

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): August 25, 2021

STRATA Skin Sciences, Inc.

(Exact Name of Registrant as Specified in Its Charter)

000-51481

(Commission File Number)

Delaware

(State or Other Jurisdiction of Incorporation)

13-3986004

(I.R.S. Employer Identification No.)

**5 Walnut Grove Drive, Suite 140
Horsham, Pennsylvania 19044**

(Address of principal executive offices, including zip code)

(215) 619-3200

(Registrant's telephone number, including area code)

NOT APPLICABLE

(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 7.01 Regulation FD Disclosure

On August 25, 2021, Strata Skin Sciences (the “Company”) posted an investor presentation to its website at <https://strataskininc.com/gcs-web.com/>. A copy of the investor presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed subject to the requirements of amended Item 10 of Regulation S-K, nor shall it be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The furnishing of this information hereby shall not be deemed an admission as to the materiality of any such information.

Safe Harbor

This presentation includes “forward-looking statements” within the meaning of the Securities Litigation Reform Act of 1995. These statements include but are not limited to the Company’s plans, objectives, expectations and intentions and may contain words such as “will,” “may,” “seeks,” and “expects,” that suggest future events or trends. These statements, the Company’s ability to migrate customers from the Pharos system to XTRAC and to execute new service agreements to at least portions of the Pharos user base, to generate the growth in its core business, including transitioning capital equipment purchasers into recurring revenue users, to integrate the Pharos service business into the Company’s field service offering, the Company’s ability to develop social media marketing campaigns, and the Company’s ability to build a leading franchise in dermatology, are based on the Company’s current expectations and are inherently subject to significant uncertainties and changes in circumstances. Actual results may differ materially from the Company’s expectations due to financial, economic, business, competitive, market, regulatory, adverse market conditions or supply chain interruptions resulting from the coronavirus and political factors or conditions affecting the Company and the medical device industry in general, future responses to and effects of COVID-19 pandemic and its variants including the distribution and effectiveness of the COVID-19 vaccines, as well as more specific risks and uncertainties set forth in the Company’s SEC reports on Forms 10-Q and 10-K. Given such uncertainties, any or all these forward-looking statements may prove to be incorrect or unreliable. The statements in this presentation are made as of the date of this presentation, even if subsequently made available by the Company on its website or otherwise. The Company does not undertake any obligation to update or revise these statements to reflect events or circumstances occurring after the date of this presentation. The Company urges investors to carefully review its SEC disclosures available at www.sec.gov and www.strataskininc.com.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Strata Skin Sciences Investor Presentation dated August 25, 2021.

SIGNATURE

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: August 25, 2021

By: /s/ Matthew C. Hill
Matthew C. Hill
Chief Financial Officer



STRATA

SKIN SCIENCES

Driving Value to Dermatology Partners

Matching Patients with Clinics

Investor Presentation

August 2021

Safe Harbor Statement

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Large Market Opportunity

- 31 Million lives in the U.S.: \$6 Billion annual revenue¹
- XTRAC is the market leader in excimer laser therapy
- Reimbursement: 3 unique CPT codes
- Q3 Acquisition of the U.S. Pharos dermatology business of Ra Medical – Positions Company as predominant provider of excimer laser treatments

Unique and Proven Business Model

- Providing “business in a box” for dermatology practices
- Growing Install base: low hanging fruit
- Driving domestic + OUS recurring revenue model

A Win-Win-Win Company

- For patients: safest, most effective treatment, no side effects
- For clinics: stable increased revenue base
- For payers: the least expensive treatment available

Acquired the U.S. Pharos Dermatology Business of Ra Medical Systems

- Provides STRATA with the opportunity to market its full business solution to Ra Medical's existing customer base of 400 dermatology practices
- Delivers added long-term recurring revenue growth potential and prospective customer base
- Positions STRATA as the predominant provider of excimer laser treatments in the U.S.

