

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

Cutera, Inc. *et al.*¹

Debtors.

Chapter 11

Case No. 25-90088 (ARP)

(Jointly Administered)

NOTICE OF FILING OF FIRST DAY HEARING PRESENTATION

Attached hereto as **Exhibit A** is a copy of the presentation that will be presented by the above captioned debtors and debtors in possession at the hearing scheduled for March 6, 2025, at 3:30 p.m. (prevailing Central Time) in the above-captioned chapter 11 cases.

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¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are as follows: Cutera, Inc. (2262) and Crystal Sub, LLC (6339). The Debtors' service address is 3240 Bayshore Boulevard, Brisbane, CA 94005.



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Dated: March 6, 2025
Houston, Texas

/s/ Timothy A. ("Tad") Davidson II

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Proposed Counsel to the Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I certify that on March 6, 2025, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

/s/ Timothy A. ("Tad") Davidson II

Timothy A. ("Tad") Davidson II

Exhibit A



First Day Hearing Presentation
In re Cutera, Inc. et al., Case No. 25-90088
United States Bankruptcy Court, S.D. Tex.

March 6, 2025

Cutera Overview



- **A leading global provider of aesthetic and dermatology solutions for medical practitioners**
 - Markets, sells, and services its products in over 30 countries.
 - Headquartered in Brisbane, California.
 - Approximately 350 employees worldwide, with approximately 250 in the United States.
 - Develops, manufactures and markets products that enable safe and effective treatments for acne, skin resurfacing, hair removal, tattoo removal, body contouring, and other aesthetic and dermatologic conditions.
- **Business Segments:**
 - Skin Resurfacing & Revitalization:
 - Designed to improve the texture and appearance of skin.
 - Body Sculpting and Muscle Stimulation:
 - *truFlex* and *truSculpt* are innovative body treatment devices designed for muscle toning and body sculpting.
 - Acne Treatment:
 - *AviClear* was the first FDA-cleared energy-based device for treating mild to severe inflammatory acne.
 - Other Aesthetic Conditions:
 - Treatments for other aesthetic conditions, including tattoo removal and hair removal.

Key Participants / Advisory Teams

CUTERA®

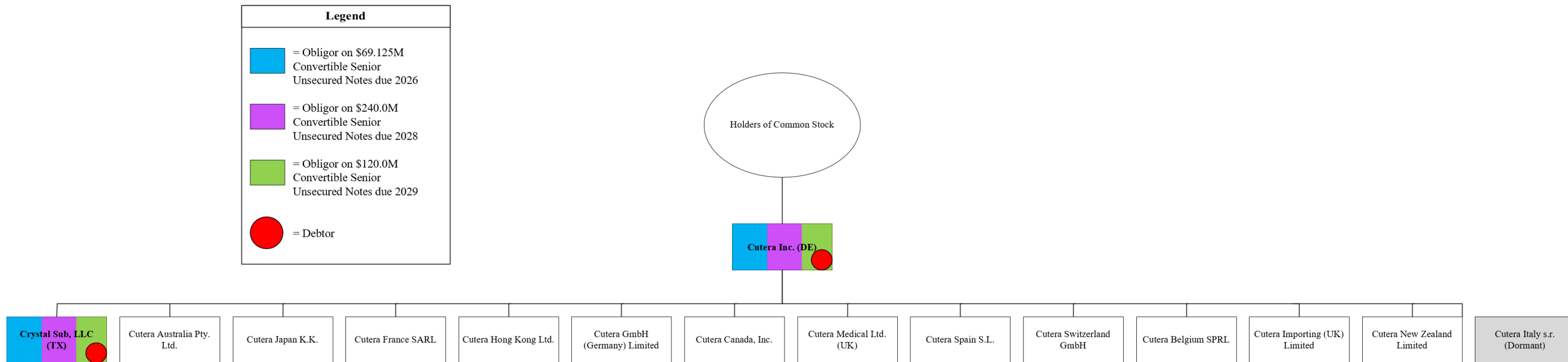
Constituent	Parties / Advisor(s)
Company Management Team	<ul style="list-style-type: none"> • Taylor Harris (Chief Executive Officer): First Day Declarant • Stephana Patton (Chief Legal Officer) • Stuart Drummond (Interim Chief Financial Officer)
Debtor Professionals	
Ad Hoc Committee of Consenting Senior Noteholders Professionals	

Corporate and Capital Structure Overview

CUTERA®

- Cutera's capital structure includes approximately \$429.1 million of unsecured funded debt

Cutera Corporate Structure Chart



Cutera's Challenges and Responses



As detailed in the Harris Declaration, Cutera has faced a number of challenges but has met such challenges with a proactive response.

