

ROCKWELL MEDICAL

# Investor Presentation

November 12, 2024

RMTI

Nasdaq Listed

# Forward-Looking Statements and Non-GAAP Measures

Certain statements in this presentation may constitute "forward-looking statements" within the meaning of federal securities laws, including, but not limited to, Rockwell's expectations regarding revenue, profitability, financial position, 2024, 2025 and 2026 guidance, future net sales, reliance on capital investments, ability to grow, industry leadership position, total addressable estimated CAGR, reduction of debt, and continued growth. Words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "can," "could," "would," "develop," "plan," "potential," "predict," "forecast," "project," "plan," "intend," "positioned to," "guidance," "vision," "strategy," or the negatives of these terms, and similar expressions, or statements regarding intent, belief, or current expectations, are forward-looking statements. While Rockwell Medical believes these forward-looking statements are reasonable, undue reliance should not be placed on any such forward-looking statements, which are based on information available to us on the date of this presentation. These forward-looking statements are based upon current estimates and assumptions and are subject to various risks and uncertainties (including, without limitation, those set forth in Rockwell Medical's SEC filings), many of which are beyond our control and subject to change. Actual results could be materially different. Risks and uncertainties include: the risk that we do not maintain profitability or achieve net sales, gross profit, gross margin or adjusted EBITDA guidance targets; the risk that we are unable to reduce our reliance on capital markets; the risk that we are unable to achieve our corporate goals and projected milestones, including that we achieve $100M+ annual net sales and sustain profitability, geographic expansion, commercial partnerships and new product opportunities; the risk that we are not able to become a leading global supplier of all hemodialysis products; the risk that market opportunities are smaller than estimated, including the estimated CAGR; the impact of any further increases in raw material, labor, fuel or other input costs, particularly if we are unable to pass these cost increases along to our customers; the risk that we are unable to obtain additional financing and raise capital as necessary to fund operations or pursue business opportunities; expected financial performance for 2024, including cash flows, revenue, profitability, growth, margins, funding, liquidity and capital resources; and those risks more fully discussed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2023, as such description may be amended or updated in any subsequent reports we file with the SEC. Rockwell Medical expressly disclaims any obligation to update our forward-looking statements, except as may be required by law.

This presentation includes certain non-GAAP financial measures. Please see the section entitled "Reconciliation to GAAP Financial measures" in the Appendix for an explanation of management's use of these measures and reconciliations to the most directly comparable GAAP financial measures. These non-GAAP financial measures should be considered in addition to, and not a substitute for, or superior to, net income or other financial measures calculated in accordance with GAAP. Non-GAAP financial measures used by us may be calculated differently from, and therefore may not be comparable to, non-GAAP measures used by other companies.

All data as of September 30, 2024 unless otherwise noted.


© 2024 Rockwell Medical, Inc.

# Rockwell Medical At A Glance

## Business Overview

- Healthcare company that develops, manufactures, commercializes, and distributes a portfolio of hemodialysis products for dialysis providers worldwide.
- Largest supplier of liquid bicarbonate hemodialysis concentrates in the U.S.
- Second largest supplier of acid and dry bicarbonate concentrates in the U.S.
- Vision of becoming a leading global supplier of all hemodialysis concentrates.
- Total Addressable Market ~$450M in 2024, estimated CAGR of ~4-6% through 2028[a].

## Financial Metrics

- Achieved record net sales, gross profit, and gross margin in Q3'24.
- Increased 2024 Guidance for third time in 2024.
- 2024 Net (Product) Sales Guidance = $98M to $101M (↑ 23% to 27% YoY)
- 2024 Gross Profit Guidance = $15M to $17M (↑ 72% to 95% YoY)
- 2024 Gross Margin Guidance = 16% to 18% (↑ 6pp to 8pp YoY)
- 2024 Adjusted EBITDA Guidance = $4M to $5M (↑ 203% to 228% YoY )

| Current Capitalization | |
|---|---|
| Share Price[b]: | $4.65 |
| Market Cap[c]: | $150M |
| Total Cash, Cash Equivalents, Investments Available for Sale[d]: | $18.3M |
| Total Debt[d]: | $8.4M |

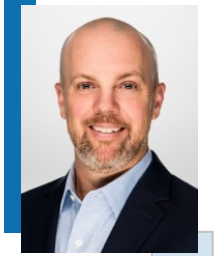
[a] SOURCE: CAGR based on "Rockwell Medical: Concentrates Growth Strategy Report", L.E.K. Consulting LLC (2022). [b] Share price at market close on 11/11/24.
[c] Calculation based on 32,318,806 shares outstanding as of 11/8/24. [d] As of 9/30/24.