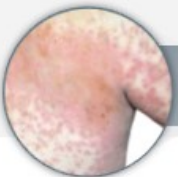
Large Unmet Need in Common and Chronic Dermatologic Conditions



PSORIASIS



VITILIGO




ATOPIC DERMATITIS

PSORIASIS: Autoimmune disease that causes the skin to regenerate faster than normal; characterized by red, itchy scaly patches (65% Mild; 25% Moderate; 10% Severe)
~8 Million patients in the U.S.³

VITILIGO: Autoimmune condition due to a loss of melanocytes, characterized by patches of skin losing its pigment
~5 Million patients in the U.S.⁴

ATOPIC DERMATITIS: Inflammatory condition characterized by red and itchy skin that flares-up periodically
~18 Million patients in the U.S.⁵

Treatment Options Addressing Chronic Dermatologic Conditions⁶

| |  | | NB-UVB* | Topical Steroids | Non-biologic Systemics | Biologics |
|---------------------------|---|------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Approximate Costs (\$) | <i>Cost competitive</i> | 1K-3K | 3K-9K | 1K -7K | 1K | 32K-68K |
| Clinical Impact | <i>Better clinical outcomes (PASI%75)</i> | 92% | 71% | 75% | 48% | 50-70% |
| Speed of Onset (in weeks) | <i>Very fast rate of response</i> | 5 | 10 | 3 | 14 | 12 |
| Days of Actual Care | <i>Least days of actual care</i> | 18 | 80 | 294 | 52 | 12-65 |
| Remission | <i>Remission without maintenance</i> | 2.5 months | Continued with maintenance | Continued with maintenance | Continued with maintenance | Continued with maintenance |
| Adverse Events | <i>Least significant side effects</i> | Mild Temp | Mild Temp | Mild-Mod Temp-Lasting | Mild-Severe Temp-Lasting | Mild-Severe Temp-Lasting |

*Narrow band UVB Light Therapy

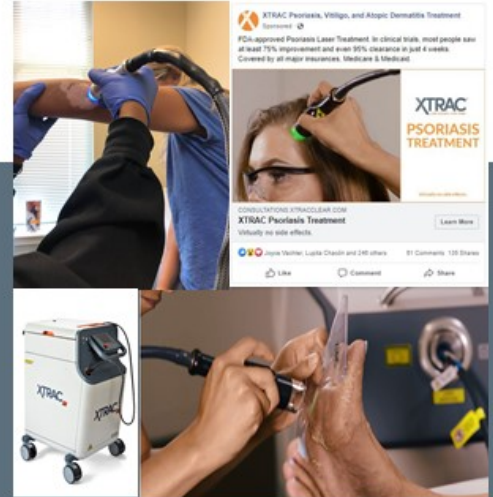
XTRAC: A True Partnership – A Complete Business Solution



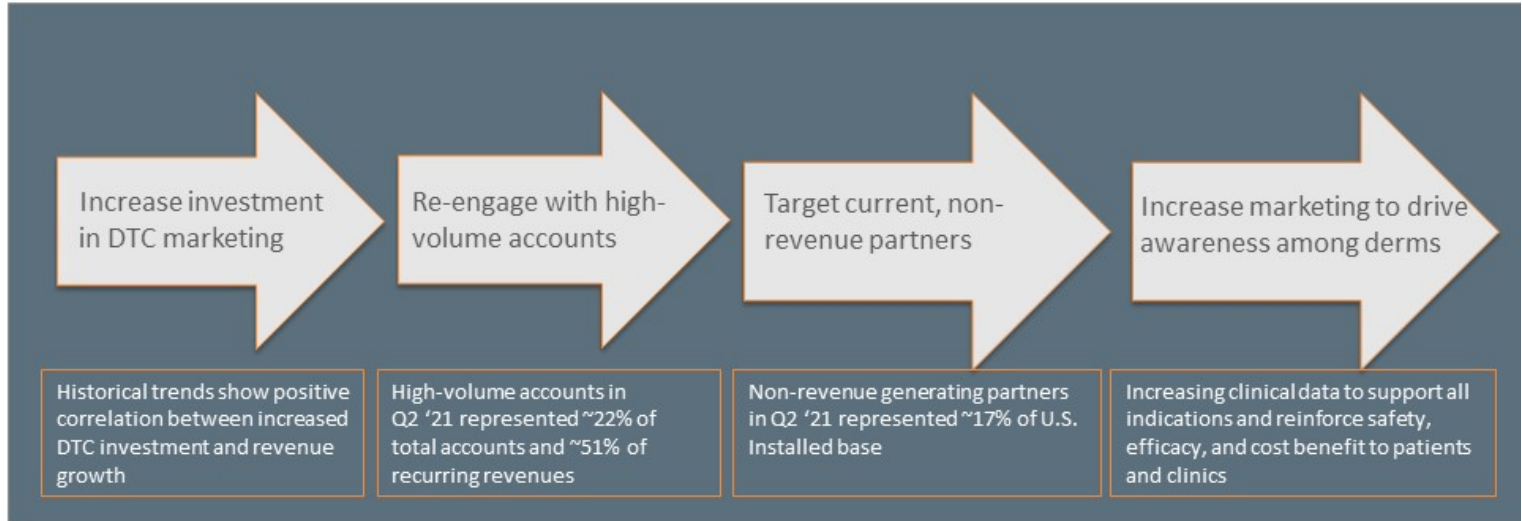
#1 Targeted Laser Therapy Prescribed by Dermatologists

