

Sanara MedTech

Investor Presentation

April 2025



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MedTech
Evidence Based Healing

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Commercial Scale, Strong Growth & Operating Leverage

- Demonstrated track record of strong, sustainable revenue growth fueled by commercial team and lead product, CellerateRX® Surgical Powder
- Significant operating leverage opportunity in the Sanara Surgical segment as the Company adds more products to its portfolio



Expansive and Growing Market Opportunity

- Relevant surgical solutions market opportunity of \$10BN*



Proven M&A Capabilities

- Strong track record and trusted partner within the industry
- Extensive deal pipeline



Advanced R&D Expertise

- Groundbreaking research and development process designed to craft the next generation of innovative products

Sanara MedTech at a Glance

Ticker (Nasdaq)	SMTI
Market Cap	\$262.0M ⁽¹⁾
Avg. Daily Volume	~32,545 ⁽²⁾
Business Segments	- 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 multiplied by the share price of \$29.43 as of market close on 4/17/25

(2) As of market close on 4/17/25, 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

Sanara empowers healthcare professionals to maximize patient outcomes through innovative MedTech products that deliver cost savings



Sanara MedTech provides advanced tissue repair solutions for surgical patients and individuals with skin and wound conditions through a cost-effective, differentiated product portfolio. Patient complications continue to rise in the United States, contributing **\$100bn+*** of cost to the health care system.



Our mission is clear: to provide clinicians with a uniquely designed portfolio of solutions that supports them in achieving optimal treatment goals. This helps drive better patient outcomes while lowering overall costs to the healthcare system.



Our strategy is built on our “Prepare, Promote, Protect” framework, which positions us to capture market share within a surgical solutions \$10bn+* market opportunity, strengthening our foundation, expanding our reach, and securing our leadership in this space.

PREPARE

- ✓ Procedural infection prevention
- ✓ Procedure preparation

PROMOTE

- ✓ Orthobiologics & tissue reinforcement
- ✓ Expedited healing

PROTECT

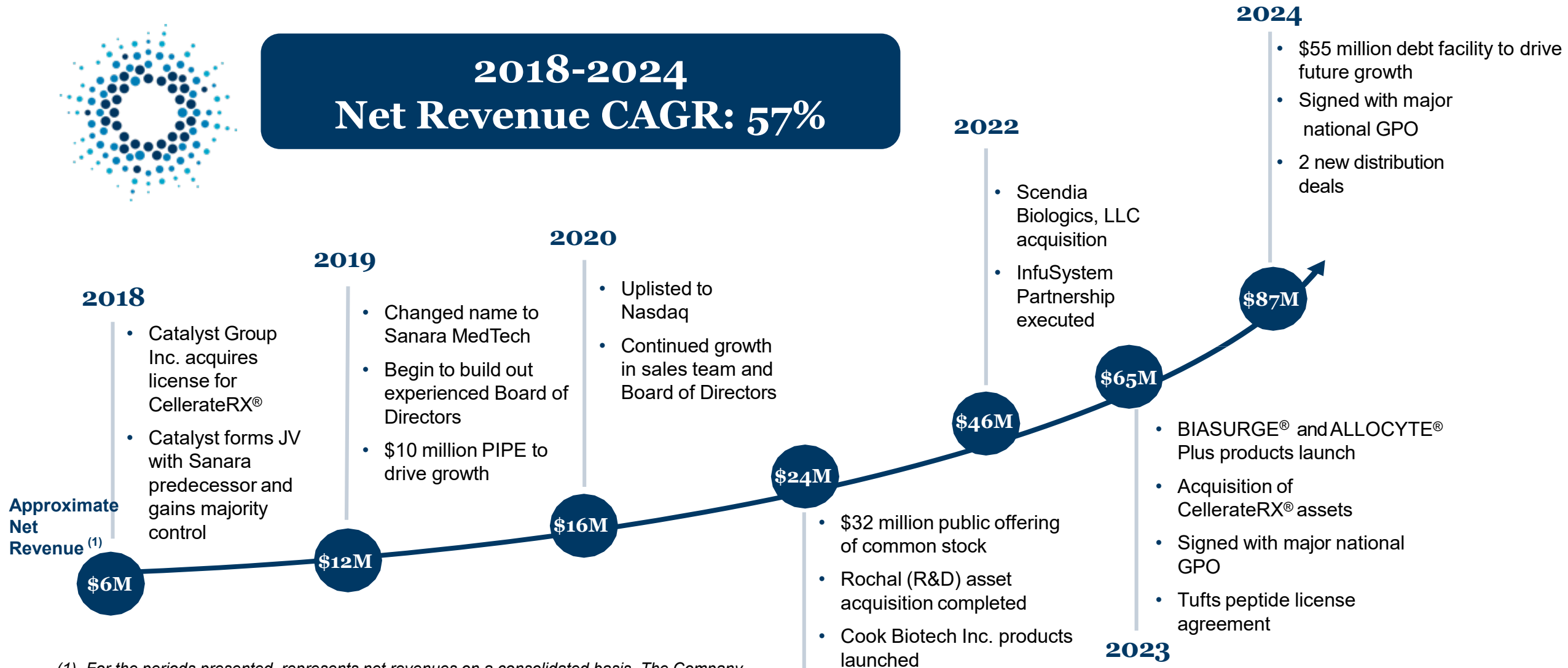
- ✓ Tissue closure and cosmesis
- ✓ Tissue regeneration & functional restoration

