



Sanara MedTech Inc. Reports Third Quarter 2024 Results

November 12, 2024

FORT WORTH, TX, Nov. 12, 2024 (GLOBE NEWSWIRE) — Sanara MedTech Inc Based in Fort Worth, Texas, Sanara MedTech Inc. (“Sanara,” the “Company,” “we,” “our” or “us”) (Nasdaq: SMTI), 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, today reported its strategic, operational and financial results for the quarter ended September 30, 2024.

“The third quarter of 2024 was Sanara’s twelfth consecutive record net revenue quarter, which is a testament to the hard work and dedication of our entire organization,” stated Ron Nixon, Sanara’s Executive Chairman and CEO. “Looking ahead, we remain focused on continuing to execute our growth strategy and delivering exceptional value to both our customers and shareholders.”

Third Quarter 2024 Strategic, Operational and Financial Highlights (Unaudited)

- Net revenue increased 35% year-over-year to \$21.7 million in the third quarter of 2024.
- For the three months ended September 30, 2024, the Company had a net loss of \$2.9 million, compared to a net loss of \$1.1 million for the three months ended September 30, 2023.
- The Company generated Adjusted EBITDA* of \$0.8 million for the three months ended September 30, 2024, compared to Adjusted EBITDA* of \$0.3 million for the three months ended September 30, 2023.
- The Company currently has agreements with 300+ distributors (+50 since January 2024) with 2,900+ potential sellers (+500 since January 2024).
- The Company’s products were sold in over 1,200 facilities across 34 states plus the District of Columbia, based on a minimum of \$50,000 of revenue, during the trailing twelve-month period ended September 30, 2024.
- The Company’s products were contracted or approved to be sold in more than 4,000 hospitals as of September 30, 2024.
- On October 4, 2024, the Company appointed Mr. Keith Myers to serve as a director on its Board. Mr. Myers is the chairman and CEO emeritus of LHC Group, one of the largest and highest quality in-home healthcare providers in the United States. He co-founded LHC Group in 1994 and led its growth from a single home health agency to a publicly traded company with approximately 29,000 employees and approximately 950 agency locations across 38 states and the District of Columbia, until its merger with Optum Inc. in 2023.
- The Company announced that Sanara CMP LLC, a wholly owned subsidiary of the Company, invested \$5.0 million in exchange for an ownership percentage of approximately 6.64% in ChemoMouthpiece, LLC (“CMP”), which owns and manufactures a 510(k) cleared cryotherapy device designed to reduce the incidence and severity of chemotherapy induced oral mucositis. In connection with the investment, the Company announced the execution of an exclusive U.S. distribution agreement with CMP. This product aligns well with Sanara’s wound and skin care strategy, which includes the licensed collagen peptides from Tufts University that focus on radiation dermatitis. The American Medical Association recently issued the CPT code (effective July 2024) to be applied for potential reimbursement by physicians and payers for

the use of an oral cavity device for a cryotherapy procedure in conjunction with chemotherapy. SI Healthcare Technologies, LLC, a joint venture entity owned 50/50 by Sanara and InfuSystem Inc., will be the exclusive distributor of CMp's Standard Chemo Regiment kits in the United States. The product is currently being introduced to the market and is expected to be commercially launched in 2025.

Third Quarter 2024 Revenue Analysis (Consolidated)

During the third quarter of 2024, the Company continued to further penetrate existing accounts while also expanding into new territories, growing the number of facilities where our products were sold to 900+ in Q3 2024 compared to 600+ in Q3 2023. For the quarter ended September 30, 2024, Sanara generated net revenue of \$21.7 million compared to net revenue of \$16.0 million for the quarter ended September 30, 2023, a 35% increase from the prior year period. The higher net revenue in the third quarter of 2024 was due to increased sales of soft tissue repair products (CellerateRX[®] Surgical Activated Collagen[®], BIASURGE[®], FORTIFY TRG[®] Tissue Repair Graft and FORTIFY FLOWABLE[®] Extracellular Matrix), increased market penetration, and geographic expansion and the Company's continuing strategy to expand its independent distribution network in both new and existing U.S. markets.

Third Quarter 2024 Earnings Analysis (Consolidated)

Sanara reported a net loss of \$2.9 million for the quarter ended September 30, 2024, compared to a net loss of \$1.1 million for the quarter ended September 30, 2023. The higher net loss in 2024 was primarily due to increased SG&A costs related to the buildout of our Tissue Health Plus ("THP") platform and infrastructure, which increased by approximately \$1.2 million compared to the prior year period. The increase in net loss for the period also included higher interest expense of \$0.7 million as a result of our loan with CRG Servicing LLC, and an increase in expense due to change in fair value of earnout liabilities of \$0.8 million. These increased costs were partially offset by higher gross profit.

The Company generated Adjusted EBITDA* of \$0.8 million for the quarter ended September 30, 2024, compared to Adjusted EBITDA* of \$0.3 million for the quarter ended September 30, 2023.

