



# Q1 FY2024

May 10, 2024





## Live Presentation

**Friday, May 10, 2024, 8:30 AM (ET)**

## Participant Dial-in Information

**Toll Free: 1-800-245-3047**

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# Forward Looking Statements



This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to future financial results, production expectations and constraints, plans for future business development activities, and the planned merger with SEP Acquisition Corp. Forward-looking statements include all statements that are not statements of historical fact regarding intent, belief or current expectations of the Company, its directors or its officers. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, many of which are beyond the Company’s ability to control. Actual results may differ materially from those projected in the forward-looking statements. Among the key risks, assumptions and factors that may affect operating results, performance and financial condition are risks associated with supply chain and production constraints, regulatory oversight, the Company’s ability to manage its capital resource issues, competition, the Company’s ability to consummate the proposed business combination with SEP Acquisition Corp. and the other factors discussed in detail in the Company’s periodic filings with the Securities and Exchange Commission. The Company undertakes no obligation to update any forward-looking statement.

## **Non-GAAP Financial Measures**

This presentation includes certain financial measures that are not presented in our financial statements prepared in accordance with accounting principles generally accepted in the United States (U.S.) (“U.S. GAAP”). These financial measures are considered “non-GAAP financial measures” and are intended to supplement, and should not be considered as superior to, or a replacement for, financial measures presented in accordance with U.S. GAAP.

The Company uses Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) and Adjusted EBITDA to assess its operating performance. Adjusted EBITDA is Earnings before Interest, Taxes, Depreciation and Amortization adjusted for the change in fair value of derivatives and any significant non-cash or infrequent charges. EBITDA and Adjusted EBITDA should not be considered as alternatives to net loss as a measure of financial performance or any other performance measure derived in accordance with GAAP, and they should not be construed as an inference that the Company’s future results will be unaffected by unusual or infrequent items. These non-GAAP financial measures are presented in a consistent manner for each period, unless otherwise disclosed. The Company uses these measures for the purpose of evaluating its historical and prospective financial performance, as well as its performance relative to competitors. These measures also help the Company to make operational and strategic decisions. The Company believes that providing this information to investors, in addition to GAAP measures, allows them to see the Company’s results through the eyes of management, and to better understand its historical and future financial performance. These non-GAAP financial measures are also frequently used by analysts, investors, and other interested parties to evaluate companies in our industry, when considered alongside other GAAP measures.

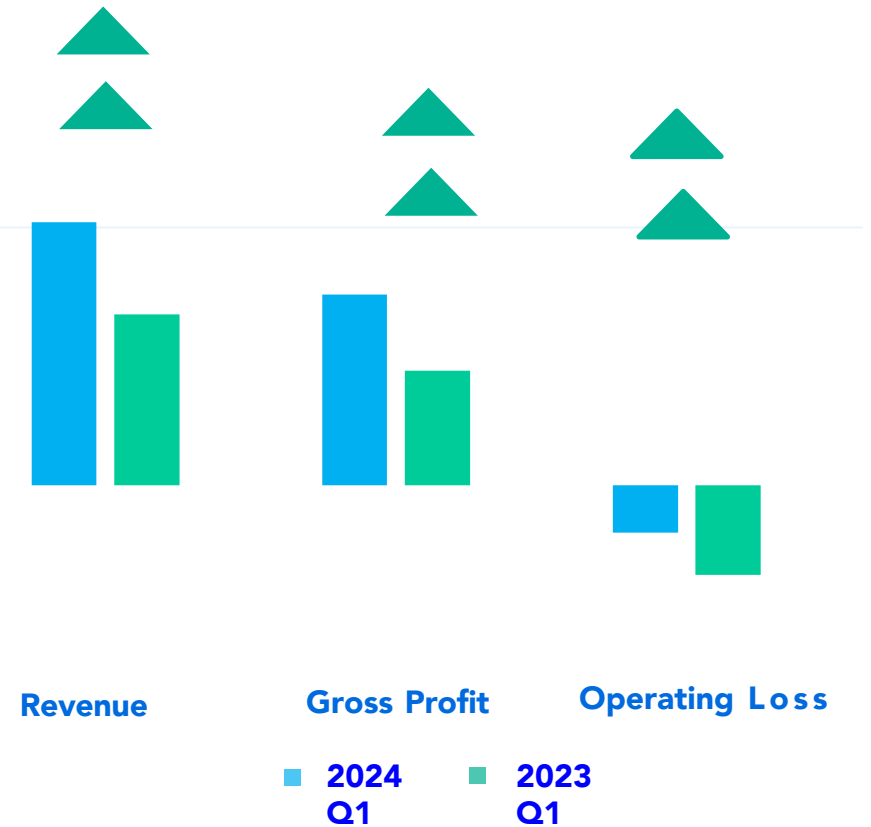


# Financials Q1 2024



Consistent topline growth while managing operating costs

(in millions)	Q1 2024	Q1 2023	YoY
Revenue	\$5.8	\$3.8	+ 53%
Gross Profit	\$4.2	\$2.5	+ 68%
Gross Margin	73%	67%	+600bp
Operating Expense	\$5.3	\$4.5	+17%
Operating Income	(\$1.1)	(\$2.0)	+47%



# Improved operational results



NON-GAAP ADJUSTED EBITDA				
FOR THE QUARTERS ENDED MARCH 31, 2024 AND 2023				
(in thousands)			2024	2023
<b>Net loss</b>			\$ (4,528)	\$ (13,084)
Non-GAAP Adjustments:				
Interest expense			3,560	4,278
Depreciation and amortization			218	189
<b>EBITDA</b>			<b>(750)</b>	<b>(8,617)</b>
Non-GAAP Adjustments for Adjusted EBITDA:				
Change in fair value of derivative liabilities			2,501	6,797
Other non-cash or non-recurring charges:				
Loss on extinguishment of debt			105	-
Severance agreement and legal settlement			585	-
License and option agreement			(2,500)	-
<b>Adjusted EBITDA</b>			<b>\$ (59)</b>	<b>\$ (1,820)</b>