© 2024 Rockwell Medical, Inc.

# Executive Management Team



**Mark Strobeck, Ph.D.**
**President and CEO**



**Jesse Neri**
**SVP, Finance**



**Megan Timmins**
**EVP, Chief Legal Officer and Secretary**



**Tim T. Chole**
**SVP, Chief Commercial Officer**



**Heather R. Hunter**
**SVP, Chief Corporate Affairs Officer**


© 2024 Rockwell Medical, Inc.




# Corporate Strategy

- Be a Leading Global Supplier of Hemodialysis Concentrates
- Provide Customers with the Highest Quality and Most Reliable Products and Services
- Achieve $100M+ Annual Net Sales and Sustain Profitability
- Focus on Innovative, Long-Term Growth Opportunities



© 2024 Rockwell Medical, Inc.

# Only Two Major Manufacturers and Suppliers of Concentrates



## Hemodialysis is a Necessity for End Stage Renal Disease Patients

- Approximately 475,000 patients in the U.S. require in-center hemodialysis annually[(a)].
- Each patient receives approximately 3 treatments per week, totaling ~150 in-clinic procedures per patient per year.
- Each patient requires 3.3 gallons of concentrate per treatment.



## Rockwell is an Indispensable Player

- One of two manufacturers and suppliers that has scalability and transportation infrastructure to service the more than 12,000 individual purchasing facilities (including outpatient dialysis clinics and hospitals) in the U.S. and select international markets.
- Largest supplier of liquid bicarbonate hemodialysis concentrates in the U.S.
- Second largest supplier of acid and dry bicarbonate concentrates in the U.S.
- Vision to become a leading global supplier of all hemodialysis concentrates.

(a) 2022 United States Renal Data System (USRDS) Annual Data Report. Published by the Chronic Disease Research Group (CDRG) in partnership with the National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK), National Institutes of Health (NIH), Department of Health and Human Services (HHS). Accessed January 2023. https://www.niddk.nih.gov/about-niddk/strategic-plans-reports/usrds.


© 2024 Rockwell Medical, Inc.

# U.S. In-Center and Acute Care Hemodialysis Concentrates TAM

## ~4-6% CAGR driven primarily by increasing number of patients suffering from end-stage kidney disease




SOURCE: CAGR based on “Rockwell Medical: Concentrates Growth Strategy Report”, L.E.K. Consulting LLC (2022)


© 2024 Rockwell Medical, Inc.

# Growth Opportunities and Potential Additional Revenue Streams

## Key Drivers



### Geographic Expansion

Increase market share throughout the U.S. and internationally. Rockwell continues to secure commercial partnerships and seeks additional growth opportunities globally.



### Market Consolidation

Several small, regional hemodialysis concentrates manufacturers. Opportunity for consolidation and modernization.



### At Home Treatments

At home dialysis and transition care markets have potential to address up to 80% of dialysis TAM. Rockwell believes it is well-positioned to address this expanding market.



### Complementary Products

Leverage domain expertise in manufacturing and distribution to expand product portfolio by developing and/or in-licensing products including single-use concentrates and new products.


© 2024 Rockwell Medical, Inc.