History of Growth

Demonstrated Track Record of Innovation, Expansion and Net Revenue Growth



2018-2024
Net Revenue CAGR: 57%



(1) For the periods presented, represents net revenues on a consolidated basis. 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 Sanara Surgical Segment had net revenues been presented on a segmented basis.

Sanara MedTech Surgical Segment



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Find Your

WINNING ADVANTAGE

with leading-edge surgical solutions



Cellerate[®]
ACTIVATED COLLAGEN[™]
RX Surgical

BIASURGE[™]
Advanced Surgical Solution



FORTIFY TRG[®]
Tissue Repair Graft[™]



TEXAGEN[™]
AMNIOTIC MEMBRANE ALLOGRAFT



FORTIFY FLOWABLE[®]
Extracellular Matrix



ALLOCYTE⁺
Advanced Viable Bone Matrix



BiFORM[™]
Bioactive Moldable Matrix



ACTIGEN[™]
Verified Inductive Bone Matrix

Sanara Surgical Segment

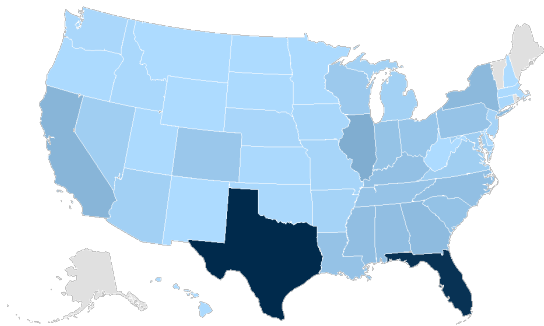
Portfolio Built to Complement Surgical Outcomes & Reduce Post-Op Cost



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

Segment Sales & Distribution Overview (1)

2024 Heat Map



Powered by Bing
© GeoNames, Microsoft, TomTom

\$86.7M 2024 Net Revenue
(33% Growth YoY)

+4,000 Hospital Access Points
(33% Growth YoY)

