

Sanara MedTech Overview

March 2025



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	\$274.8M ⁽¹⁾
Avg. Daily Volume	~23,415 ⁽²⁾
Business Segments	<ul style="list-style-type: none">• Sanara Surgical• Tissue Health Plus
Net Revenue (TTM)	\$86.7M ⁽³⁾
Net Loss (TTM)	\$9.9M ⁽³⁾
Adj. EBITDA (TTM)	\$2.7M ^{(3) (4)}
Cash Balance	\$15.9M ⁽³⁾

(1) Market cap. based on common shares outstanding of 8.9M as of 3/18/25 x share price of \$30.87 as of market close on 3/31/25

(2) As of market close on 3/31/25, 30-day average

(3) As of 12/31/2024

(4) Adjusted EBITDA is a non-GAAP financial measure. See the discussion and reconciliation in the appendix for additional information

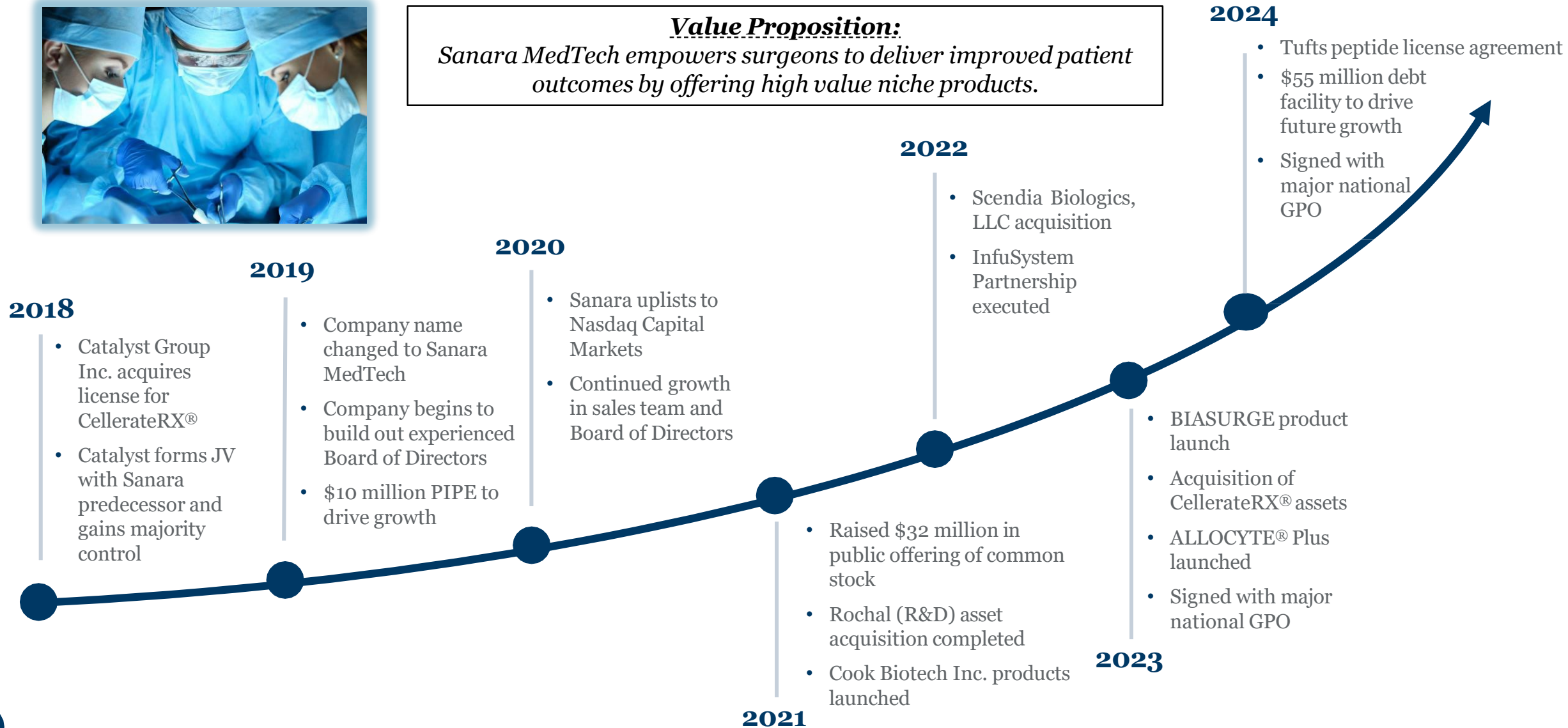
“TTM” = Trailing Twelve Months

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.



