **Affirmation.** Except as specifically amended pursuant to the terms hereof, each Credit Party hereby acknowledges and agrees that the Existing Credit Agreement and all other Financing Documents (and all covenants, terms, conditions and agreements therein) shall remain in full force and effect, and are hereby ratified and confirmed in all respects by such Credit Party, including without limitation the granting of Liens in the Collateral to secure the Obligations and other Financing Documents. Each Credit Party covenants and agrees to comply with all of the terms, covenants and conditions of the Credit Agreement and the other Financing Documents, notwithstanding any prior course of conduct or other actions or inactions on Agent's or any Lender's part which might otherwise constitute or be construed as a waiver of or amendment to such terms, covenants and conditions. Each Credit Party confirms and agrees that all security interests and Liens granted to Agent pursuant to the Financing Documents continue in full force and effect, and all Collateral remains free and clear of any Liens, other than those granted to Agent and Permitted Liens.

10. **Miscellaneous.**

(a) **Reference to the Effect on the Credit Agreement.** The Credit Agreement, and all other Financing Documents (and all covenants, terms, conditions and agreements therein), shall remain in full force and effect, and are hereby ratified and confirmed in all respects by each Credit Party.

(b) THIS AGREEMENT AND THE RIGHTS, REMEDIES AND OBLIGATIONS OF THE PARTIES HERETO, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT, THE RELATIONSHIP OF THE PARTIES, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES AND ALL OTHER MATTERS RELATING HERETO OR ARISING THEREFROM (WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE), SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW). NOTWITHSTANDING THE FOREGOING, AGENT AND LENDERS SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST EACH CREDIT PARTY OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION WHICH AGENT AND LENDERS (IN ACCORDANCE WITH THE PROVISIONS OF SECTION 12.1 OF THE CREDIT AGREEMENT) DEEM NECESSARY OR APPROPRIATE TO REALIZE ON THE COLLATERAL OR TO OTHERWISE ENFORCE AGENT'S AND LENDERS' RIGHTS AGAINST SUCH CREDIT PARTY OR ITS PROPERTY. EACH CREDIT PARTY EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH CREDIT PARTY HEREBY WAIVES ANY OBJECTION THAT IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE, OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH CREDIT PARTY HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINTS, AND OTHER PROCESS ISSUED IN SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS, AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO THE APPLICABLE CREDIT PARTY AT THE ADDRESS SET FORTH IN ARTICLE 11 OF THE CREDIT AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER TO OCCUR OF SUCH CREDIT PARTY'S ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE U.S. MAIL, PROPER POSTAGE PREPAID.

(c) **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH CREDIT PARTY, AGENT AND LENDERS PARTY HERETO EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.**

(d) Incorporation of Credit Agreement Provisions. The provisions contained in Section 12.2(b) (*California Waivers*), Section 12.3 (*California Waiver*) and Section 13.2 (*Indemnification*) of the Credit Agreement are incorporated herein by reference to the same extent as if reproduced herein in their entirety.

(e) Headings. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

(f) Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement. Delivery of an executed signature page of this Agreement by facsimile transmission or electronic transmission shall be as effective as delivery of a manually executed counterpart hereof. In furtherance of the foregoing, the words “execution”, “signed”, “signature”, “delivery” and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby or thereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. As used herein, “Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or other record.

(g) Entire Agreement. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

(h) Severability. In case any provision of or obligation under this Agreement shall be invalid, illegal or unenforceable in any applicable jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

(i) Successors/Assigns. This Agreement shall bind, and the rights hereunder shall inure to, the respective successors and assigns of the parties hereto, subject to the provisions of the Credit Agreement and the other Financing Documents.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, intending to be legally bound, the undersigned have executed this Agreement as of the day and year first hereinabove set forth.

AGENT:

MIDCAP FINANCIAL TRUST

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By: /s/ Maurice Amsellem

Name: Maurice Amsellem

Title: Authorized Signatory

Signature Page(s)

LENDERS:

MIDCAP FINANCIAL TRUST

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By: /s/ Maurice Amsellem

Name: Maurice Amsellem

Title: Authorized Signatory

Signature Page(s)

LENDERS:

MIDCAP FUNDING XLIX TRUST

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By: /s/ Maurice Amsellem

Name: Maurice Amsellem

Title: Authorized Signatory

Signature Page(s)

LENDERS:

ELM 2020-3 TRUST

By: MidCap Financial Services Capital Management,
LLC, as Servicer

By: /s/ John O'Dea

Name: John O'Dea

Title: Authorized Signatory

ELM 2020-4 TRUST

By: MidCap Financial Services Capital Management,
LLC, as Servicer

By: /s/ John O'Dea

Name: John O'Dea

Title: Authorized Signatory

Signature Page(s)

BORROWER:

STRATA SKIN SCIENCES, INC.