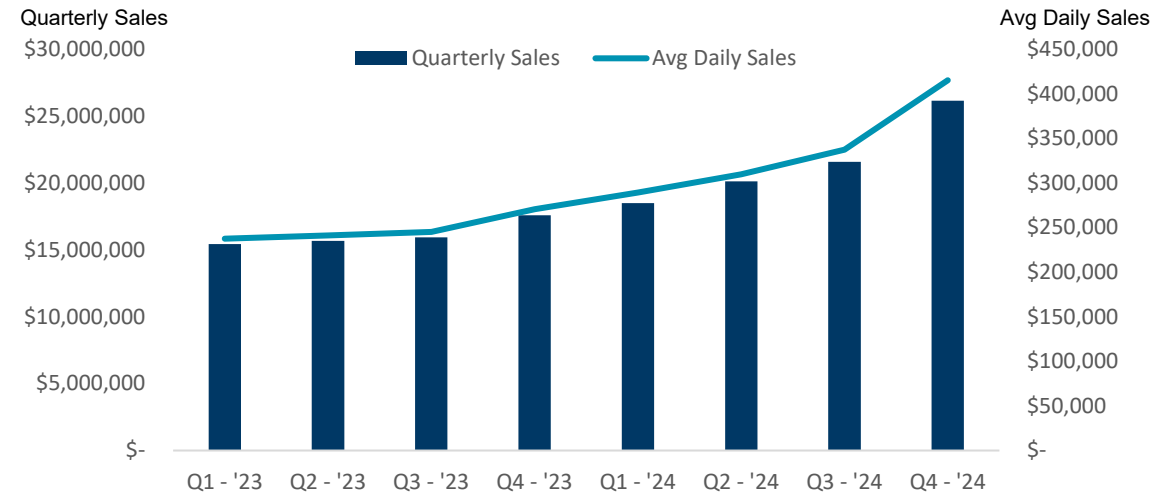
+1,300 Facilities (2)
(30% Growth YoY)

+350 Distributors
(40% Growth YoY)

Key Differentiators Driving Future Growth

1. Highly accomplished sales team
2. Multiple selling opportunities per case
3. Significant greenfield hospital opportunities
4. In-house R&D team driving new product development

Quarterly Sales 2023 vs 2024

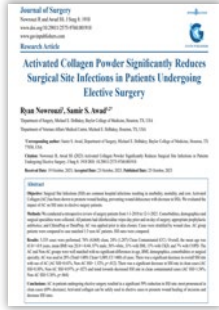


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All commercial products are made in the US except Biasurge® which is exempt from tariffs as of the date of this presentation

(1) As of 12/31/24

(2) Based on a minimum of \$50,000 revenue during the TTM period ended 12/31/24



Multispecialty

Journal of Surgery

Activated Collagen Powder Significantly Reduces Surgical Site Infections in Patients Undergoing Elective Surgery.



Pre-Clinical

Advances in Wound Care

Hydrolyzed Collagen Powder Dressing Improves Wound Inflammation, Perfusion, and Breaking Strength of Repaired Tissue.



Orthopedics

Orthopedics

The Effects of Platelet Rich Plasma and Activated Collagen on Wound Healing in Primary Total Joint Arthroplasty.



Spine

JSM Neurosurgery and Spine

The Use of Sterile Bovine Type 1 Hydrolyzed Collagen to Support Surgical Wound Management: A Case Series.



JSM Neurosurgery and Spine

Retrospective Study to Evaluate the Use of Type 1 Bovine Hydrolyzed Collagen to Support Surgical Wound Healing After Spinal Surgery.



JSM Neurosurgery and Spine

Operative Closure Technique Utilizing Bovine Collagen Fragments in a Prospective Analysis of 102 Consecutive Neurosurgery Patients.

Expand in Existing Specialties

- Ortho & Spine focus with CellerateRX®
- Drive deeper adoption in 1,300+ hospitals
- Leverage national GPO contract (1,000+ hospitals)

Expand Hospital Footprint

- Enter contracted but currently unsold hospitals
- Increased sales rep access & pull-through

Scale BIASURGE® Advanced Surgical Solution

- Penetrate existing hospitals where CellerateRX® Surgical is currently sold

Expand into New Specialties

- Focused commercial strategy for *Trauma*, *Vascular* and *General Surgery*

Inorganic Growth

- Surgical M&A and partnership pipeline
- Portfolio expansion opportunities



Sanara MedTech Tissue Health Plus Segment



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The Chronic Wound Care Challenge

