Sanara MedTech Overview

December 2024

Sanara MedTech
Evidence Based Healing

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Sanara MedTech at a Glance

A medical technology company focused on developing and commercializing transformative technologies to improve clinical outcomes and reduce healthcare expenditures in the surgical, chronic wound and skincare markets.

Ticker (Nasdaq)	SMTI
Market Cap	$317.7M(1)
Avg. Daily Volume (TTM)	~20,240(2)
Business Segments	• Sanara Surgical • Tissue Health Plus
Net Revenue (TTM)	$78.1M(3)
Net Loss (TTM)	$8.5M(3)
Adj. EBITDA (TTM)	$2.2M(3) (4)
Cash Balance	$16.3M(3)

(1) Market cap. based on common shares outstanding of 8.7M as of 11/8/24 x share price of $36.34 as of market close on 11/29/24
(2) As of market close on 11/29/24
(3) As of 9/30/2024
(4) Adjusted EBITDA is a non-GAAP financial measure. See the discussion and reconciliation in the appendix for additional information

"TTM" = Trailing Twelve Months

The Sanara MedTech Story
Continuous Innovation and Expansion

Value Proposition:
Sanara MedTech empowers surgeons to deliver improved patient outcomes by offering high value niche products.

2018
- Catalyst Group Inc. acquires license for CellerateRX®
- Catalyst forms JV with Sanara predecessor and gains majority control

2019
- Company name changed to Sanara MedTech
- Company begins to build out experienced Board of Directors
- $10 million PIPE to drive growth

2020
- Sanara uplists to Nasdaq Capital Markets
- Continued growth in sales team and Board of Directors

2021
- Raised $32 million in public offering of common stock
- Rochal (R&D) asset acquisition completed
- Cook Biotech Inc. products launched

2022
- Scendia Biologics, LLC acquisition
- InfuSystem Partnership executed

2023
- BIASURGE product launch
- Acquisition of CellerateRX® assets
- ALLOCYTE® Plus launched
- Signed with major national GPO

2024
- Tufts peptide license agreement
- $55 million debt facility to drive future growth
- Signed with major national GPO

Board of Directors

Strategic Leadership from Experienced Professionals

Ron Nixon

CEO & Executive Chairman

- Experience: Founder, The Catalyst Group, Inc.
- Education: B.S. in Mechanical Engineering from the University of Texas at Austin

Ann Beal Salamone, M.S.

Director

- Experience: Rochal Industries, EDC, National Academy of Engineering, TAMEST
- Education: B.S. from Western Kentucky University and M.S. from Rice University

Bob DeSutter

Director

- Experience: Piper Sandler
- Education: B.B.A. from the University of Minnesota and M.B.A from the University of Virginia Graduate School of Business

Sara N. Ortwein

Director

- Experience: ExxonMobil, XTO Energy, National Academy of Engineering, TAMEST
- Education: B.S. in Civil Engineering from the University of Texas at Austin

Roszell Mack III

Director

- Experience: Mack & Co., LLC, Ascend Venture Group, LLC, Goldman Sachs
- Education: B.A. in Engineering Sciences from Yale University and M.B.A. from Harvard Business School

Eric D. Tanzberger

Director

- Experience: Service Corporation International, Coopers and Lybrand LLP
- Education: B.B.A. in Business Administration from the University of Notre Dame

Eric Major

Director

- Experience: HIGHRIDGE Medical, BarTrack, Inc., Stryker Spine, K2M, American OsteoMedix
- Education: B.S. from James Madison University

Keith Myers

Director

- Experience:
  - LHC Group, Co-Founder, Chairman & CEO
  - Optum, Senior Advisor
  - Partnership for Quality Home Healthcare