BEST-IN-CLASS EXCIMER TREATMENT

- ✓ FDA approved + established CPT codes
- ✓ 150+ Peer-reviewed clinical studies
- ✓ 2000+ device installed base, WW
- ✓ 20+ million treatments performed WW



Key Priority: Driving Commercial Execution



XTRAC: Psoriasis

XTRAC: The treatment for Psoriasis



Clinical Protocol – 6.2 treatments to PASI 75

PASI - A 75% reduction in the Psoriasis Area and Severity Index (PASI) score (PASI 75) is the current benchmark of primary endpoints for most clinical trials of psoriasis

Beam of UVB light applied to the affected area

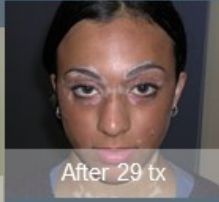
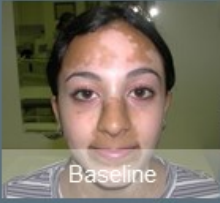
UVB light induces apoptosis of the keratinocytes and T cells in the dermis

Promotes immunosuppression

Induces alterations in cytokine profile

XTRAC: Vitiligo

XTRAC: The solution for Vitiligo



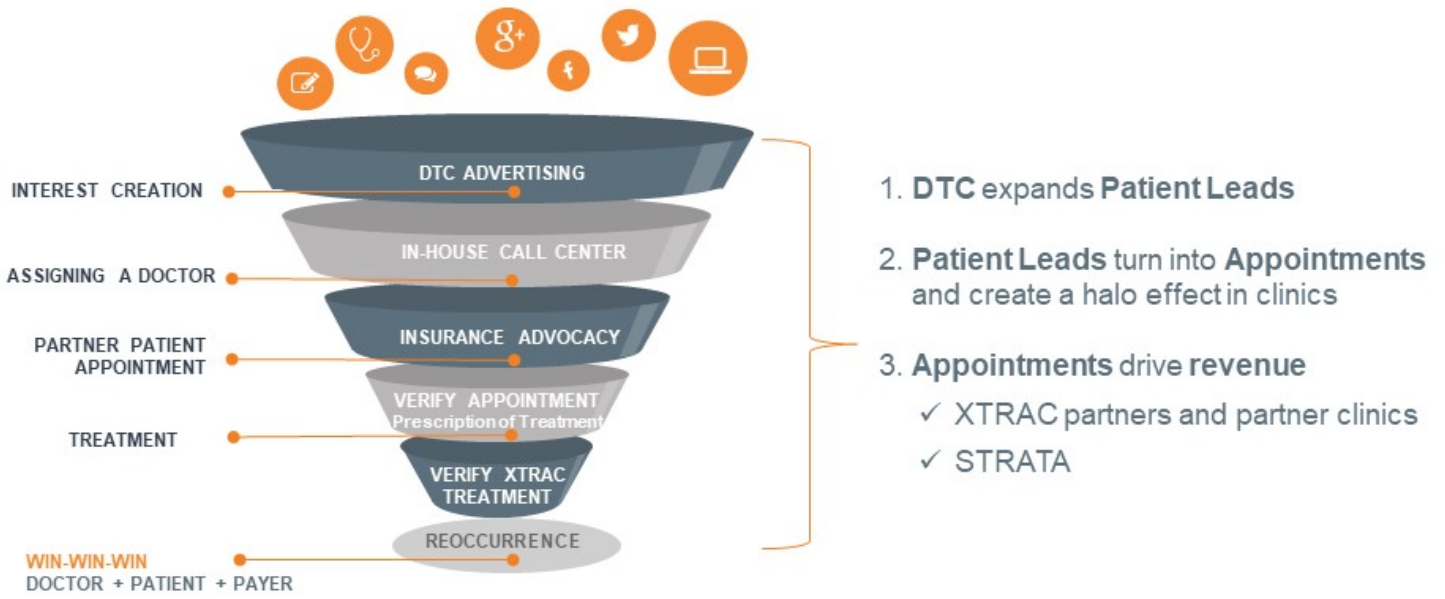
Beam of UVB light applied to the affected area