** Adjusted EBITDA is a non-GAAP financial measure. See the discussion and the reconciliations at the end of this release for additional information.*

Third Quarter 2024 Earnings Analysis (Segmented)

Sanara Surgical generated a net loss of \$0.2 million for the quarter ended September 30, 2024, compared to net income of \$0.6 million for the quarter ended September 30, 2023. The higher Sanara Surgical net loss in 2024 was primarily due to increases in interest expense, depreciation and amortization, and changes in fair value of earnout liabilities. THP generated a net loss of \$2.7 million for the quarter ended September 30, 2024, compared to a net loss of \$1.7 million for the quarter ended September 30, 2023. The higher THP net loss in 2024 was primarily due to higher SG&A costs related to the buildout of the THP platform and technology.

Sanara Surgical generated Segment EBITDA* of \$2.6 million for the quarter ended September 30, 2024, compared to Segment EBITDA* of \$1.4 million for the quarter ended September 30, 2023. THP generated Segment EBITDA* of (\$1.7) million for the quarter ended September 30, 2024, compared to Segment EBITDA* of (\$1.1) million for the quarter ended September 30, 2023.

* Segment EBITDA is a non-GAAP financial measure. See the discussion and the reconciliations at the end of this release for additional information.

Conference Call

Sanara will host a conference call on Wednesday, November 13, 2024, at 9:00 a.m. Eastern Time. The toll-free number to call for this teleconference is 888-506-0062 (international callers: 973-528-0011) and the access code is 373459. A telephonic replay of the conference call will be available through Wednesday, November 27, 2024, by dialing 877-481-4010 (international callers: 919-882-2331) and entering the replay passcode: 51566.

A live webcast of Sanara's conference call will be available under the Investor Relations section of the Company's website, www.SanaraMedTech.com. A one-year online replay will be available after the conclusion of the live broadcast.

About Sanara MedTech Inc.

Sanara MedTech Inc. is 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. The Company markets, distributes and develops surgical, wound and skincare products for use by physicians and clinicians in hospitals, clinics and all post-acute care settings and offers wound care and dermatology virtual consultation services via telemedicine. Sanara's products are primarily sold in the North American advanced wound care and surgical tissue repair markets. Sanara markets and distributes CellerateRX[®] Surgical Activated Collagen, FORTIFY TRG[®] Tissue Repair Graft and FORTIFY FLOWABLE[®] Extracellular Matrix as well as a portfolio of advanced biologic products focusing on ACTIGEN[™] Verified Inductive Bone Matrix, ALLOCYTE[®] Plus Advanced Viable Bone Matrix, BiFORM[®] Bioactive Moldable Matrix, TEXAGEN[®] Amniotic Membrane Allograft, and BIASURGE[®] Advanced Surgical Solution to the surgical market. In addition, the following products are sold in the wound care market: BIAKÖS[®] Antimicrobial Skin and Wound Cleanser, BIAKÖS[®] Antimicrobial Wound Gel, and BIAKÖS[®] Antimicrobial Skin and Wound Irrigation Solution. Sanara's pipeline also contains potentially transformative product candidates for mitigation of opportunistic pathogens and biofilm, wound re-epithelialization and closure, necrotic tissue debridement and cell compatible substrates. The Company believes it has the ability to drive its pipeline from concept to preclinical and clinical development while meeting quality and regulatory requirements. Sanara is constantly seeking long-term strategic partnerships with a focus on products that improve outcomes at a lower overall cost.

Information about Forward-Looking Statements

The statements in this press release that do not constitute historical facts are "forward-looking statements," within the meaning of and subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. These statements may be identified by terms such as "aims," "anticipates," "believes," "contemplates," "continue," "could," "estimates," "expect," "forecast," "guidance," "intends," "may," "plans," "possible," "potential," "predicts," "preliminary," "projects," "seeks," "should," "targets," "will" or "would," or the negatives of these terms, variations of these terms or other similar expressions. These forward-looking statements include, among others, statements regarding our business strategy and mission, the development of new products, the timing of commercialization of our products, the regulatory approval process and expansion of the

Company's business in telehealth and wound care. These items involve risks, contingencies and uncertainties such as uncertainties associated with the development and process for obtaining regulatory approval for new products, our ability to build out our executive team, our ability to identify and effectively utilize the net proceeds of the term loan to support the Company's growth initiatives, the extent of product demand, market and customer acceptance, the effect of economic conditions, competition, pricing, uncertainties associated with the development and process for obtaining regulatory approval for new products, the ability to consummate and integrate acquisitions, and other risks, contingencies and uncertainties detailed in the Company's SEC filings, which could cause the Company's actual operating results, performance or business plans or prospects to differ materially from those expressed in, or implied by these statements.

All forward-looking statements speak only as of the date on which they are made, and the Company undertakes no obligation to revise any of these statements to reflect the future circumstances or the occurrence of unanticipated events, except as required by applicable securities laws.

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