Sanara Surgical Segment

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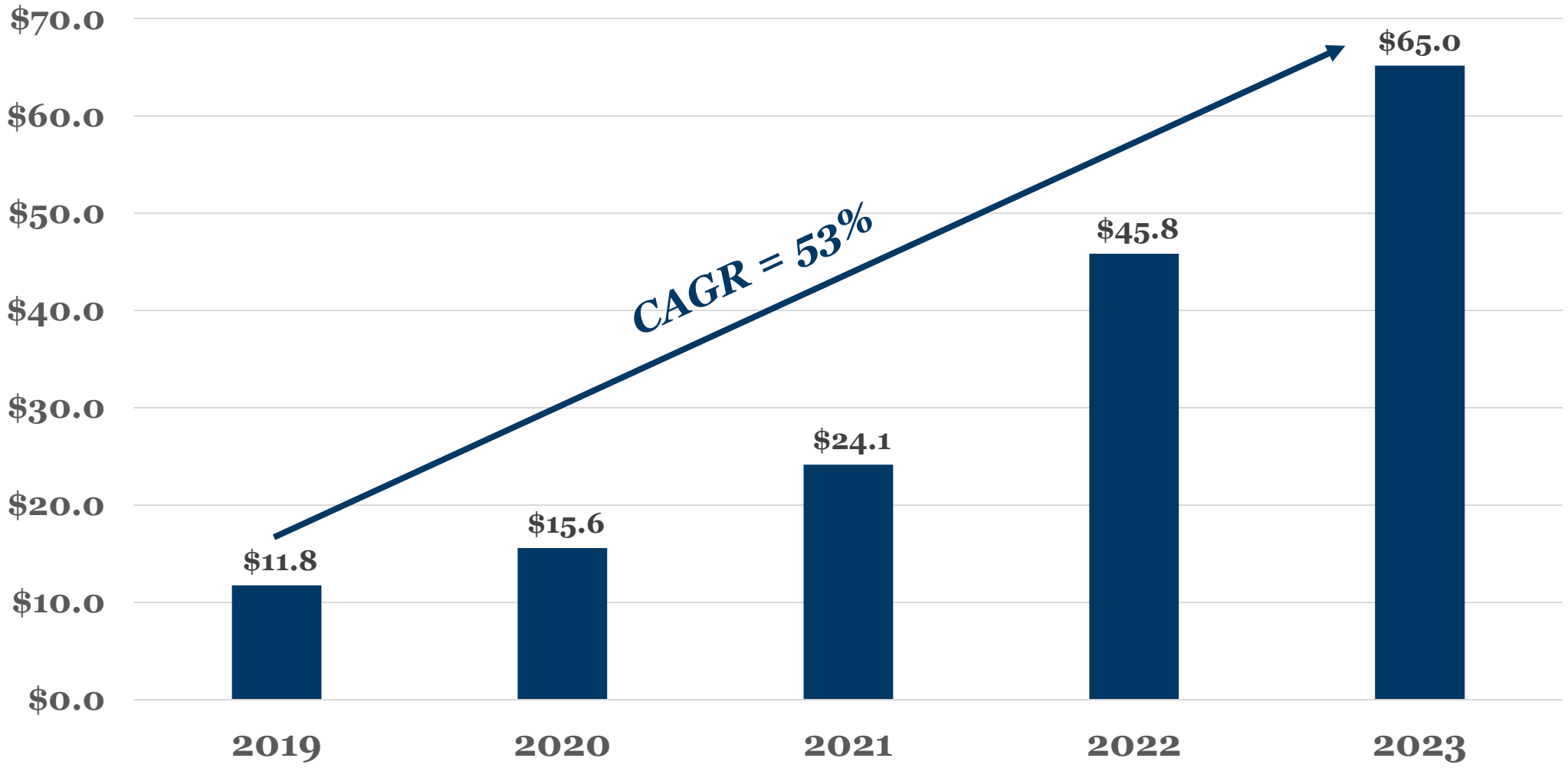
Sanara Surgical Segment:
Demonstrated Track Record of Strong, Sustained Revenue Growth

Net revenues in millions $



** For the periods presented, represents net revenues on a consolidated basis, as the Company managed its business on the basis of one operating and reportable segment prior to Q2 2024. All net revenues for the periods presented would have been attributable to the Surgical Segment had net revenues been presented on a segmented basis.*

Sanara Surgical Segment:
Portfolio Built to Complement Surgical Outcomes & Reduce Post-Op Cost

Empowering surgeons to deliver improved patient outcomes by offering high value niche products.