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

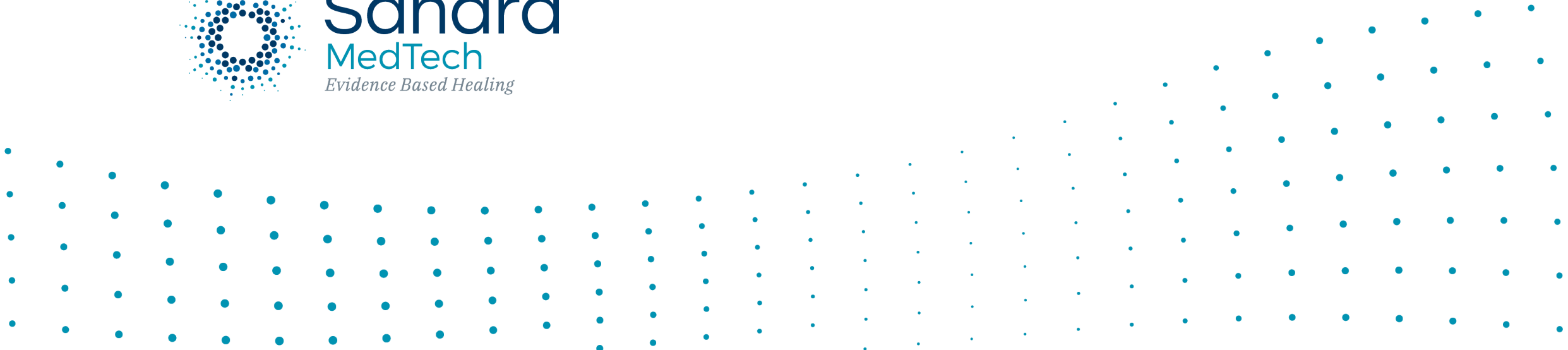
Director

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

Sanara Surgical Segment

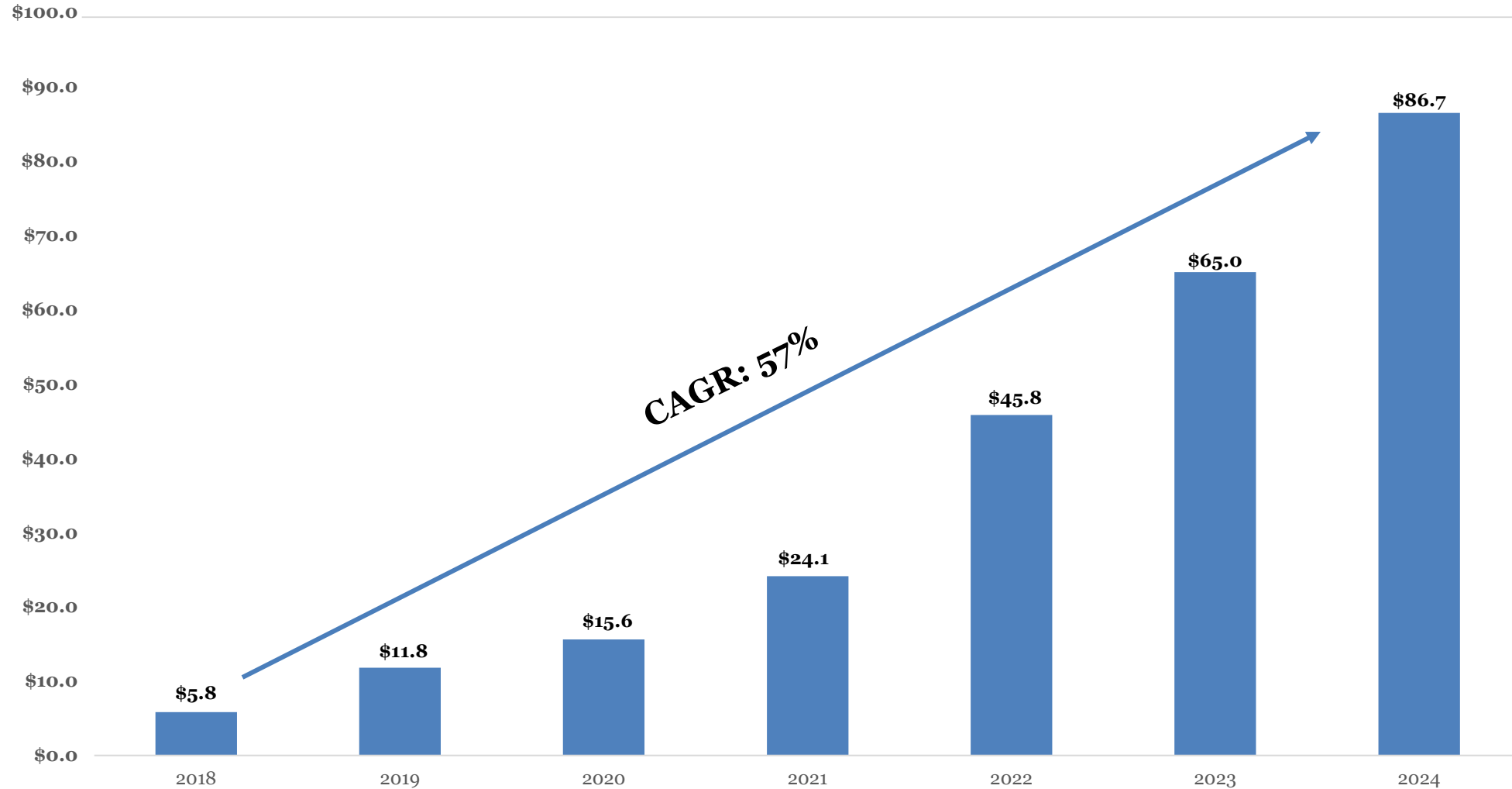


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Sanara Surgical Segment: *Demonstrated Track Record of Strong, Sustained Revenue Growth*

Net revenues in millions \$



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 sold in over 1,300 facilities in 2024, up from more than 1,000 at the end of 2023
- 40 field sales reps, compared to 39 at the end of 2023
- Over 350 distributor partners by year-end—up from more than 250 at the end of 2023
- Net Revenue (TTM): \$86.7M⁽¹⁾, +33% 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 12/31/24

⁽¹⁾ "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 and is intended for use in the mechanical cleansing and removal of debris, including microorganisms, from wounds.

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 support healing in areas of undermining or tunneling

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 Viable Bone Matrix

Next generation cellular bone allograft with viable, bone derived progenitor cells and DMSO-free cryoprotectant.

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 wounds across multiple specialties



Activated Collagen Powder Research

Study on Wound Management to Reduce Surgical Site Infections



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 SSI rate with with CellerateRX Surgical (1.54%) vs without (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. The medical product use for reduction of surgical site infection has not been reviewed by FDA and the safety and effectiveness of the medical device for the unapproved use has not been established.

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.

