

TSXV: SGMD

*CORPORATE PRESENTATION
DECEMBER, 2022*

*SALONA GLOBAL
MEDICAL DEVICE CORPORATION*



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his statutory right of action is subject to the following: (a) if you elect to exercise the right of action for rescission, you will have no right of action for damages against the Company; (b) except with respect to purchasers resident in Nova Scotia, no action shall be commenced to enforce a right of action for rescission after 180 days from the date of the transaction that gave rise to the cause of action; (c) no action shall be commenced to enforce a right of action for damages after the earlier of (i) 180 days (with respect to purchasers resident in Ontario) or one year (with respect to purchasers resident in Saskatchewan and New Brunswick) after you first had knowledge of the facts giving rise to the cause of action and (ii) three years (with respect to purchasers resident in Ontario) or six years (with respect to purchasers resident in Saskatchewan and New Brunswick) after the date of the transaction that gave rise to the cause of action; (d) with respect to purchasers resident in Nova Scotia, no action shall be commenced to enforce a right of action for rescission or damages after 120 days from the date on which payment for the securities was made by you; (e) the Company will not be liable if it proves that you purchased the securities with knowledge of the misrepresentation; (f) in the case of an action for damages, the Company will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentations; and (g) in no case will the amount recoverable in such action exceed the price at which the securities were sold to you. The foregoing is a summary only and is subject to the express provisions of the Securities Act (Ontario), the Securities Act (New Brunswick), the Securities Act (Nova Scotia) and the Securities Act (Saskatchewan), and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions contained therein. Such provisions may contain limitations and statutory defences on which the Company may rely.

Notwithstanding that the Securities Act (British Columbia), the Securities Act (Alberta), and the Securities Act (Québec) do not provide, or require the Company to provide, to purchasers resident in these jurisdictions any rights of action in circumstances where this document or an amendment hereto contains a misrepresentation, the Company hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.

In Manitoba, the Securities Act (Manitoba), in Newfoundland and Labrador the Securities Act (Newfoundland and Labrador), in Prince Edward Island the Securities Act (PEI), in Yukon, the Securities Act (Yukon), in Nunavut, the Securities Act (Nunavut) and in the Northwest Territories, the Securities Act (Northwest Territories) provide a statutory right of action for damages or rescission to purchasers resident in Manitoba, Newfoundland, PEI, Yukon, Nunavut and Northwest Territories, respectively, in circumstances where this document or an amendment hereto contains a misrepresentation, which rights are similar, but not identical, to the rights available to Ontario purchasers.

The statutory right of action described above is in addition to and without derogation from any other right or remedy at law.

THE RECOVERY SCIENCE MARKET AND PHYSICAL THERAPY

THE \$30B+ AND GROWING RECOVERY SCIENCE & MEDICAL DEVICE INDUSTRY HAS CONSISTENTLY OUTPERFORMED THE MARKET AVERAGE (1)



- 1.6 MILLION REGISTERED PHYSICAL THERAPISTS (PT) WORLDWIDE
- 35 MILLION UNIQUE PATIENTS PER WEEK OR ABOUT 15% OF THE US ADULT POPULATION (1)
- GROWING MARKET AS THE GLOBAL AGING POPULATION WANTS TO REMAIN ACTIVE INTO OLD AGE.
- PHYSICAL THERAPISTS & ATHLETIC TRAINERS ENTERING THE MARKET IS EXPECTED TO GROW BY 20-30% OVER THE NEXT 5 YEARS (1)

(1) DATA COURTESY OF BEACON SECURITIES, MARCH 17 2022 COVERAGE INITIATION REPORT

(2) DATA COURTESY OF BLS.GOV: [HTTPS://WWW.BLS.GOV/OOH/HEALTHCARE/ATHLETIC-TRAINERS.HTM](https://www.bls.gov/ooH/healthcare/athletic-trainers.htm)

PRODUCTS THAT MAKE THE MARKET



PREVENTION

- Specialty Supports*
- Athletic Braces*
- Diabetic Shoes*
- Wearables*
- Fall Prevention*



TREATMENT

- Muscle Stimulation*
- Wound Care Devices*
- Bone Growth Stimulators*
- DVT Devices*
- TENS & NMES*



REHABILITATION

- Pre-op Devices
- Compression*
- Ergonomics*
- Hot/Cold Therapy*
- Post-op Braces
- Massage Therapy Devices*
- Constant Passive Motion (CPM)*
- Physical Medicine Modalities*
- Mobility & Training*
- Treatment Tables

*PRODUCTS CURRENTLY BEING DEVELOPED OR SOLD BY SALONA GLOBAL

PRODUCTS BEING SOLD - EXAMPLES



SPECIALTY SUPPORTS



DIABETIC SHOES



MUSCLE STIMULATION



TENS & NMES



HOT / COLD THERAPY



ATHLETIC BRACES



MUSCLE THERAPY



BONE GROWTH STIMULATORS



COMPRESSION

MANAGEMENT TEAM



LES CROSS

EXECUTIVE CHAIRMAN



LUKE FAULSTICK

CEO

The team leaders operated DJO Global (on the NYSE), the leader in recovery science

Blackstone bought out DJO at 3.3x revenues or US\$1.6B

Les Cross - former CEO of DJO
Luke Faulstick - former COO of DJO



DENNIS NELSON

CFO



SCOTT ROGOW

VP, SALES



KEN ZISHOLZ

SALES CHANNEL LEADER



RICK GREENWALD

R & D LEADER

FINANCIAL ADVISORS

Former PHM Chairman & Former Vice Chairman
(Now trading as Viemed and Quipt on the Nasdaq.)