Sales Overview

- Products contracted or approved to be sold in >4,000 hospitals(1)
- Products sold in >1,200 hospitals across 34 states and the District of Columbia(2)
- Net Revenue (TTM): $78.1M(1), +25% year-over-year

Key Differentiators Driving Future Growth

- Highly accomplished sales team
- Multiple selling opportunities per case
- Significant greenfield hospital opportunities
- In-house experienced R&D team driving new product development

(1) As of 9/30/24
(2) Based on a minimum of $50,000 revenue during the TTM period ended 9/30/24

"TTM" = Trailing Twelve Months

Sanara Surgical Segment:
Superior Product Offering with Significant Opportunity Runway

Platform Products

Soft Tissue

CellerateRX® Surgical Activated Collagen

Surgical Powder

A Type I bovine hydrolyzed collagen that aids in the management of surgical wounds

Gel

Hydrolyzed collagen fragments for patients with dry or light to moderately exudating wounds

Surgical Cleanser

BIASURGE® Advanced Surgical Solution

No rinse irrigation solution that contains an antimicrobial preservative effective against a broad spectrum of pathogenic microorganisms.

Ancillary Products

Soft Tissue

FORTIFY TRG® Tissue Repair Graft

Multi-layered 100% small intestine submucosa (SIS) sheet indicated for implantation to reinforce soft tissue.

Example: Applied by surgeons to reinforce Achilles tendon after rupture repair surgery

FORTIFY FLOWABLE® ECM

Porcine small intestinal submucosa (SIS) ECM cryo-fractured to micronized ECM for cell migration and capillary growth

Example: Applied by surgeons to aid in wound healing after amputation of the foot

TEXAGEN® Amniotic Membrane Allograft

Multilayer amniotic membrane that may be used as a soft tissue barrier and wound covering in numerous applications.

Example: Applied by surgeons as a wound covering after deep debridement

Bone Fusion

BiFORM® Bioactive Moldable Matrix

Bioactive and osteoconductive bone graft that can be hydrated and used as a strip or molded into a putty to fill a bone defect.

ACTIGEN™ Verified Inductive Bone Matrix

Naturally derived, differentiated allograft matrix with robust handling properties.

ALLOCYTE® Plus Advanced Cellular Bone Matrix

Next generation cellular bone matrix (CBM) containing bone-derived progenitor cells and conformable bone fibers.

Example: All three products above used for support of bone fusion (cervical spine fusion after trauma) depending on surgeon's preference

CellerateRX® Surgical
Proven, Safe, and Effective

Overview

- CellerateRX® Surgical Powder is a medical hydrolysate of Type I bovine collagen and contains no additives
- Indicated for the management of acute and chronic wounds including:
  - Surgical wounds
  - Traumatic wounds
  - Partial and full-thickness wounds
  - First and second-degree burns
- Used to treat surgical site infections in multiple specialties - primarily ortho and spine today

CellerateRX® Surgical Studies
Supports Wound Management To Reduce Surgical Site Infection

Hydrolyzed Collagen Significantly Reduces Surgical Site Infections (Nowrouzi and Awad 2023)[1]

Objective: Evaluate the effect of using type 1 hydrolyzed collagen in reducing incidence of surgical site infections associated with elective surgeries

Design: A retrospective analysis of 5,335 patients with similar patient profiles who underwent various surgeries (plastic, vascular, general, oncology, orthopedic, neuro, CVCT, and gynecology) were matched in a 3:1 (non-CellerateRX:CellerateRX) cohort and assessed for SSI rates.

59% reduction in Surgical Site Infections of clean contaminated cases with CellerateRX® Surgical

Clinically meaningful difference in in SSI rate with CellerateRX® Surgical, 1.54% vs. 3.36%

(1) Nowrouzi R, Awad SS (2023) Activated Collagen Powder Significantly Reduces Surgical Site Infections in Patients Undergoing Elective Surgery. J Surg 8: 1918

Sanara Surgical Segment:
Growth Opportunities

Existing Acute Surgical Wound Growth

- The majority of CellerateRX® Surgical cases have been in the Ortho and Spine specialties.
- Team is working to further penetrate the >1,200 hospitals where our products are currently sold…
- …while also expanding into the contracted hospitals that we are not selling in today.
  - Recently executed a contract with a national GPO giving SMTI sales team access to 1,000+ hospitals.
  - Products are contracted or approved to be sold in >4,000 hospitals(1)

Expansion into Additional Acute Surgical Specialties

- Implementing a surgical strategy to further penetrate additional specialties including trauma, vascular, and general surgery.

