

Historical Consolidated Results of Operations (Reflecting the Surgical Business)

November 2025



Sanara
MedTech
Evidence Based Healing

Reconciliation of Net income (loss) from continuing operations to Adjusted EBITDA (Unaudited)



	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income (loss) from continuing operations	\$ 834,493	\$ (180,488)	\$ 714,186	\$ (2,872,286)
Adjustments:				
Interest expense	1,818,105	927,577	4,926,765	1,839,259
Depreciation and amortization	610,899	696,888	1,993,477	2,093,797
Noncash share-based compensation	1,164,070	1,003,599	3,618,437	2,803,536
Change in fair value of earnout liabilities	-	-	-	(14,451)
Share of losses from equity method investments	288,642	31,448	627,732	31,448
Gain on disposal of property and equipment	-	-	(10,932)	-
Interest income	-	-	(3,672)	-
Executive separation costs ⁽¹⁾	172,048	59,685	432,323	964,466
Acquisition costs ⁽²⁾	20,000	24,812	24,826	249,901
Adjusted EBITDA	\$ 4,908,257	\$ 2,563,521	\$ 12,323,142	\$ 5,095,670

(1) Includes \$41,948 and zero of share-based compensation related to executive separation costs for the three months ended September 30, 2025 and 2024, respectively, and \$172,122 and \$328,795 of share-based compensation related to executive separation costs for the nine months ended September 30, 2025 and 2024, respectively.

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

Consolidated results of operations (reflecting our surgical business) for the periods indicated below (Unaudited)



	2025				2024					2023				
	Q1	Q2	Q3	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Revenue	\$23,434,096	\$25,804,252	\$26,333,819	\$75,572,167	\$18,536,638	\$20,158,823	\$21,671,599	\$26,305,365	\$86,672,425	\$15,519,187	\$15,753,164	\$16,024,948	\$17,689,813	\$64,987,112
Cost of goods sold	1,834,967	1,937,282	1,874,214	5,646,463	1,890,046	2,008,686	1,991,987	2,249,182	8,139,901	2,116,694	2,187,516	1,751,349	1,788,162	7,843,721
Gross profit	21,599,129	23,866,970	24,459,605	69,925,704	16,646,592	18,150,137	19,679,612	24,056,183	78,532,524	13,402,493	13,565,648	14,273,599	15,901,651	57,143,391
Operating expenses														
Selling, general and administrative ⁽¹⁾	19,129,208	19,634,319	19,877,875	58,641,402	15,683,039	18,349,924	17,420,347	20,220,332	71,673,642	12,467,395	13,301,230	13,460,404	15,597,823	54,826,852
Research and development	950,359	1,056,796	1,029,591	3,036,746	578,981	582,443	783,840	883,399	2,828,663	235,236	208,727	225,886	232,933	902,782
Depreciation and amortization ⁽²⁾	694,032	688,546	610,899	1,993,477	698,502	698,407	696,888	692,032	2,785,829	372,020	396,597	590,563	687,679	2,046,859
Change in fair value of earnout liabilities	-	-	-	-	(103,781)	89,330	-	-	(14,451)	(191,127)	(436,004)	(758,783)	87,578	(1,298,336)
Total operating expenses	20,773,599	21,379,661	21,518,365	63,671,625	16,856,741	19,720,104	18,901,075	21,795,763	77,273,683	12,883,524	13,470,550	13,518,070	16,606,013	56,478,157
Operating income (loss)	825,530	2,487,309	2,941,240	6,254,079	(210,149)	(1,569,967)	778,537	2,260,420	1,258,841	518,969	95,098	755,529	(704,362)	665,234
Other income (expense)														
Interest expense	(1,317,092)	(1,791,568)	(1,818,105)	(4,926,765)	(267,336)	(644,346)	(927,577)	(1,289,136)	(3,128,395)	(6)	-	(188,294)	(287,483)	(475,783)
Share of losses from equity method investments	(143,608)	(195,482)	(288,642)	(627,732)	-	-	(31,448)	(58,559)	(90,007)	-	-	-	-	-
Interest income	3,672	-	-	3,672	-	-	-	21,978	21,978	-	-	-	-	-
Gain on disposal of property and equipment	10,932	-	-	10,932	-	-	-	-	-	-	-	-	-	-
Gain on disposal of investment	-	-	-	-	-	-	-	-	-	-	-	-	251,034	251,034
Total other income (expense)	(1,446,096)	(1,987,050)	(2,106,747)	(5,539,893)	(267,336)	(644,346)	(959,025)	(1,325,717)	(3,196,424)	(6)	-	(188,294)	(36,449)	(224,749)
Net income (loss) from continuing operations	\$ (620,566)	\$ 500,259	\$ 834,493	\$ 714,186	\$ (477,485)	\$ (2,214,313)	\$ (180,488)	\$ 934,703	\$ (1,937,583)	\$ 518,963	\$ 95,098	\$ 567,235	\$ (740,811)	\$ 440,485