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*

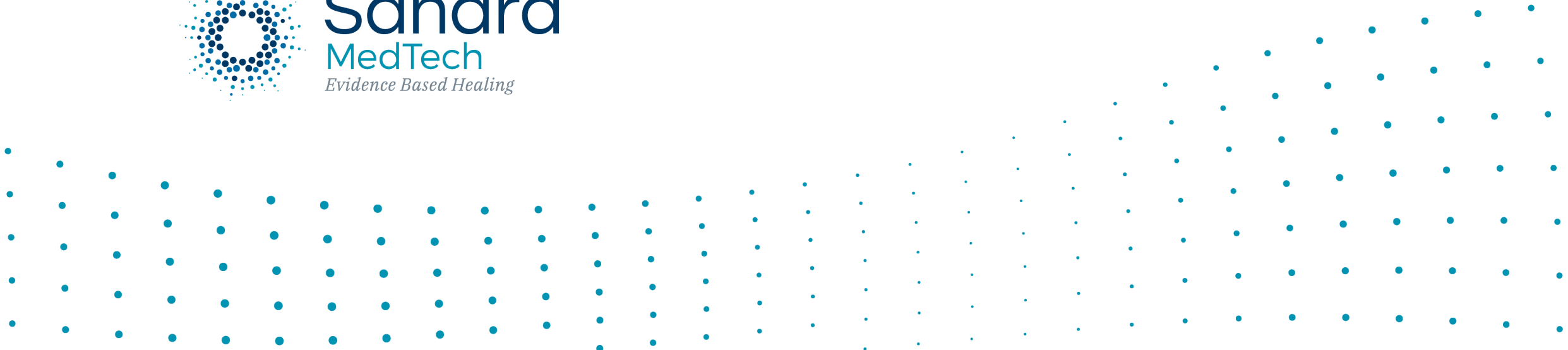
- Focused on penetrating existing hospitals where CellerateRX® Surgical is currently sold.

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.



Tissue Health Plus Segment



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⁾

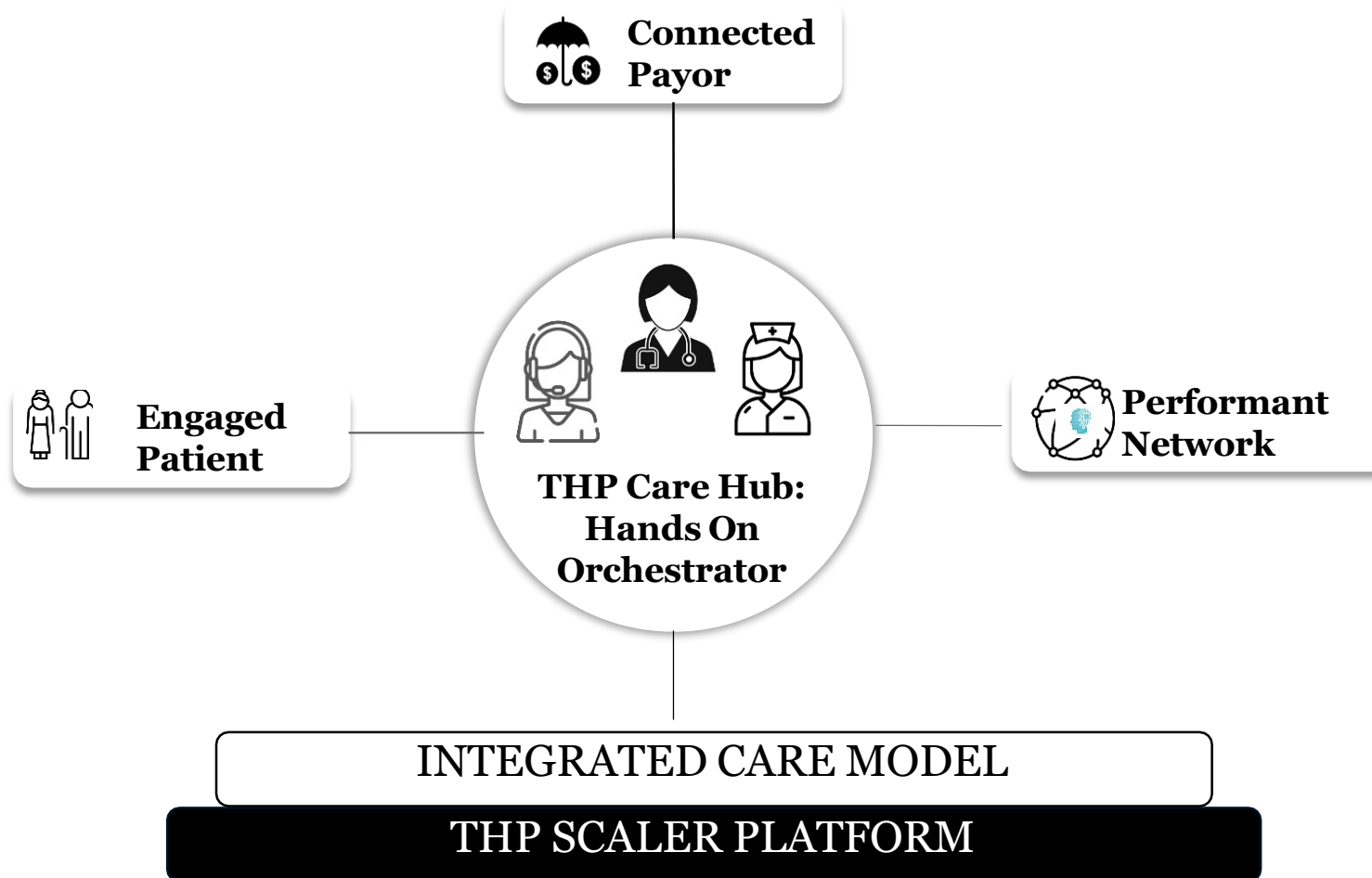
Overview of Tissue Health Plus (“THP”):