Scale Recently Launched *BIASURGE® Advanced Surgical Solution*

- Focused on penetrating existing hospitals where CellerateRX® Surgical is currently sold.

Inorganic Growth Opportunities

- Management anticipates synergistic potential transactions over time as a key growth driver that will complement strong organic growth.
- Pursuing multiple surgical M&A and partnership opportunities to complement its existing portfolio.

(1) As of 9/30/24

Tissue Health Plus Segment

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Tissue Health Plus Segment:
Opportunity & Overview

Significant Opportunity to Reduce Cost of Care in Non-Surgical Wound Care:

- Represents ~$69B[1] of annual expenditure in U.S. hospitals, the majority of which is preventable
- Wound healing rates remain low
- 15% of individuals over 65 suffer from chronic non-healing wounds[1]
- 5-year mortality rate for diabetic foot ulcers is over 30%[2]

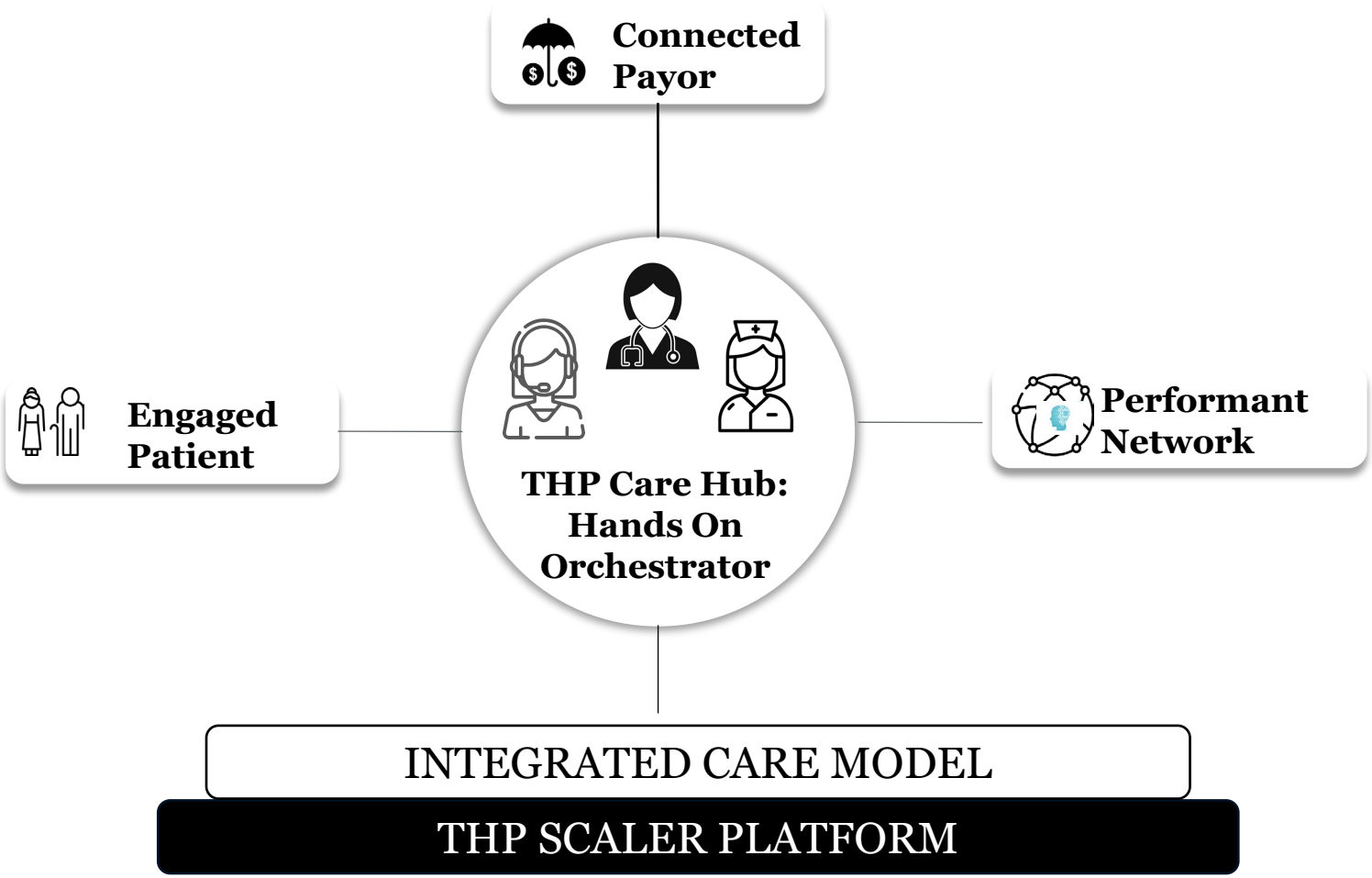
Overview of Tissue Health Plus ("THP"):