(1) Selling, general and administrative expense of \$90,293 was reclassified and is now reflected as discontinued operations in the first quarter of 2024.

(2) Depreciation expense of \$5,461 and \$7,021 was reclassified in the first and second quarters of 2025, respectively, and is therefore not reflected as discontinued operations.

Reconciliation of Net income (loss) from continuing operations to Adjusted EBITDA for the periods indicated below (Unaudited)



	2025				2024					2023				
	Q1	Q2	Q3	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net income (loss) from continuing operations	\$ (620,566)	\$ 500,259	\$ 834,493	\$ 714,186	\$ (477,485)	\$(2,214,313)	\$ (180,488)	\$ 934,703	\$(1,937,583)	\$ 518,963	\$ 95,098	\$ 567,235	\$ (740,811)	\$ 440,485
Adjustments:														
Interest expense	1,317,092	1,791,568	1,818,105	4,926,765	267,336	644,346	927,577	1,289,136	3,128,395	6	-	188,294	287,483	475,783
Depreciation and amortization ⁽¹⁾	694,032	688,546	610,899	1,993,477	698,502	698,407	696,888	692,032	2,785,829	372,020	396,597	590,563	687,679	2,046,859
Noncash share-based compensation	1,175,496	1,278,871	1,164,070	3,618,437	753,616	1,046,321	1,003,599	1,165,472	3,969,008	545,214	1,064,516	813,606	777,994	3,201,330
Change in fair value of earnout liabilities	-	-	-	-	(103,781)	89,330	-	-	(14,451)	(191,127)	(436,004)	(758,783)	87,578	(1,298,336)
Share of losses from equity method investments	143,608	195,482	288,642	627,732	-	-	31,448	58,559	90,007	-	-	-	-	-
Gain on disposal of property and equipment	(10,932)	-	-	(10,932)	-	-	-	-	-	-	-	-	-	-
Interest income	(3,672)	-	-	(3,672)	-	-	-	(21,978)	(21,978)	-	-	-	-	-
Executive separation costs ⁽²⁾	-	260,275	172,048	432,323	-	904,781	59,685	-	964,466	-	-	-	-	-
Acquisition costs ⁽³⁾	-	4,826	20,000	24,826	-	225,089	24,812	(64,872)	185,029	-	-	-	423,513	423,513
Adjusted EBITDA	\$2,695,058	\$4,719,827	\$4,908,257	\$12,323,142	\$1,138,188	\$ 1,393,961	\$2,563,521	\$4,053,052	\$ 9,148,722	\$1,245,076	\$1,120,207	\$1,400,915	\$1,523,436	\$ 5,289,634

(1) Depreciation expense of \$5,461 and \$7,021 was reclassified in the first and second quarters of 2025, respectively, and is therefore not reflected as discontinued operations.

(2) Includes share-based compensation related to executive separation costs.

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

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 press release and on the related teleconference call, including 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) from continuing operations 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 on the disposal of property and equipment, as each is applicable to the periods presented.

The Company believes Adjusted EBITDA is useful to investors because it facilitates comparisons of the Company's core business operations across periods on a consistent basis. Accordingly, the Company adjusts certain items, such as change in fair value of earnout liabilities, when calculating Adjusted EBITDA because the Company believes that such items are not related to the Company's core business operations.

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.