



Investor Presentation

January 2022

NASDAQ: ZYXI

Forward Looking Statements

All statements other than historical facts in this release are forward-looking statements within the meaning of the Private Securities Litigation Act of 1995, or projections and as such are subject to numerous risks and uncertainties. The company makes no express or implied representation or warranty as to the completeness of this information or, in the case of projections, as to their attainability or the accuracy and completeness of the assumptions from which they are derived. Actual results may vary significantly from the results expressed or implied in such statements. Factors that could cause actual results to materially differ from forward-looking statements include, but are not limited to, the need to obtain FDA clearance and CE marking of new products, the acceptance of new products as well as existing products by doctors and hospitals, larger competitors with greater financial resources, the need to keep pace with technological changes, our dependence on the reimbursement for our products from health insurance companies, our dependence on third party manufacturers to produce our goods on time and to our specifications, implementation of our sales strategy including a strong direct sales force, the impact of COVID-19 and other health emergencies and other risks described in our filings with the Securities and Exchange Commission including the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2020.

Investment Highlights



At-Home Prescription Strength Electrotherapy Pain Management Leader

Building a Sizable U.S. Direct Sales Force Currently with ~430 Sales Reps

Compelling and Durable Business Model with High Recurring Revenue

Unaddressed Pain Management Market Opportunity, Opioid Epidemic as a Tailwind

Pipeline Products, Including Blood Volume Monitor & Pulse Oximetry, Provide Diversification Upside

History of Consistent Operational Execution

Strong Financial Performance with Robust Revenue Growth, High Gross Margins, and Profitability



Zynex Overview

Background

- NASDAQ:ZYXI (Listed 2019)
- Included in Russell 2000 (2019)
- Included in S&P SmallCap 600 (2020)
- Listed on OTCQB from 2004-2018
- Founded By Thomas Sandgaard – CEO and Chairman
- Medical Device Manufacturer – 25 Years
- HQ – Englewood, Colorado

Business Units

- ZYNEX MEDICAL (ZMI)
Non-invasive electrotherapy pain management devices “TENS” (>90% of billings¹)
 - 76% gross profit margin¹
 - Greater than 75% recurring revenue base¹ – supplies (electrodes/batteries) and leased devices
 - Rx required, insurance billed
- ZYNEX MONITORING SOLUTIONS (ZMS)
FDA-cleared, non-invasive blood volume monitor (Zero revenue)
Pulse Oximetry in hospital monitoring system (Pre-FDA approval)

1) Based on Q3 2021 results

Total Addressable Market

GLOBAL TAM
\$4.7B

\$1.0B

Electrotherapy
Incontinence Treatment
Stroke Rehab

PAIN & REHABILITATION

- Over 1.5 billion worldwide suffering from chronic pain¹
- 84% of patients were able to reduce medication use²