\$100B+ annual expenditure that is under-managed with subpar outcomes



Highly Inefficient Spend

- 69% in high-cost settings, namely the hospitals*
- 45%+ of spend is preventable or wastage*
- 40-66% healing rates for chronic wounds (vs. 90%+ potential)*



Flawed Care Model

- Fragmented care across settings
- Reactive, non-standardized treatments vs proactive management
- Focus on the wound vs the whole patient



Cumbersome Administration

- Highest audited spend area
- Ever changing reimbursement landscape
- Fee-for-service model driving expensive overutilization

Tissue Health Plus Breakthrough Approach

Patient & Value Centric Programs Planned to Shift Care to the Home



Proactively engage patients and orchestrate wound care journeys
Transform care and optimize economics through technology

①

Develop Optimal Care Plans & Orchestrate Patient Encounters



Connected & Coordinated
Intervention Network

Proactive Care By Aligned
Provider Partners For THP
Engaged Patients

②

*Standardize and Transform Care at
The Point Of Care*



Adaptive Precision
Care Co-Pilot

Step By Step Wound Care
Guidance For Clinicians
Anywhere. Fully EMR Integrated

③

*Optimize Reimbursement & Deliver
Supplies To Patient*



Digitized Reimbursement
& Logistics

Improved Unit Economics &
Alternate Payment Models
Enablement

Tissue Health Plus Market Opportunity

Several Promising Market Segments; 1st Focus is Medicare Advantage



\$58-84B TAM across distinct market segments

Segment	Wound Patients*	TAM*	Business Model	Launch
Medicare Advantage	30.8M	\$11.5-27.7B	Risk-bearing MSO	Initial Focus
Medicare	36.0M	\$13.5-32.4B	Specialty Care ACO	Long-Term Focus
Commercial VBC	50M+	\$20.9-50.9B	Risk-bearing MSO	Long-Term Focus
ACO Partnerships	36.4M	\$4.0-7.2B	Episode Management	Long-Term Focus

Multiple tailwinds accelerating adoption

Aging population increasing wound incidence by 6-8% annually

Value-based care penetration rising across all wound segments

Expanding chronic disease burden (diabetes growing at 5.3% CAGR)

Wound care expertise shortage (30% gap) driving demand for technology solutions

Increasing focus on hospital-to-home transitions in Medicare Advantage

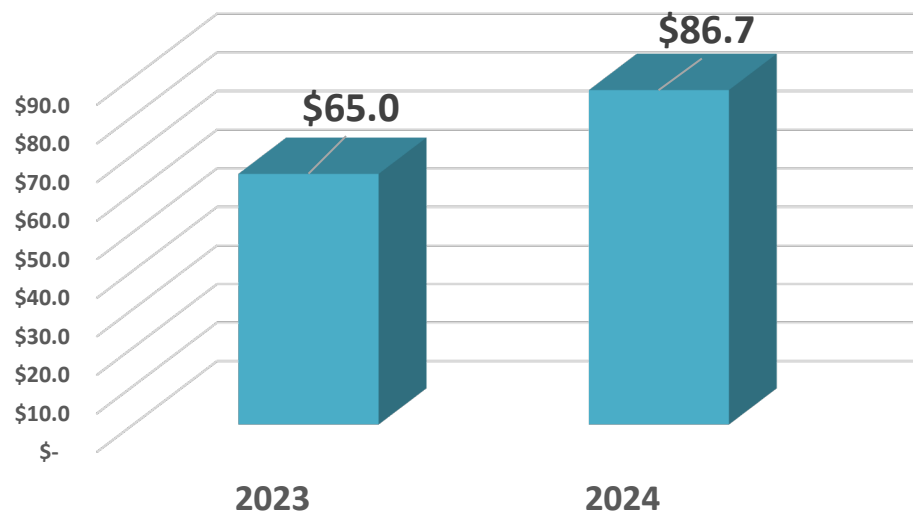
Sanara MedTech 2024 Financial Highlights