UVB light reduces the immune system's attack on the melanocytes

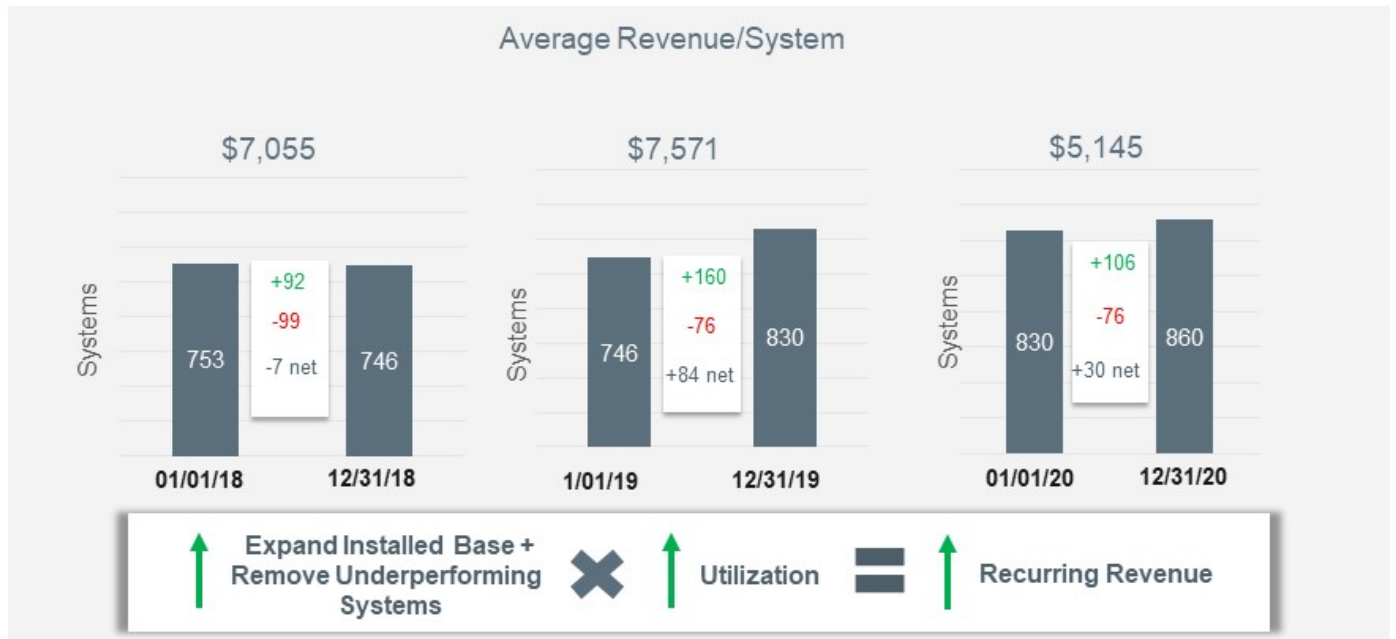
Results in re-pigmentation

Simple, safe, effective + long-lasting

Domestic XTRAC Revenue Funnel



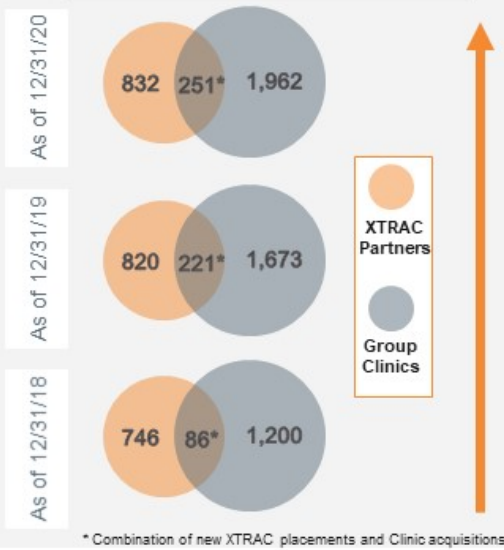
Growing Installed Base Leads to Recurring Revenue Model



Q2 2021 Added 18 Systems and averaged \$6,133 per system

Domestic Installed Base Growth Drivers

XTRAC Growth in Groups



Expansion into group clinic roll ups

- 1,962 clinics owned by 49 roll-up groups at 12/30/2020
- 251 (13%) of which are XTRAC partners at 12/30/2020
- Signed strategic expansion agreements with major groups
- Increased from 251 at 12/30/2020 to 299 at 6/30/2021

Comebacks

- 300-400 clinics own Excimer lasers
- Conversion to XTRAC partnership leads to immediate revenue
- 15 Comebacks in 2018 (4 in 2017)
- 19 Comebacks in 2019
- 23 Comebacks in 2020
- 18 Comebacks YTD 2021

Domestic Market: Installed Base – Sales and Service Engine



Territories color coded

Overview

- 848 Partner XTRAC Clinics
- 160+ Sold XTRAC
- 4 Regions
- 30 Sales Territories
- 2 National Account Managers
- 15 Field Service Techs
- In-House Call Center to Qualify Leads
- Only One Competitor in U.S.

International Market: Installed Base



Strategic Growth Targets

- Current Markets: China, Japan, Saudi Arabia, S. Korea
- Insurance covered in most markets
- Usage/device higher than domestic market
- 1,300 OUS devices sold and in service
- Placement recurring revenue model agreements:
 - Executed for South Korea (July 2019)
 - Executed for Japan (October 2020)
 - Executed for China (January 2021)
- 41 International partner XTRAC clinics (up from 10 in 2019)