By: _____
Name:
Title:

Signature Page(s)

MidCap / Strata / Amendment No. 4

Schedule 1

MINIMUM NET REVENUE SCHEDULE

Defined Period Ending	Minimum Net Revenue
September 30, 2021	\$ 24,000,000.00
December 31, 2021	\$ 25,000,000.00
March 31, 2022	\$ 25,500,000.00
June 30, 2022	\$ 26,000,000.00
September 30, 2022	\$ 27,000,000.00
December 31, 2022	\$ 28,000,000.00
March 31, 2023	\$ 28,500,000.00
June 30, 2023	\$ 29,000,000.00
September 30, 2023	\$ 33,000,000.00
December 31, 2023	\$ 36,000,000.00
March 31, 2024	\$ 29,000,000.00
June 30, 2024	\$ 29,250,000.00
September 30, 2024	\$ 29,500,000.00
December 31, 2024	\$ 30,000,000.00
March 31, 2025	\$ 30,500,000.00
June 30, 2025	\$ 31,000,000.00
September 30, 2025	\$ 31,500,000.00
December 31, 2025	\$ 32,000,000.00
March 31, 2026	\$ 32,250,000.00
June 30, 2026	\$ 32,500,000.00
September 30, 2026	\$ 32,750,000.00
December 31, 2026	\$ 33,000,000.00

MidCap / Strata / Amendment No. 4



c/o MidCap Financial Services, LLC, as servicer
7255 Woodmont Avenue, Suite 300
Bethesda, Maryland 20814
www.midcapfinancial.com

February 20, 2024

STRATA Skin Sciences, Inc.
5 Walnut Grove Drive, Suite 140
Horsham, Pennsylvania 19044
Attn: Christopher Lesovitz, Chief Financial Officer

Re: Amendment No. 4 to Credit and Security Agreement with STRATA Skin Sciences, Inc.

Ladies and Gentlemen:

This second amended and restated fee letter (“**Fee Letter**”) is a “Fee Letter” referred to in that certain Credit and Security Agreement dated as of September 30, 2021 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the “**Credit Agreement**”), by and among STRATA Skin Sciences, Inc., a Delaware Corporation, as Borrower (together with any other entities from time to time party thereto as borrowers, collectively in the singular, “**Borrower**”), the financial institutions or other entities from time to time parties thereto as lenders (the “**Lenders**”), and **MIDCAP FINANCIAL TRUST**, a Delaware statutory trust, individually as administrative agent (in such capacity, together with its successors and assigns, “**Agent**”). Capitalized terms used herein without definition shall have the meanings contained in the Credit Agreement.

In addition to any fees, expenses or other amounts payable by Borrower to Agent and the Lenders under the terms of the Financing Documents, to induce Agent and the Lenders to enter into the Credit Agreement, and to extend to Borrower the Credit Facilities, and as consideration for Agent and Lenders making the Credit Facilities available to Borrower, Borrower agrees to pay to Agent, or any affiliate thereof as directed by Agent, the following fees at the following times:

1. on the Closing Date, Borrower paid to Agent for the ratable benefit of the Lenders committed to make Credit Extensions as of the Closing Date, in accordance with their respective Pro Rata Shares, an origination fee in an amount equal to \$40,000. Such fee was fully earned as of the Closing Date.
2. on the Maturity Date, or on any earlier date on which the Obligations become due and payable in full (whether by voluntary prepayment by Borrower, by mandatory prepayment by Borrower, by reason of the occurrence of an Event of Default or the acceleration (including any automatic acceleration due to the occurrence of an Event of Default described in Section 10.1(f) of the Credit Agreement) or otherwise) or are otherwise paid in full (such date, the “**Full Exit Fee Payment Date**”), Borrower shall pay to Agent, for the benefit of all Lenders in accordance with their respective Pro Rata Shares, an amount equal to (a) four percent (4.00%) of the Exit Fee Base Amount (as defined below) *less* (b) any Partial Exit Fee (as defined below) previously paid. The “**Exit Fee Base Amount**” means the total aggregate principal amount of Credit Extensions made pursuant to the Credit Agreement (regardless of any repayment or prepayment thereof) as of the Full Exit Fee Payment Date.
3. on the date of any voluntary or mandatory partial prepayment of the Credit Facilities (or, in the case of a mandatory partial prepayment under the Credit Agreement, on the date such mandatory prepayment becomes due and payable) (each such date, a “**Partial Exit Fee Payment Date**”), Borrower shall pay to Agent, for the benefit of all Lenders in accordance with their respective Pro Rata Shares, an amount equal to four percent (4.00%) of the principal amount of the Credit Facilities paid or prepaid (or in the case of a mandatory prepayment, required to be paid) on such Partial Exit Fee Payment Date (the fee in this paragraph 3 is herein referred to as the “**Partial Exit Fee**”).