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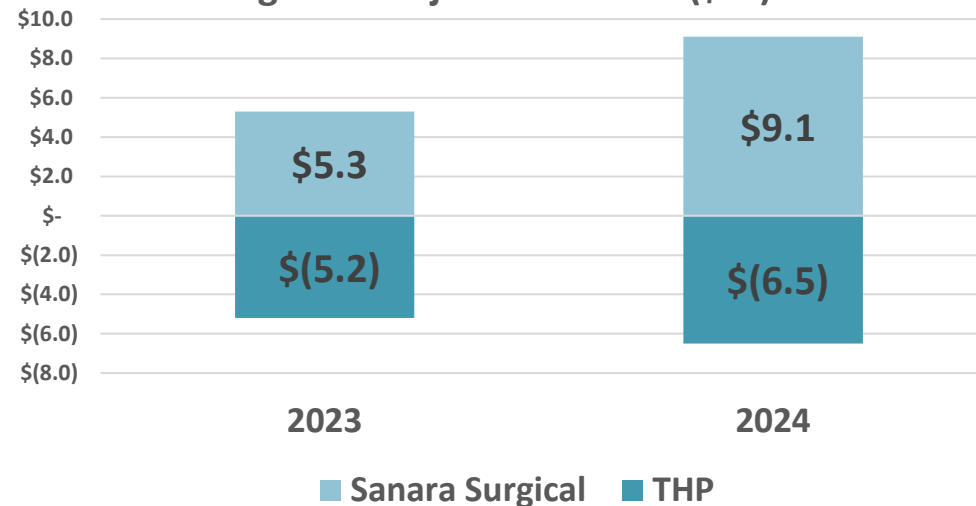
Full Year 2024 Highlights

Net Revenue (\$M)



33% year-over-year net revenue growth

Segment Adjusted EBITDA (\$M)⁽¹⁾



Consolidated 2024 Adjusted EBITDA of \$2.7M

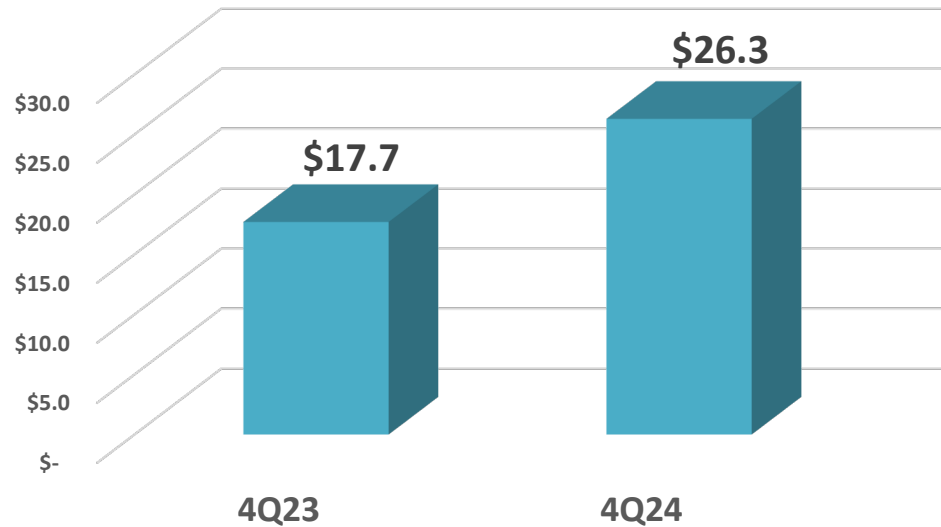
2024 Highlights:

- Significant profitability improvements within our Sanara Surgical segment: adjusted EBITDA increased **73%** year-over-year
- Breakeven in terms of net cash used in operating activities in 2024 with **\$15.9M** of cash on the balance sheet at December 31, 2024
- Two exclusive distribution agreements entered – and minority investments – for innovative products, including **Chemo Mouthpiece** and **OsStic**
- Progress in developing our intellectual property portfolio, submitting **11** provisional patent applications in 2024, covering innovations in proprietary antimicrobial technologies and hydrolyzed collagen

4Q 2024 Financial Highlights

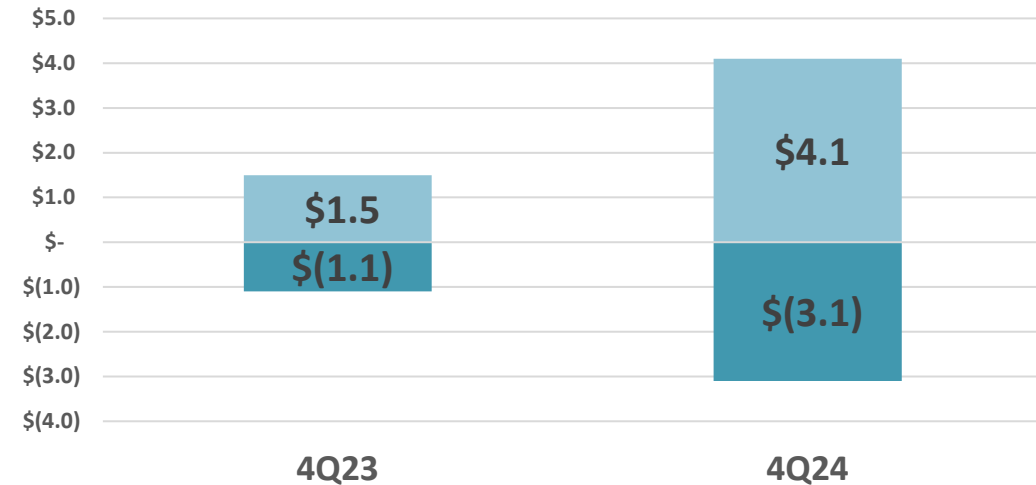


Net Revenue (\$M)



49% year-over-year net revenue growth

Segment Adjusted EBITDA (\$M)⁽¹⁾



Consolidated 4Q24 Adjusted EBITDA of \$0.9M

4Q24 Highlights:

- **Thirteenth** consecutive record net revenue quarter
- Highest net revenue quarter in the Company's history
- Gross profit increased **51%** year-over-year
- Pursuing like-minded partners to invest in THP and first pilot on track for **2Q25 launch**

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

Appendix



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2024 Segment Reporting



Segment Reporting Overview

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

Three Months Ended December 31, 2024 (\$M)

	<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 Adjusted EBITDA / Adjusted EBITDA (consolidated) ⁽¹⁾	\$4.1	\$(3.1)	\$0.9

Twelve Months Ended December 31, 2024 (\$M)

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

Three Months Ended December 31, 2023 (\$M)

	<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 Adjusted EBITDA / Adjusted EBITDA (consolidated) ⁽¹⁾	\$1.5	\$(1.1)	\$0.4

Twelve Months Ended December 31, 2023 (\$M)

	<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 Adjusted EBITDA / Adjusted EBITDA (consolidated) ⁽¹⁾	\$5.3	\$(5.2)	\$0.1

Q4 2024 Financial Summary

(unaudited)



Net 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”) with the majority being commissions; and
 - An increase of \$1.8 million, or 270%, in research and development (“R&D”).