Pulse Oximetry
Hemodynamic Monitoring **\$3.7B**

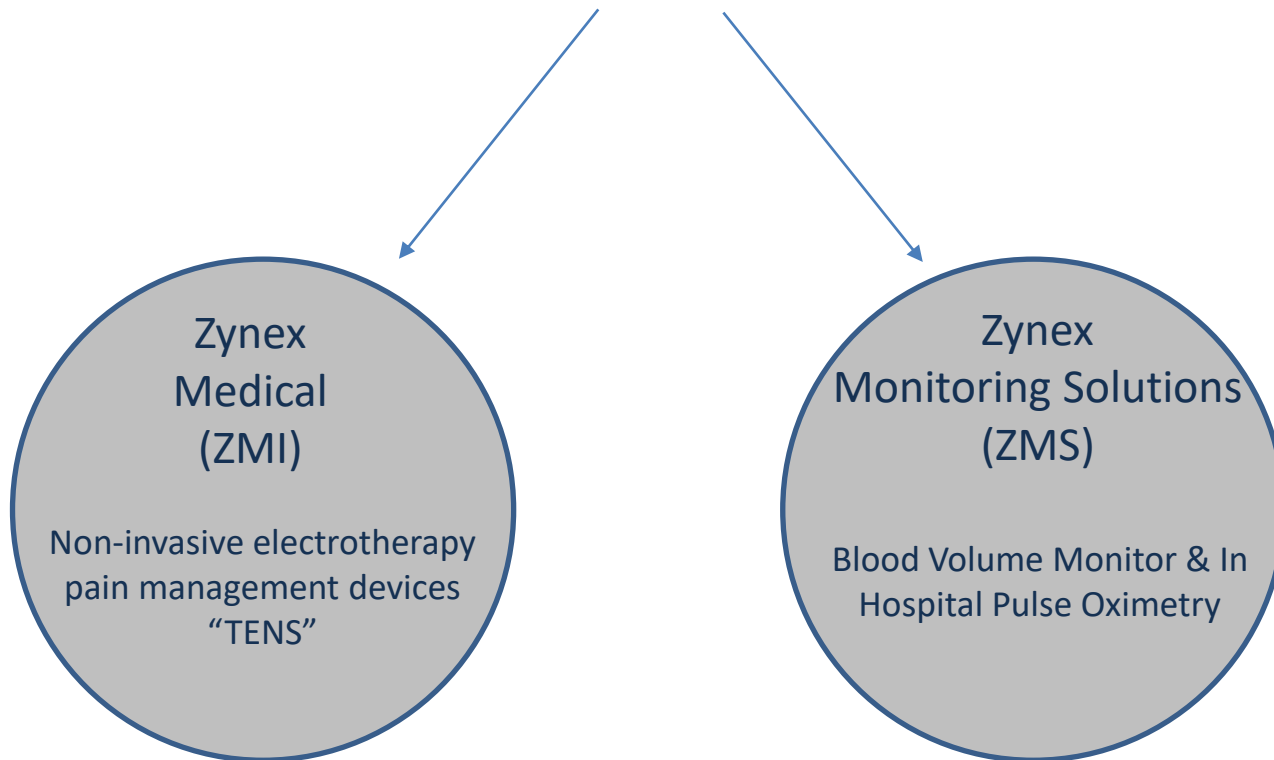
HOSPITAL MONITORING

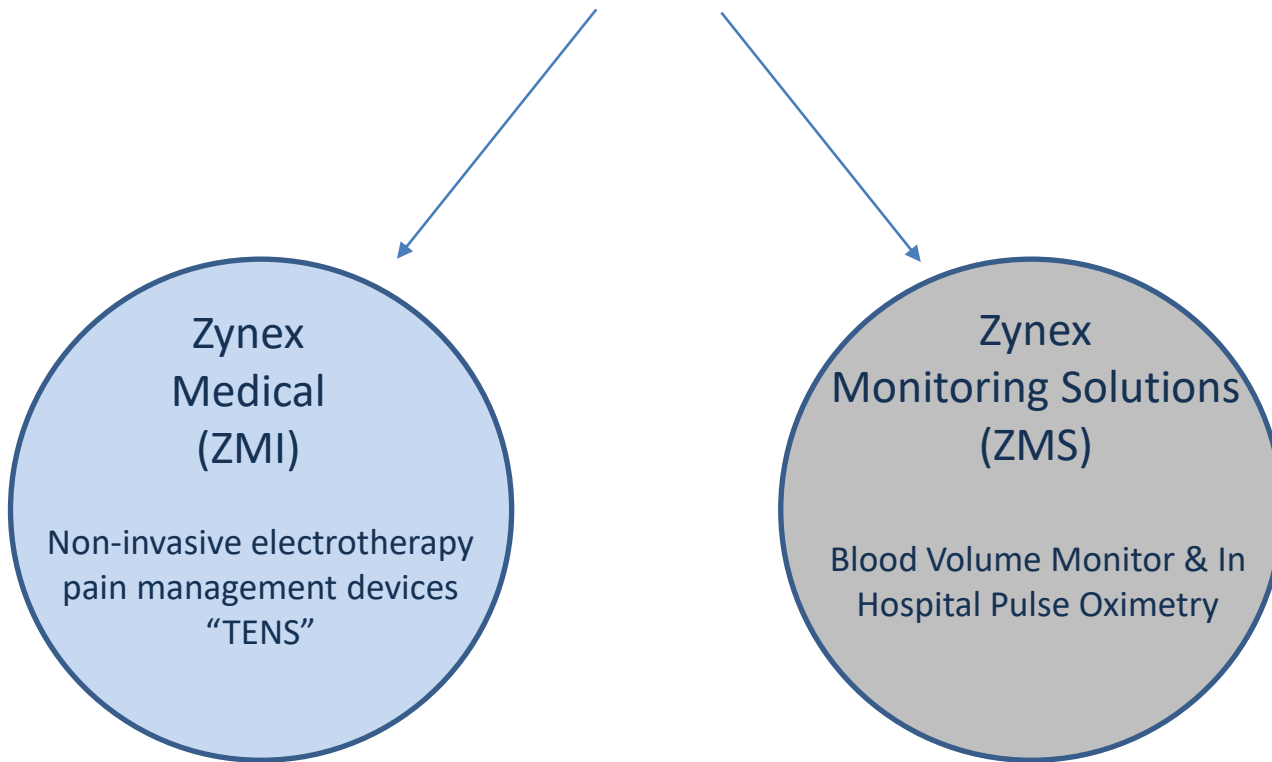
- >6,000 hospitals and >900,000 staffed beds in the U.S.³
- Over 36M annual hospitals admissions in the U.S.³