- 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

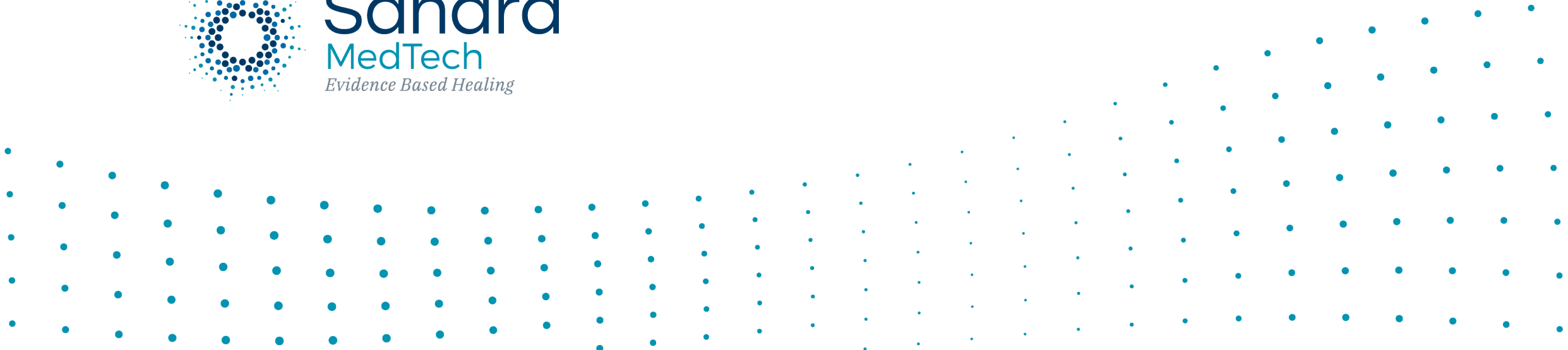


First pilot program with a wound care provider group during the second quarter of 2025

Q4 2024 Financial Highlights



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Q4 2024 Financial Highlights

(Unaudited)



• Total Company

- Net revenue of \$26.3M (+49% year-over-year)
 - Thirteenth consecutive record net revenue quarter
 - Highest net revenue quarter in the Company's history
- Net loss of \$1.7M in Q4 and \$9.9M YTD
- Adjusted EBITDA⁽¹⁾ of \$0.9M in Q4 and \$2.7M YTD
- Cash balance: \$15.9M⁽²⁾
- Additional borrowing capacity: \$24.5M⁽²⁾

• Sanara Surgical Segment

- Segment net revenue of \$26.3M in Q4 and a net revenue of \$86.7M YTD
- Segment EBITDA⁽¹⁾ of \$4.1M in Q4 and \$9.1M YTD

• Tissue Health Plus Segment

- Segment EBITDA⁽¹⁾ of (\$3.1M) in Q4 and (\$6.5M) YTD
- Continued investment to build this strategy through first pilot program with a wound care provider group during the second quarter of 2025
 - Continued investment through mid-2025 estimated at approximately \$7.5 to \$10 million
 - Pursuing like-minded partners to invest in the execution of this strategy

Thank You



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Appendix



Q4 2024 Financial Summary

(unaudited)



- **Revenue**

- For the three months ended December 31, 2024, Sanara generated net revenue of \$26.3 million compared to net revenue of \$17.7 million for the three months ended December 31, 2023, a 49% increase from the prior year period.
- The increase in net revenue was driven by an increase of \$8.5 million, or 56%, in sales of soft tissue repair products and an increase of \$0.2 million, or 8%, in sales of bone fusion products.