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)

Sources

Slides 3 & 4

- *Understanding the costs associated with surgical care delivery in the Medicare population - PMC*
- *Hospital and Payer Costs Associated With Surgical Complications - PubMed*

Slides 12 and 14

- 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
- National US Wound Center healing rates > 90% exclude those with multi conditions and more severe wounds (Fife, Eckert) National US Wound Center healing rates > 90% exclude those with multi conditions and more severe wounds (Fife, Eckert)
- 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

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 Adjusted 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 investments, 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 Adjusted 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 Adjusted EBITDA because the Company believes that they are not related to the Company's core business operations. Segment Adjusted 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 Adjusted 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 – Q4 2024



	Three Months Ended December 31,					
	2024			2023		
	Sanara Surgical	THP	Total	Sanara Surgical	THP	Total
Net Income (Loss)	\$ 934,704	\$(2,635,304)	\$(1,700,600)	\$ (740,810)	\$ 478,366	\$(262,444)
Adjustments:						
Interest expense	1,289,136	-	1,289,136	287,483	-	287,483
Interest income	(21,978)	-	(21,978)	-	-	-
Depreciation and amortization ⁽¹⁾	692,032	916,411	1,608,443	687,679	407,104	1,094,783
Noncash share-based compensation	1,165,472	30,214	1,195,686	777,994	82,565	860,559
Change in fair value of earnout liabilities	-	(2,006,000)	(2,006,000)	87,578	(2,042,563)	(1,954,985)
Share of losses from equity method investments	58,559	-	58,559	-	-	-
Executive separation costs	-	-	-	-	-	-
Acquisition costs ⁽²⁾	(64,872)	587,368	522,496	423,513	-	423,513
Segment Adjusted EBITDA (on a segment basis) / Adjusted EBITDA (consolidated)	\$ 4,053,053	\$(3,107,311)	\$ 945,742	\$ 1,523,437	\$(1,074,528)	\$ 448,909
Net Revenue	\$26,305,365	\$ -	\$26,305,365	\$17,689,813	\$ -	\$17,689,813
Net Income (Loss) as a % of Net Revenue	3.6%	N/A	(6.5)%	(4.2)%	N/A	(1.5)%
Segment Adjusted EBITDA (on a segment basis) / Adjusted EBITDA (consolidated) as a % of Net Revenue	15.4%	N/A	3.6%	8.6%	N/A	2.5%

(1) Includes a \$506,836 non-cash charge during the fourth quarter of 2024 to write-off the remaining net book value of certain Tissue Health Plus internal use software assets.

(2) Acquisition costs include legal, tax and accounting services related to prospective acquisitions.

Reconciliation of GAAP to Non-GAAP Financial Measures – Full Year 2024



	Year Ended December 31,					
	2024			2023		
	Sanara Surgical	THP	Total	Sanara Surgical	THP	Total
Net Income (Loss)	\$(1,937,583)	\$(7,974,315)	\$(9,911,898)	\$ 440,485	\$(4,880,387)	\$(4,439,902)
Adjustments:						
Interest expense	3,128,395	-	3,128,395	475,783	-	475,783
Interest income	(21,978)	-	(21,978)	-	-	-
Depreciation and amortization ⁽¹⁾	2,785,829	2,137,395	4,923,224	2,046,859	1,628,167	3,675,026
Noncash share-based compensation	3,969,008	138,245	4,107,253	3,201,330	241,392	3,442,722
Change in fair value of earnout liabilities	(14,451)	(1,924,000)	(1,938,451)	(1,298,336)	(2,151,559)	(3,449,895)
Share of losses from equity method investments	90,007	-	90,007	-	-	-
Executive separation costs ⁽²⁾	964,466	-	964,466	-	-	-
Acquisition costs ⁽³⁾	185,029	1,165,260	1,350,289	423,513	-	423,513
Segment Adjusted EBITDA (on a segment basis) / Adjusted EBITDA (consolidated)	\$ 9,148,722	\$(6,457,415)	\$ 2,691,307	\$ 5,289,634	\$(5,162,387)	\$ 127,247

(1) Includes a \$506,836 non-cash charge during the fourth quarter of 2024 to write-off the remaining net book value of certain Tissue Health Plus internal use software assets.

(2) Includes \$328,795 of share-based compensation related to executive separation costs for the twelve months ended December 31, 2024.

(3) Acquisition costs include legal, tax and accounting services related to prospective acquisitions.

Thank You



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