ROCKWELL MEDICAL

# Financials and Milestones

# Continue to Improve Rockwell's Financial Health

## Generated Highest Quarterly Revenue and Gross Profit to Date

| *(In Millions, Except Per Share Amounts)* | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| | 2024 | 2023[a] | 2024 | 2023[a][b] |
| Net Sales | $ 28.3 | $ 23.8 | $ 76.8 | $ 61.5 |
| Gross Profit | $ 6.2 | $ 2.2 | $ 13.9 | $ 5.8 |
| Operating Income (Loss) | $ 1.9 | $ (1.7) | $ 1.1 | $ (6.1) |
| Net Income (Loss) | $ 1.7 | $ (1.9) | $ 0.3 | $ (6.9) |
| Adjusted EBITDA[d] | $ 2.8 | $ (1.2) | $ 3.8 | $ (4.4) |
| Basic Net Income (Loss) per Share[c] | $ 0.05 | $ (0.07) | $ 0.01 | $ (0.32) |
| Adjusted EPS[d] | $ 0.09 | $ (0.04) | $ 0.12 | $ (0.21) |

*[a] Includes $1.5 million of deferred license revenue related to the termination of the Baxter distribution agreement in the first quarter of 2023.*

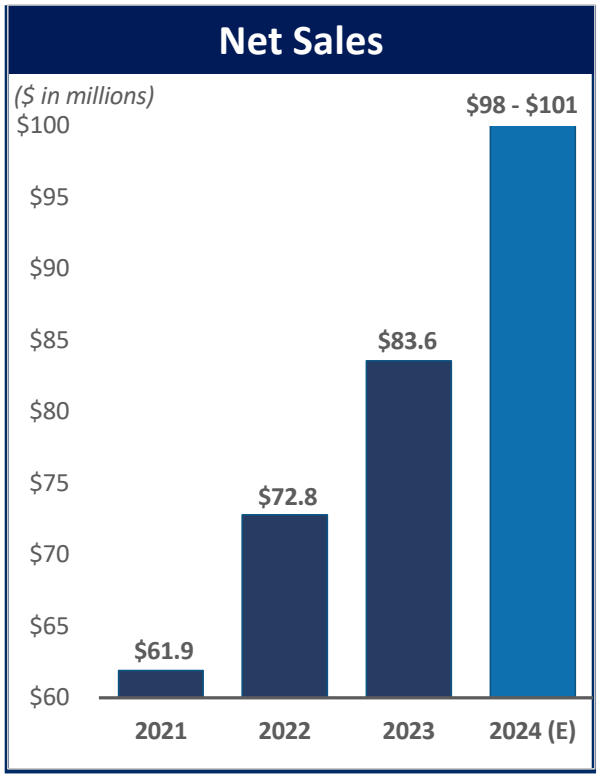
*[b] Includes $2.2 million of deferred revenue related to the termination of the Wanbang Biopharmaceuticals Co., Ltd. distribution agreement in the third quarter of 2023.*

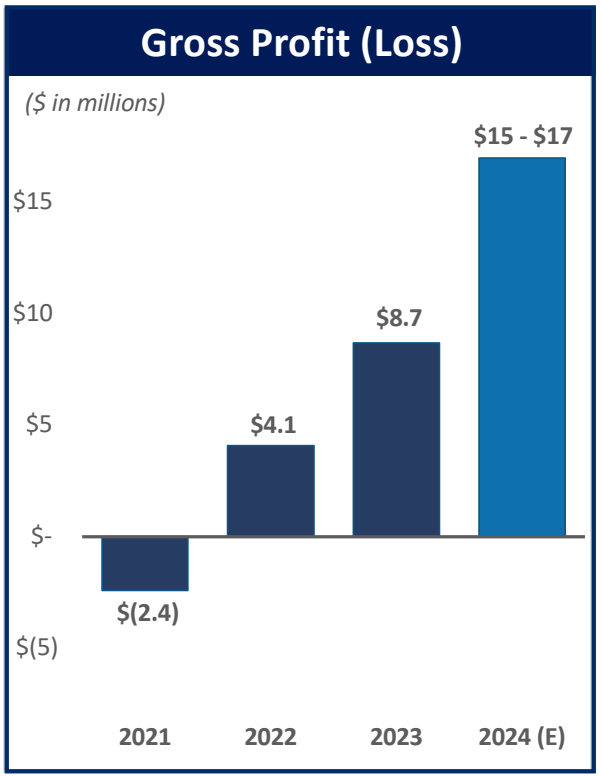
*[c] See Note 3 for more details related to Basic and Diluted Weighted Average Shares Outstanding on Form 10-Q filed November 12, 2024.*