GROWTH PLAN

Capitalize on extensive industry contacts to drive five engines of revenue and profit growth:

1. M&A: A deep pipeline of potential acquisition targets
2. Product Development: Five products under development; one already brought to market in less than 6 months
3. Product IP Acquisition: Sourcing under-valued IP that can quickly be productized for the market
4. Product Distribution Agreements: Finding high margin products to expand the product line into existing and new distribution channels
5. Organic Growth: Organic growth post-acquisition through integration and improved sales and distribution.



VERTICAL INTEGRATION

Capturing “**Top-to-Bottom**” margins through its subsidiaries

Through M&A, IP acquisition & product development, SGMD plans to add more distribution channels and medical device products increasing production and maximizing margins

SALES AND DISTRIBUTION NETWORK



30+ Independent Sales Reps

FDA APPROVED MANUFACTURING



80,000 Sq ft

65-70% capacity utilization

Can be expanded to double the size on the land footprint

IP & Product Development FDA regulatory expertise



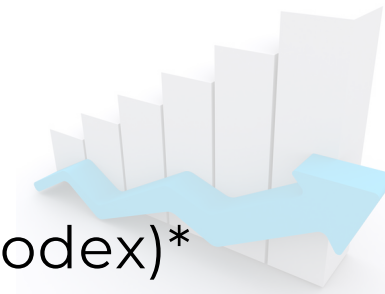
REVIEW OF BIODEX ACQUISITION - PRODUCTS

Bidoex is a niche brand of physical therapy clinic devices with an IP-based product portfolio including devices for:

Isokinetic system | Balance | Gait Training | Fall prevention | Ergonomic systems



SGMD SUMMARY



- \$80 million in revenues including last 2 announced acquisitions (DaMar and Biodex)*
- 33% reported gross margins for reported Q1/Q2; 30%-35% margins expected post DaMar and Biodex integration
- \$1.4 million in reported adjusted EBITDA fiscal YTD (see Q2 announcement for GAAP reconciliation)
- \$22.5 million order book back log, including Biodex**
- Acquired product IP and secured several distribution agreements in 2022
- Increased staffing and processes already in place to integrate the large Biodex acquisition
- Strong pipeline of cashflow positive acquisition targets for potential follow on deals

* SGMD reported Q2 revenues (x4) combined with Biodex (purchase agreement executed) and DaMar TTM reported revenues

**Order book back log includes existing Q2 announced backlog of \$18.5 million

REVIEW OF BIODEX ACQUISITION: TERMS & FINANCIAL METRICS

- The Biodex asset acquisition is highly accretive and is expected to generate **\$26 million** in additional annual revenue; comprised of \$20 million in revenues from medical device sales at gross margins greater than 30% and of \$6 million from a supply agreement with a 15% gross margin
- SGMD acquires net working capital of US\$3.5M with the deal
- 50% of revenues are in the international market, expanding SGMD's global footprint
- Management expects to increase sales annually post close, following a plan similar to the existing acquisitions completed

Terms:

Total consideration of US\$8M in cash

- US\$5M on closing
- US\$3M earn-out payments: (1) US\$1M payments upon achieving US\$5M in revenue 12 months from closing; (2) US\$1M payments upon achieving US\$10M in revenue 12 months from closing; (3) US\$1M payments upon achieving US\$15M in revenue 12 months from closing, not including the supply contract
- Cash on hand and debt facility from current senior lender to be used to make the acquisition
 - Current senior debt facility has a floating rate of U.S. prime + 0.75% interest currently totally 7.75%.
 - 12 equal principal payments are scheduled quarterly starting 1 year after the acquisition.
 - Proceeds from the subordinated debenture will be used to reduce the senior debt facility

TSXV:SGMD
Enterprise Value:
\$79M

As of 11/25/22; market cap + \$13M planned term debt as part of the Biodes acquisition

Revenues	
At Listing (June 2021)	\$16M
Post acquisitions of Biodes and DaMar	\$80M

SGMD Q2 reported revenues (x4) combined with TTM revenues of Biodes and DaMar

CAP TABLE SUMMARY - NOVEMBER 2022

Common shares (tradable float)	53,707,779
Class A Shares	1,355,425
Earn out shares issued	19,019,000
<u>Earn out shares expected to be issued</u>	<u>21,760,563</u>
Total Shares	95,842,767

Partially diluted, not including warrants & options

EXCHANGE	COMPANY	REVENUE MULTIPLE	REPORTED REVENUE (last quarter x4)	MARKET CAP***	REV GROWTH
NYSE	ResMed, Inc.	9.3	US\$3.6B	US\$33B	12%
NASDAQ	Utah Medical	6.5	US\$52M	US\$332M	9%
NASDAQ	Cerus Corp	3.36	US\$154M	US\$625M	26%
NASDAQ	Zynex Inc	2.5	US\$125M	US\$354M	20%
NASDAQ	Tandem Diabetes Care	4.6	US\$809M	US\$3.48B	20%
NASDAQ	iRhythm Technologies	9.38	US\$406M	US\$3.4B	27%



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