Partner Academic Institutions



Sample Studies from 150+ Clinical Studies

Multicenter Psoriasis Study⁷

124 patients were enrolled and 80 completed the protocol. 72% achieved at least **75% clearing in an average of 6.2 treatments**. 84% of patients reached improvement of 75% or better after 10 or fewer treatments. 50% of patients reached improvement of 90% or better after 10 or fewer treatments. Common side effects included erythema, blisters, hyperpigmentation, and erosions, but were well tolerated.

Scalp Study⁹

All patients improved. 17/35 (49%) of **patients cleared >95%** (mean: 21 treatments; range: 6-52) and 16/35 (45%) cleared 50-95%. **Conclusion** - The excimer laser is a successful approach to treatment of psoriasis of the scalp, being a simple treatment that can be performed in a short period of time and which has a high rate of effectiveness.

Vitiligo Study⁸

Out of 221 vitiligo patches treated, 50.6% showed 75% pigmentation or more, 25.5% achieved 100% pigmentation of their patches, and 64.3% showed 50% pigmentation or more. Lesions on the face responded better than lesions elsewhere. **Conclusion:** The 308-nm xenon chloride excimer laser is an effective and safe modality for the treatment of vitiligo, with good results achieved in a relatively short duration of time.

Pediatric Study¹⁰

4 children with a mean age of 11.0 years and 12 adults with a mean age of 48.8 years completed the protocol. Both the children and the adult groups yielded a significant decrease in psoriatic severity scores of their respective target lesions. **The children's group had a greater reduction (91.3% reduction)** as compared to the adult treatment group (61.6% reduction).