- **Challenges Leading to Chapter 11 Filing**
 - Substantial debt service & near-term maturities (~\$12 million of debt service annually)
 - Product launch and other operational difficulties
 - Market competition and macroeconomic pressures
 - Termination of an important distribution agreement

- **Debtors' Responses to Operational Challenges**
 - Cost restructuring program targeting operation efficiencies
 - Revamped sales model
 - Convertible senior noteholder engagement

Stakeholder Engagement & Negotiation



Cutera's process involved a broad-based engagement with its capital structure

- Engaged experienced advisors.
- Undertook broad-based financing processes, including assessing the availability of third-party financing alternatives.
- Proactively engaged the prepetition capital structure.
 - Executed NDAs with the ad hoc committee of holders of the 2026 Senior Notes, 2028 Senior Notes, and 2029 Senior Notes.
 - Substantial process through diligence and information sharing, virtual meetings, and near constant dialogue.
- Good faith, arm's length negotiations, culminating in the support of holders of approximately **74%** of Senior Notes.
- Appointed Paul Wierbicki as an independent director to assess claims, causes of action and/or prospective releases.

DIP Financing, Equity Rights Offering, Exit Financing



The Debtors' restructuring benefits from substantial capital commitments from its Consenting Senior Noteholders.

- The Company has secured significant capital commitments to ensure access to an ample liquidity buffer and to provide a clear path to exit.
- \$25 million new money DIP Facility
 - \$15 million to be available upon entry of the interim order;
 - \$10 million to be available upon entry of the final order;
 - related fees and expenses.
- \$38 million Exit Facility
 - \$25 million of the DIP Facility rolled into the exit;
 - \$10 million of new money;
 - \$3 million PIK fees.
- \$30 million equity rights offering at a discount to plan value (backstopped by the Consenting Senior Noteholders in exchange for certain premiums)
 - 55% of equity rights offering available to all eligible holders of Senior Notes Claims;
 - 45% available to the holdback parties.

Summary of Plan Treatment



Claim	Treatment
Senior Notes Claims	<ul style="list-style-type: none"> • The Senior Notes Claim Equity Recovery (100% of the Reorganized Common Equity subject to dilution and the right to participate in the equity rights offering); or • The Senior Notes Claim Cash Option; <i>provided, that</i> only those Holders which vote to accept the Plan are eligible to exercise the Senior Notes Claim Cash Option, absent the consent of the Debtors and the Required Consenting Senior Noteholders. <p><u>Common Equity Convenience Buyout:</u></p> <ul style="list-style-type: none"> • Will provide the cash to electing Holders of Senior Notes Claims in lieu of Reorganized Common Equity, in amount equal to \$5.00 multiplied by the number of shares of Reorganized Common Equity such holder was entitled to receive (subject to the ~\$7 million Common Equity Convenience Buyout Cap); <ul style="list-style-type: none"> • Pro-rata distribution of Reorganized Common Equity for any amount in excess of the Common Equity Convenience Buyout Cap, though Debtors do not believe the cap will be exceeded; • Funding to be provided by the Ad Hoc Committee of Consenting Senior Noteholders (the “<u>Backstop Parties</u>”); <ul style="list-style-type: none"> • Backstop Parties to receive an amount equal to 10% of the Common Equity Convenience Buyout Cap as a premium and the equity that would have otherwise gone to the electing holders.
General Unsecured Claims	Such treatment to render the Allowed General Unsecured Claim Unimpaired.
Existing Common Interests	Cancelled, released, discharged, and extinguished and without any distribution.
Section 510(b) Claims	Cancelled, released, discharged, and extinguished and without any distribution.

Restructuring Support Agreement



The Debtors' goal is to emerge from chapter 11 on or within an expedited 2-month timeframe

Term	Summary	
Supporting Parties	Company parties and Consenting Senior Noteholders of approximately 74% of Claims in the sole Voting Class	
Key Milestones	Court enters (i) Interim DIP Order, (ii) order conditionally approving the Disclosure Statement, and (iii) order authorizing the distribution of the Solicitation Materials	Within 5 Days of Petition Date
	Court enters (i) Final DIP Order and (ii) ERO Backstop Commitment Order	Within 35 Days of Petition Date
	Confirmation Order is entered	Within 50 Days of Petition Date
	Effective Date has occurred	Within 65 Days of Petition Date
Fiduciary Provisions	Fulsome fiduciary protections, including "fiduciary out"	