4. On the Third Amendment Effective Date, Borrower paid to Agent, for the benefit of all Lenders committed to make Credit Extensions in respect of Credit Facility #2, an origination fee in an amount equal to the Credit Extensions in respect of Credit Facility #2 *multiplied by one half of one percent (0.50%)*. All fees payable pursuant to this paragraph are paid and non-refundable
5. Contemporaneous with the funding of the Credit Extensions in respect of Credit Facility #3, Borrower shall pay to Agent, for the benefit of all Lenders committed to make Credit Extensions in respect of Credit Facility #3, an origination fee in an amount equal to the Credit Extensions in respect of Credit Facility #3 *multiplied by one half of one percent (0.50%)*. All fees payable pursuant to this paragraph shall be due and payable on the date the Credit Extensions in respect of Credit Facility #3 are funded and, once paid, shall be non-refundable.

Borrower agrees that, once paid, the fees and expenses or any part thereof payable hereunder shall not be refundable under any circumstances. All fees and expenses payable hereunder shall be paid in immediately available funds in U.S. Dollars and shall not be subject to reduction by way of withholding, setoff or counterclaim or be otherwise affected by any claim or dispute related to any other matter, and shall be in addition to the reimbursement obligations set forth in the Credit Agreement or any other Financing Document and any other fee, cost or expense payable under the Credit Agreement or any other Financing Document. Borrower agrees that Agent and Lenders may, in their sole discretion, share all or a portion of any of the fees payable pursuant to this Fee Letter with any of their respective Affiliates.

Borrower agrees not to disclose any or all of the terms of this Fee Letter to any person other than Borrower's Affiliates, directors, employees, attorneys or accountants, in each case, to whom it is necessary to disclose the information (and whom, in each case, shall be made aware of this agreement not to disclose) or as may be required by law or any court or regulatory agency having jurisdiction over Borrower.

This Fee Letter may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one document. Delivery of an executed counterpart of this Fee Letter by facsimile or other electronic transmission shall constitute valid delivery of an executed counterpart hereof. In furtherance of the foregoing, the words "execution", "signed", "signature", "delivery" and words of like import in or relating to any document to be signed in connection with this Fee Letter and the transactions contemplated hereby or thereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. As used herein, "**Electronic Signature**" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or other record.

THIS FEE LETTER AND THE RIGHTS, REMEDIES AND OBLIGATIONS OF THE PARTIES HERETO, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS FEE LETTER, THE RELATIONSHIP OF THE PARTIES, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES AND ALL OTHER MATTERS RELATING HERETO, THERETO OR ARISING THEREFROM (WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE), SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW).

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE CREDIT PARTIES AND AGENT EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS FEE LETTER, OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

The provisions of the Credit Agreement regarding jurisdiction and venue are incorporated herein and shall govern this Fee Letter. This Fee Letter shall inure to the benefit of Agent, the Lenders and their respective successors and permitted assigns, and shall be binding upon each Credit Party and its successors and permitted assigns.

This Fee Letter embodies the entire agreement and understanding between the undersigned and Borrower with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating thereto, including that certain Amended and Restated Fee Letter, dated June 30, 2023, from Borrower to Agent (the "**First A&R Fee Letter**"). This Fee Letter shall amend and restate, without novation, the First A&R Fee Letter, and any fees payable hereunder shall be in replacement of, and not in addition to, the fees owing under the First A&R Fee Letter. All fees paid under the First A&R Fee Letter prior to the date hereof are non-refundable.

Agent requests Borrower to indicate its agreement and acceptance to the foregoing by signing below and returning this Fee Letter to Agent

[Remainder of page left blank]

Very truly yours,

MIDCAP FINANCIAL TRUST,
as Agent for Lenders

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By: /s/ Maurice Amsellem

Name: Maurice Amsellem

Its: Authorized Signatory

MidCap / Strata Skin / Fee Letter

AGREED AND ACCEPTED AS OF THE FIRST DATE ABOVE WRITTEN:

BORROWER:

STRATA SKIN SCIENCES, INC.

By: /s/ Chris Lesovitz

Name: Chris Lesovitz

Title: CFO

MidCap / Strata Skin / Fee Letter