- A first of its kind value-based wound care program targeting payors
- THP is designed to…
  - Coordinate delivery of wound care for patients under management
  - Integrate science and evidence-based medicine protocols to standardize wound prevention and treatment
- ***Objective:*** enable payors to divest wound care spend risk, reduce wound related hospitalizations and improve patient quality of life

(1) THP Analysis + Carter MJ, DaVanzo J, Haught R, et al. Chronic wound prevalence and the associated cost of treatment in Medicare beneficiaries: Changes between 2014 and 2019. J Med Econ 2023;26(1): 894–901; doi: 10.1080/13696998.2023.2232256

(2) Sheets, AR, Hwang, C and IM Herman 2016. Developing Smart Point-of-Care Diagnostic Tools for "Next-Generation" Wound Care In Translating Regenerative Medicine to the Clinic. http://dx.doi.org/10.1016/B978-0-12-800548-4.00017-6. Copyright © 2016 Elsevier Inc. IM Herman. 2016 Translating Regenerative Medicine to the Clinic Placeholder for footnote with source

Planned Tissue Health Plus ("THP") Model



Commercial launch expected in mid-2025

Q3 2024 Financial Highlights

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Q3 2024 Financial Highlights
(Unaudited)

- **Total Company**
  - Net revenue of $21.7M (+35% year-over-year)
    - Twelfth consecutive record net revenue quarter
    - Highest net revenue quarter in the Company's history
  - Net loss of $2.9M in Q3 and $8.2M YTD
  - Adjusted EBITDA[(1)] of $0.8M in Q3 and $1.7M YTD
  - Cash balance: $16.3M[(2)]
  - Additional borrowing capacity: $24.5M[(2)]

- **Sanara Surgical Segment**
  - Segment net loss of $0.2M in Q3 and $2.9M YTD
  - Segment EBITDA[(1)] of $2.6M in Q3 and $5.1M YTD

- **Tissue Health Plus Segment**
  - Segment net loss of $2.7M in Q3 and $5.3M YTD
  - Segment EBITDA[(1)] of ($1.7M) in Q3 and ($3.4M) YTD
  - Continued investment to build this strategy through the expected commercial launch in mid-2025
    - Continued investment through mid-2025 estimated at approximately $5 to $10 million
    - Pursuing like-minded partners to invest in the execution of this strategy

(1) Adjusted EBITDA and Segment EBITDA are non-GAAP financial measures. See the discussion and reconciliation in the appendix for additional information.
(2) As of 9/30/24

Thank You

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Appendix

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Q3 2024 Financial Summary
(unaudited)