- **Gross Profit**

- Gross profit for the fourth quarter of 2024 was \$24.1 million, compared to \$15.9 million for the fourth quarter of 2023, an increase of \$8.2 million, or 51%, year-over-year
- Gross margin was 91% of net revenue for the fourth quarter of 2024, compared to 90% of net revenue for the fourth quarter of 2023.

- **Operating Expenses**

- Operating expenses for the fourth quarter of 2024 were \$24.4 million, compared to \$16.1 million for the fourth quarter of 2023, an increase of \$8.3 million, or 51%, year-over-year.
- The increase in operating expenses was driven by:
 - An increase of \$6.1 million, or 37%, in selling, general and administrative (“SG&A”)
 - An increase of \$1.8 million, or 270%, in research and development (“R&D”)
 - An increase of \$0.5 million, or 47%, in depreciation and amortization, driven by a \$0.5 million non-cash charge to write-off the remaining net book value of certain Tissue Health Plus internal use software assets

Q4 2024 Financial Summary

(Continued)



- **Net Loss**
 - Net loss for the fourth quarter of 2024 was \$1.7 million compared to a net loss of \$0.3 million for the fourth quarter of 2023
 - Sanara Surgical segment generated net income of \$0.9 million for the fourth quarter of 2024, compared to a net loss of \$0.7 million for the fourth quarter of 2023
 - Tissue Health Plus segment generated a net loss of \$2.6 million for the fourth quarter of 2024, compared to net income of \$0.5 million for the fourth quarter of 2023. The year-over-year increase in net loss in the Company's Tissue Health Plus segment was primarily due to higher SG&A and R&D related to the buildout of the Tissue Health Plus platform and infrastructure, and higher depreciation and amortization related to a \$0.5 million non-cash charge in the fourth quarter of 2024 to write-off the remaining net book value of certain Tissue Health Plus internal use software assets.
- **Cash Balances at End of Quarter (in millions)**
 - \$5.1 (Q4-23), \$2.8 (Q1-24), \$6.2 (Q2-24), \$16.3 (Q3-24), \$15.9 (Q4-24)

Q4 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 December 31, 2024

	<u>Surgical</u>	<u>THP</u>	<u>Total</u>
Net Revenue	\$26.3	-	\$26.3
Net Income (Loss)	\$0.9	\$(2.6)	\$(1.7)
Segment EBITDA / Adjusted EBITDA (consolidated) ⁽¹⁾	\$4.1	\$(3.1)	\$0.9

Three Months Ended December 31, 2023

	<u>Surgical</u>	<u>THP</u>	<u>Total</u>
Net Revenue	\$17.7	-	\$17.7
Net income (Loss)	\$(0.7)	\$0.5	\$(0.3)
Segment EBITDA / Adjusted EBITDA (consolidated) ⁽¹⁾	\$1.5	\$(1.1)	\$0.4

Twelve Months Ended December 31, 2024

	<u>Surgical</u>	<u>THP</u>	<u>Total</u>
Net Revenue	\$86.7	-	\$86.7
Net loss	\$(1.9)	\$(8.0)	\$(9.9)
Segment EBITDA / Adjusted EBITDA (consolidated) ⁽¹⁾	\$9.1	\$(6.5)	\$2.7

Twelve Months Ended December 31, 2023

	<u>Surgical</u>	<u>THP</u>	<u>Total</u>
Net Revenue	\$65.0	-	\$65.0
Net income (loss)	\$0.4	\$(4.9)	\$(4.4)
Segment EBITDA / Adjusted EBITDA (consolidated) ⁽¹⁾	\$5.3	\$(5.2)	\$0.1

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.