Financial Metrics

| | 2018 | Q1 '19 | Q2 '19 | Q3 '19 | Q4 '19 | 2019 | Q1 '20 | Q2 '20 | Q3 '20 | Q4 '20 | 2020 | Q1 '21 | Q2'21 |
|--------------------------------------|-----------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|
| Dermatology recurring revenue | \$21,053 | \$5,312 | \$5,839 | \$5,991 | \$6,571 | \$23,713 | \$5,701 | \$2,796 | \$3,835 | \$5,077 | \$17,409 | \$4,679 | \$5,453 |
| Dermatology equipment revenue | \$8,802 | \$2,171 | \$1,886 | \$1,489 | \$2,327 | \$7,873 | \$1,029 | \$1,234 | \$1,778 | \$1,640 | \$5,681 | \$1,148 | \$1,927 |
| Total revenue | \$29,855 | \$7,483 | \$7,725 | \$7,480 | \$8,898 | \$31,586 | \$6,730 | \$4,030 | \$5,613 | \$6,717 | \$23,090 | \$5,827 | \$7,382 |
| Domestic partner installed base | 746 | 754 | 764 | 784 | 820 | 820 | 822 | 789 | 813 | 832 | 832 | 837 | 848 |
| International installed base | - | - | - | 2 | 10 | 12 | 16 | 17 | 24 | 28 | 28 | 34 | 41 |
| Average recurring revenue/device* | \$7,055 | \$7,045 | \$7,643 | \$7,622 | \$7,916 | \$7,571 | \$6,803 | \$3,469 | \$4,582 | \$5,930 | \$5,145 | \$5,372 | \$6,133 |
| Dermatology recurring revenue margin | 65.0% | 66.2% | 70.3% | 67.2% | 76.5% | 70.3% | 68.4% | 51.2% | 64.3% | 74.4% | 66.5% | 67.9% | 70.0% |
| Total Company margin | 57.3% | 61.6% | 63.6% | 61.8% | 73.8% | 64.2% | 65.4% | 48.7% | 57.5% | 67.6% | 61.2% | 63.7% | 64.5% |

* Total recurring revenue over total installed base
 ** Company estimates not provided

Unaudited quarterly results

* See press release dated August 16, 2021 for definitions of non-GAAP measures

STRATA Key Investment Takeaways



**Differentiated Therapy
providing a Win-Win-Win for
Patients + Clinics + Payers**



**Addressing a Large
Unmet Need +
Growing Market +
Platform for inorganic
growth**



**Proven Business Model to
Expand + Achieve
Sustainable Growth**



Thank You



Appendix

Footnotes

1. **Company estimates**
2. **Historical phototherapy utilization.** Trend in phototherapy utilization among Medicare beneficiaries by billing code across all providers, 2000 to 2015. *HCPCS, Healthcare Common Procedure Coding System; PUVA, psoralen plus ultraviolet A; UVB, ultraviolet B*
3. **National Eczema Association**
4. **The Vitiligo Foundation**
5. **National Psoriasis Foundation**
6. "Therapies for Psoriasis: Clinical and Economic Comparisons" in the November 2020 issue of the *Journal of Drugs in Dermatology*
7. **Multicenter Psoriasis Study** - Feldman SR, Mellen BG, Housman TS, Fitzpatrick RE, Geronemus RG, Friedman PM, Vasily DB, Morison WL. Efficacy of the 308-nm excimer laser for treatment of psoriasis: Results of a multicenter study. *J Am Acad of Dermatol*; vol. 46, no. 6, June 2002, pp. 900-906
8. **Vitiligo Study** - Suhail Hadi, Patricia Tinio, Khalid Al-Ghaithi, Haitham Al-Qari, Mohammad Al-Helalat, Mark Lebwohl, and James Spencer. *Photomedicine and Laser Surgery. Treatment of Vitiligo Using the 308-nm Excimer Laser. Jun 2006.ahead of print*<http://doi.org/10.1089/pho.2006.24.354>
9. **Scalp Study** - Morison WL, Atkinson DF and Werthman L. Effective treatment of scalp psoriasis using the excimer (308nm) laser. *Photodermatol Photoimmunol Photomed* 2006; 22: 181-183
10. **Pediatric Study** - Pahlajani N, Katz BJ, Lonzano AM, Murphy F and Gottlieb A. Comparison of the Efficacy and Safety of the 308nm Excimer laser for the Treatment of Localized Psoriasis in Adults and in Children: A Pilot Study. *Pediatric Dermatology* Vol. 22 No. 2, March/April 2005, pp. 161-165