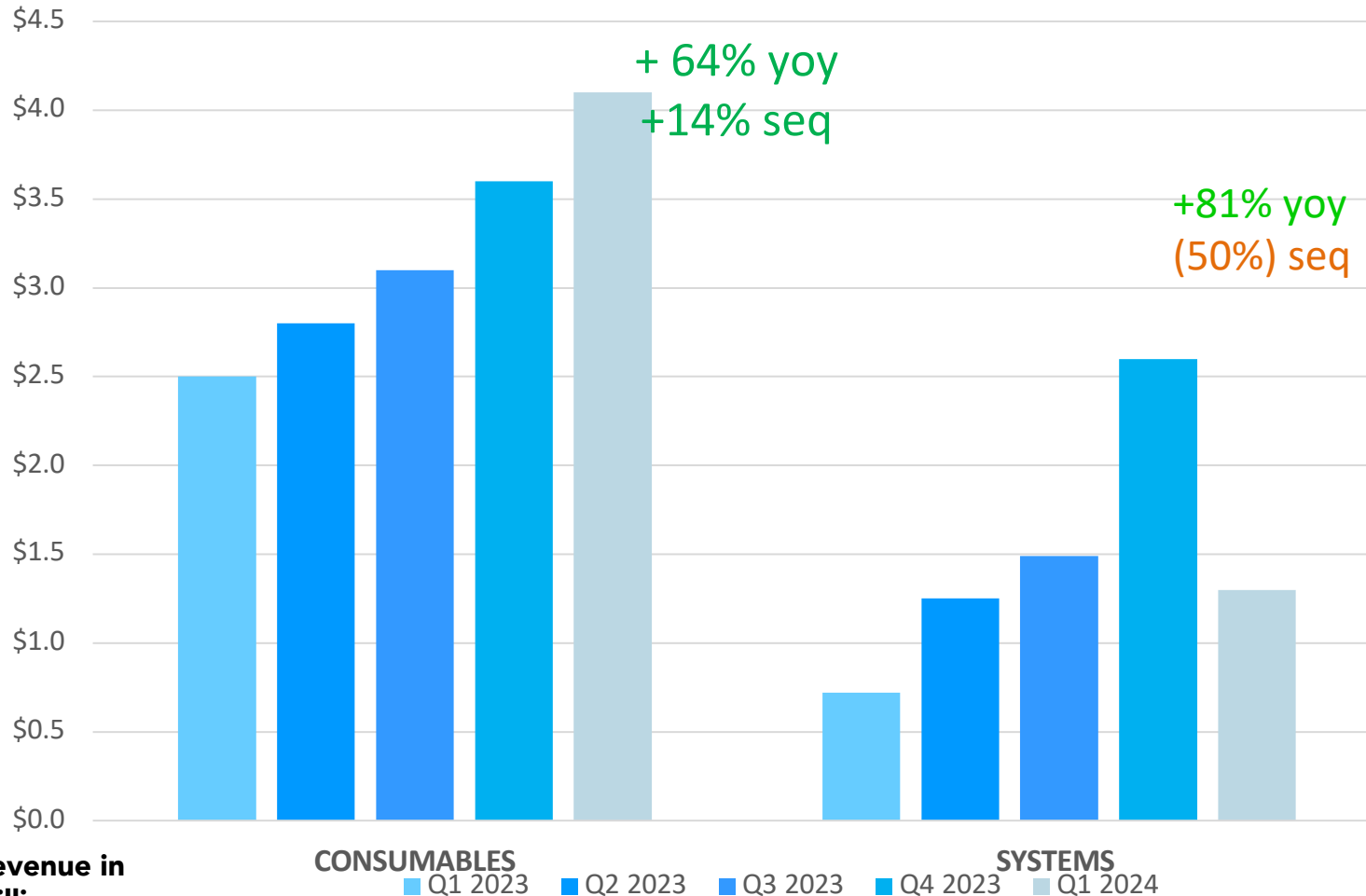
See Non-GAAP Financial Measures disclosure included on slide 3



# Growing UltraMist Systems & Consumables Sales



**Continuous UltraMIST revenue growth throughout 2023. Strong year on year growth in Q1 2024.**



- **709 Active Systems\*** in the field at end Q1
- **In Q1 : 43 systems sold** (vs 28 in Q1 2023 and 79 in Q4 2023)

\*Active systems defined as customers who have ordered consumables in prior 6 months



Revenue in millions

CONSUMABLES      SYSTEMS  
 ■ Q1 2023   ■ Q2 2023   ■ Q3 2023   ■ Q4 2023   ■ Q1 2024

# Q2 and FY 2024 Revenue Guidance



## Q2 2024

REVENUE GROWTH

**+45-55%**

Vs  
Q2 2023 REVENUE  
Of \$4.7 million

## FY 2024

REVENUE GROWTH

**+50%**

Vs  
FY 2023 REVENUE  
Of \$20.4 million



# Summary

Wound care is undergoing a **payor led shift to evidence based medicine and reimbursement.**

This has aligned incentives for Patients, Payors, and Providers.

**SANUWAVE is in a prime position to benefit:**

- Approved products protected by strong IP
- Strong existing reimbursement with room to improve
- Strong, focused sales force
- Now able to meet demand with expanded manufacturing



Accelerating revenue growth poised to bring company to **profitability.**