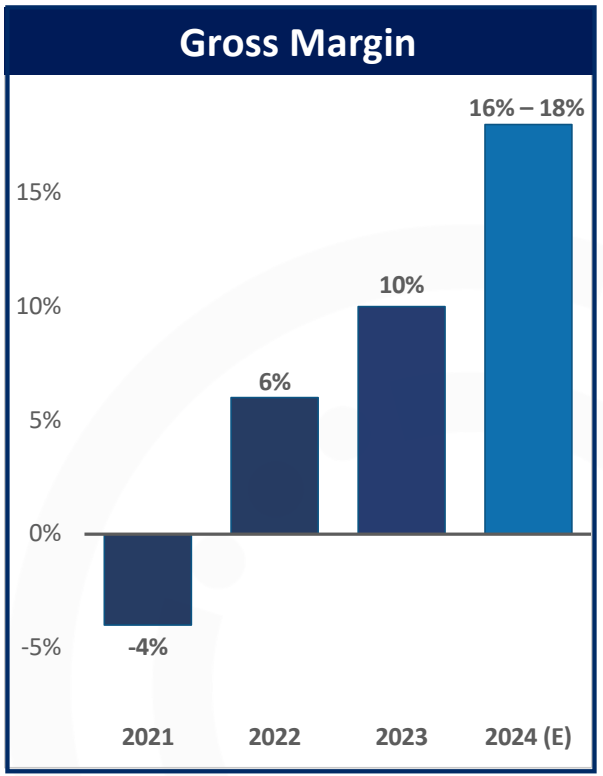
*[d] See reconciliation to GAAP financial measures in the tables below.*


© 2024 Rockwell Medical, Inc.