- **Revenue**
  - For the three months ended September 30, 2024, Sanara generated net revenue of $21.7 million compared to net revenue of $16.0 million for the three months ended September 30, 2023, a 35% increase from the prior year period.
  - The higher net revenue for the three months ended September 30, 2024 was primarily due to increased sales of soft tissue repair products, including CellerateRX® Surgical, as a result of our increased market penetration, geographic expansion, and our continuing strategy to expand our independent distribution network in both new and existing U.S. markets.
- **SG&A**
  - SG&A expenses for the three months ended September 30, 2024 were $19.0 million compared to SG&A expenses of $13.9 million for the three months ended September 30, 2023.
  - The higher SG&A expenses for the three months ended September 30, 2024 were primarily due to the buildout of our THP platform and infrastructure which increased by approximately $1.2 million compared to the prior year period. In addition, higher direct sales and marketing expenses increased by approximately $3.7 million compared to the prior year period due largely to higher sales commissions as a result of higher revenues.
- **R&D Expenses**
  - R&D expenses for the three months ended September 30, 2024 were $1.4 million compared to R&D expenses of $1.0 million for the three months ended September 30, 2023.
  - R&D expenses included $0.6 million and $0.8 million attributable to our THP segment for the three months ended September 30, 2024 and 2023, respectively.
  - The higher R&D expenses for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 were primarily due to new projects associated with CellerateRX® Surgical.

Q3 2024 Financial Summary
(Continued)

- **Depreciation, Amortization and Interest Expense**
  - Depreciation and amortization expenses for the three months ended September 30, 2024 were $1.1 million compared to $1.0 million for the same period in 2023. The higher depreciation and amortization expenses in 2024 were due to amortization of intangible assets acquired from Applied Nutritionals in August 2023.
  - Interest expense was $0.9 million for the three months ended September 30, 2024 compared to $0.2 million during Q3 2023. The higher interest expense in 2024 was related to our new term loan with CRG.
- **Net Loss**
  - Sanara had a net loss of $2.9 million for the three months ended September 30, 2024, compared to a net loss of $1.1 million for the three months ended September 30, 2023.
  - The net loss included $2.7 million and $1.7 million attributable to our THP segment for the three months ended September 30, 2024 and 2023, respectively.
  - The higher net loss for the three months ended September 30, 2024 was primarily due to higher SG&A costs related to the buildout of our THP platform and infrastructure, higher interest expense related to our new term loan with CRG, an increase in expense due to change in fair value of earnout liabilities and higher amortization of our acquired intangible assets as discussed above, partially offset by higher gross profit.
- **Cash Balances at End of Quarter (in millions)**
  - $6.2 (Q3-23), $5.1 (Q4-23), $2.8 (Q1-24), $6.2 (Q2-24), $16.3 (Q3-24)

Q3 2024 Segment Reporting

- **Segment Reporting Overview**
  - Break out of Tissue Health Plus and Sanara Surgical demonstrates our strategic rationale of the acute/post acute comprehensive strategy investments.

Three Months Ended September 30, 2024

	Surgical	THP	Total
Net Revenue	$21.7	-	$21.7
Net loss	$(0.2)	$(2.7)	$(2.9)
Segment EBITDA / Adjusted EBITDA (consolidated)(1)	$2.6	$(1.7)	$0.8

Three Months Ended September 30, 2023

	Surgical	THP	Total
Net Revenue	$16.0	-	$16.0
Net income (loss)	$0.6	$(1.7)	$(1.1)
Segment EBITDA / Adjusted EBITDA (consolidated)(1)	$1.4	$(1.1)	$0.3

Nine Months Ended September 30, 2024

	Surgical	THP	Total
Net Revenue	$60.4	-	$60.4
Net loss	$(2.9)	$(5.3)	$(8.2)
Segment EBITDA / Adjusted EBITDA (consolidated)(1)	$5.1	$(3.4)	$1.7

Nine Months Ended September 30, 2023

	Surgical	THP	Total
Net Revenue	$47.3	-	$47.3
Net income (loss)	$1.2	$(5.4)	$(4.2)
Segment EBITDA / Adjusted EBITDA (consolidated)(1)	$3.8	$(4.1)	$(0.3)

(1) Adjusted EBITDA and Segment EBITDA are non-GAAP financial measures. See the discussion and reconciliation for additional information.

Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures

To supplement the Company's financial information presented in accordance with generally accepted accounting principles in the United States ("GAAP"), we present certain non-GAAP financial measures in this presentation, including Adjusted EBITDA and Segment EBITDA. The Company's management uses these non-GAAP financial measures, both internally and externally, to assess and communicate the financial performance of the Company. The Company defines Adjusted EBITDA as net income (loss) excluding interest expense/income, provision/benefit for income taxes, depreciation and amortization, non-cash share-based compensation expense, change in fair value of earnout liabilities, share of losses from equity method investment, executive separation costs, legal and diligence expenses related to acquisitions and gains/losses from the disposal of property and equipment, as each is applicable to the periods presented. The Company believes Adjusted EBITDA and Segment EBITDA are useful to investors because they facilitate comparisons of its core business operations across periods on a consistent basis. Accordingly, the Company adjusts for items such as change in fair value of earnout liabilities when calculating Adjusted EBITDA and Segment EBITDA because the Company believes that they are not related to the Company's core business operations. Segment EBITDA is calculated in the same manner as Adjusted EBITDA but is presented on a segment basis.

The Company's non-GAAP financial measures are not in accordance with, nor an alternative for, measures conforming to GAAP and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. The Company continues to provide all information required by GAAP, but it believes that evaluating its ongoing operating results may not be as useful if an investor or other user is limited to reviewing only GAAP financial measures. The Company does not, nor does it suggest that investors should, consider these non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Material limitations associated with the use of such measures include that they do not reflect all costs included in operating expenses and may not be comparable with similarly named financial measures of other companies. Furthermore, these non-GAAP financial measures are based on subjective determinations of management regarding the nature and classification of events and circumstances. The Company presents these non-GAAP financial measures to provide investors with information to evaluate the Company's operating results in a manner similar to how management evaluates business performance. To compensate for any limitations in such non-GAAP financial measures, management believes that it is useful in understanding and analyzing the results of the business to review both GAAP information and the related non-GAAP financial measures. Whenever the Company uses a non-GAAP financial measure, it provides a reconciliation of the non-GAAP financial measure to the most directly comparable GAAP financial measure. Investors are encouraged to review and consider these reconciliations.

Segment EBITDA is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance.

Reconciliation of GAAP to Non-GAAP Financial Measures (Consolidated)

	Three Months Ended September 30,					
	2024			2023		
	Sanara Surgical	THP	Total	Sanara Surgical	THP	Total
Net Income (Loss)	$ (180,488)	$(2,702,564)	$(2,883,052)	$ 567,235	$(1,662,184)	$(1,094,949)
Adjustments:						
Interest expense	927,577	-	927,577	188,294	-	188,294
Depreciation and amortization	696,888	406,966	1,103,854	590,563	407,111	997,674
Noncash share-based compensation	1,003,599	21,831	1,025,430	813,606	43,920	857,526
Change in fair value of earnout liabilities	-	147,000	147,000	(758,783)	77,030	(681,753)
Share of losses from equity method investment	31,448	-	31,448	-	-	-
Executive separation costs	59,685	-	59,685	-	-	-
Acquisition costs	24,812	405,207	430,019	-	-	-
Segment EBITDA (on a segment basis) / Adjusted EBITDA (consolidated)	$2,563,521	$(1,721,560)	$ 841,961	$1,400,916	$(1,134,124)	$ 266,792

	Nine Months Ended September 30,					
	2024			2023		
	Sanara Surgical	THP	Total	Sanara Surgical	THP	Total
Net Income (Loss)	$(2,872,286)	$(5,339,011)	$(8,211,297)	$ 1,181,296	$(5,358,754)	$ (4,177,458)
Adjustments:						
Interest expense	1,839,259	-	1,839,259	188,300	-	188,300
Depreciation and amortization	2,093,797	1,220,984	3,314,781	1,359,180	1,221,063	2,580,243
Noncash share-based compensation	2,803,536	108,031	2,911,567	2,423,335	158,828	2,582,163
Change in fair value of earnout liabilities	(14,451)	82,000	67,549	(1,385,914)	(108,996)	(1,494,910)
Share of losses from equity method investment	31,448	-	31,448	-	-	-
Executive separation costs [1]	964,466	-	964,466	-	-	-
Acquisition costs	249,901	577,892	827,793	-	-	-
Segment EBITDA (on a segment basis) / Adjusted EBITDA (consolidated)	$ 5,095,670	$(3,350,104)	$ 1,745,566	$ 3,766,196	$(4,087,858)	$ (321,662)

(1)- Includes $328,795 of share-based compensation related to executive separation costs for the nine months ended September 30, 2024.