# Achievements Reflect Strong Foundational Business



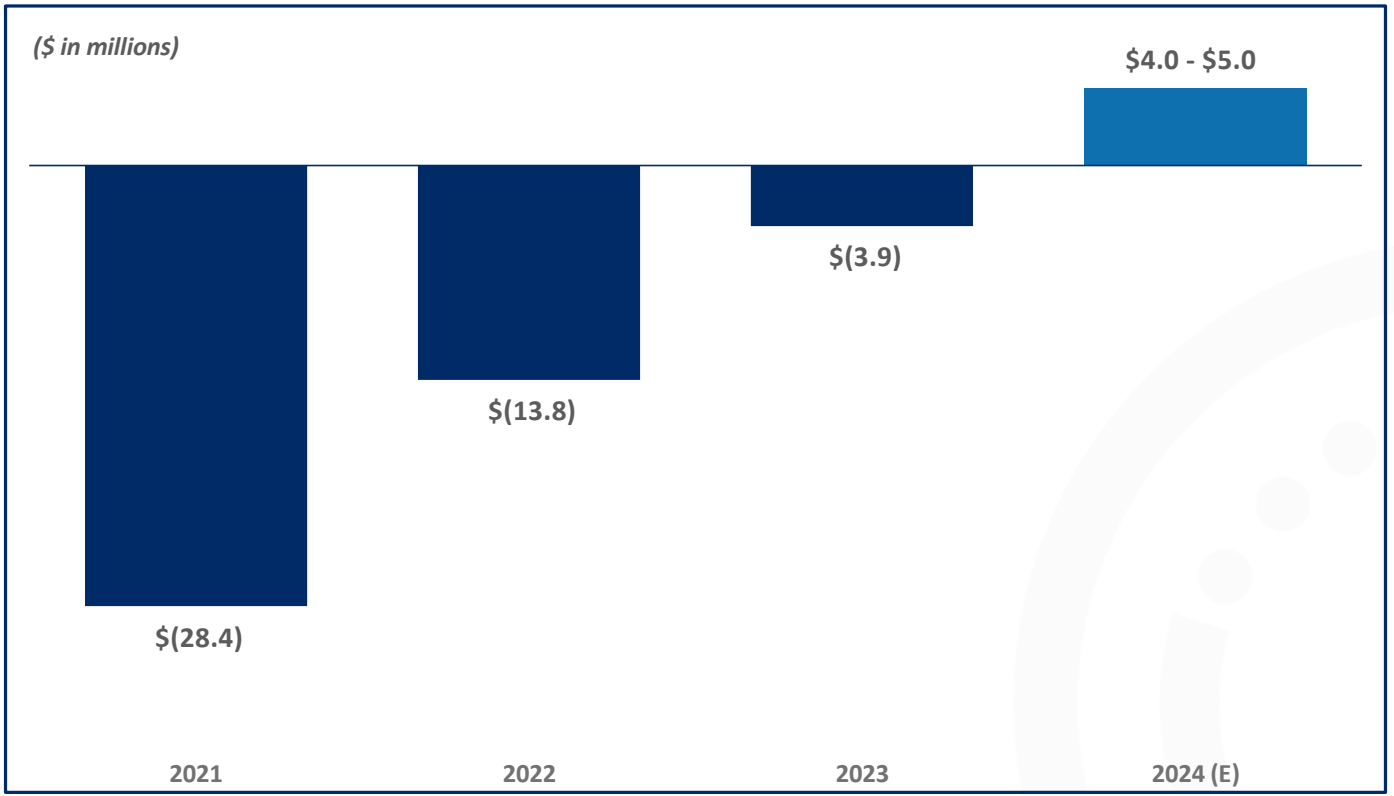




(E) = Estimated


© 2024 Rockwell Medical, Inc.

# Projects Profitability on an Adjusted EBITDA Basis for FY'24




(E) = Estimated


© 2024 Rockwell Medical, Inc.

# 2024 Projected Milestones

- ❑ Achieve profitability for the full-year 2024 on an adjusted EBITDA basis.
- ❑ Continue to optimize our business through improved processes and expanded automated manufacturing capabilities.
- ❑ Enhance our distribution capabilities through the modernization of our infrastructure and technology solutions.
- ❑ Complete additional business development opportunities to support strategic objectives.


© 2024 Rockwell Medical, Inc.




# Why Invest in Rockwell Medical?

- ❑ Experienced Management Team
- ❑ Large and Growing Market Opportunity
- ❑ Revenue-Generating Business
- ❑ Profitable, Strong Financials
- ❑ Attractive Valuation



© 2024 Rockwell Medical, Inc.

ROCKWELL MEDICAL


ROCKWELL
MEDICAL
www.rockwellmed.com
IR@rockwellmed.com

# Reconciliation to GAAP Financial Measures

## Non-GAAP Financial Measures

To supplement the Company's financial results presented on a U.S. generally accepted accounting principles ("GAAP") basis, the Company has included information about non-GAAP measures of EBITDA and adjusted EBITDA as useful operating metrics. The Company believes that the presentation of these non-GAAP financial measures, when viewed with results under GAAP and the accompanying reconciliation, provides supplementary information to analysts, investors, lenders, and the Company's management in assessing the Company's performance and results from period to period. The Company uses these non-GAAP measures internally to understand, manage and evaluate the Company's performance. These non-GAAP financial measures should be considered in addition to, and not a substitute for, or superior to, net income or other financial measures calculated in accordance with GAAP. Non-GAAP financial measures used by us may be calculated differently from, and therefore may not be comparable to, non-GAAP measures used by other companies.

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| *(In Thousands)* | 2024 | 2023 | 2024 | 2023 |
| **Net Income (Loss)** | **$ 1,664** | **$ (1,872)** | **$ 276** | **$ (6,927)** |
| Interest expense | 302 | 410 | 965 | 1,193 |
| Depreciation and amortization | 541 | 564 | 1,633 | 892 |
| **EBITDA** | **2,507** | **(898)** | **2,874** | **(4,842)** |
| Severance costs | - | 576 | 9 | 777 |
| Stock-based compensation | 321 | 212 | 910 | 717 |
| Wanbang deferred revenue | - | (2,197) | - | (2,197) |
| Wanbang inventory reserve | - | 1,098 | - | 1,098 |
| **Adjusted EBITDA** | **$ 2,828** | **$ (1,209)** | **$ 3,792** | **$ (4,447)** |


© 2024 Rockwell Medical, Inc.