1) Global Industry Analysts, Inc. (2011) Global Pain Management Market to Reach US\$60 Billion by 2015, According to a New Report by Global Industry Analysts, Inc. <http://www.prweb.com/pdfdownload/8052240.pdf>

2) Chabal, et. al. Long-Term Transcutaneous Electrical Nerve Stimulation (TENS) Use: Impact on Medical Utilization and Physical Therapy Costs Clinical Journal of Pain. The Clinical Journal of Pain. Vol 14, No 1. March 1998

3) The American Hospital Association - Fast Facts on U.S. Hospitals, 2021





Pain & Rehabilitation



NexWave

Augments healing, alleviates swelling through increased blood circulation, and reduces both acute/chronic pain through the use of electrical currents

Electrotherapy



InWave

Delivers a nonsurgical, drug-free therapy that offers a conservative treatment to manage incontinence and is of relatively low cost to patients.

Incontinence Treatment



NeuroMove

Augment healing, as well as assist in recovery for stroke, Spinal Cord Injuries and Traumatic Brain Injury, retrains muscles, increases range of motion

Stroke Rehab

- All devices above are FDA 510(k) cleared.

NexWave: Electrotherapy for Pain Management

- Indications: Pain relief, augments healing, alleviates swelling through increased blood circulation, muscle re-education, prevention of muscle disuse atrophy, relaxation of muscle spasms
- NexWave Electrotherapy reduces use of Opioids
 - Only 23% of patients with chronic pain found opioids “very effective”¹
 - 51% of people feel that they have no control over their pain²
 - 84% of patients were able to reduce medication use³
 - Nearly half reduced medication consumption by 50%³
 - Patients decreased the cost of medication by 50%³
- Effective post-orthopedic surgery
- Requires a prescription & reimbursed by health insurance
 - Average reimbursement over order life including supplies ≈ \$1,300-\$1,500⁴
- \$950 million industry worldwide⁵
 - Competitors shut down by Office of Inspector General (OIG)
 - Over 1.5 billion worldwide suffering from chronic pain⁶
- 80% gross profit margin in Q3 2021
- 74% of revenue from supplies (electrodes/batteries) in Q3 2021



1) The CHP Group (2014) The Cost of Chronic Pain: How Complementary and Alternative Medicine Can Provide Relief. http://www.chpgroup.com/wp-content/uploads/2014/12/CHP-WP_CAM-Chronic-Pain_Sls_12.12.2014.pdf

2) American Academy of Pain Medicine (2017) AAPM Facts and Figures on Pain. http://www.painmed.org/patientcenter/facts_on_pain.aspx

3) Chabal, et. al. *Long-Term Transcutaneous Electrical Nerve Stimulation (TENS) Use: Impact on Medical Utilization and Physical Therapy Costs* *Clinical Journal of Pain*. The Clinical Journal of Pain. Vol 14, No 1. March 1998

4) Based on revenue from orders from 1/1/2018 through 6/30/2019

5) Market Research Future 2019

6) Global Industry Analysts, Inc. (2011) Global Pain Management Market to Reach US\$60 Billion by 2015, According to a New Report by Global Industry Analysts, Inc. <http://www.prweb.com/pdfdownload/8052240.pdf>

Building a Strong Distribution Network



Direct Sales

Physicians & Therapists

- ~430 direct sales reps as of September 30, 2021
- Direct sales force is growing rapidly
- Inside sales team to support field sales reps
- Physician relationships include orthopedics, physical therapy, sports medicine and occupational therapy



Indirect Sales

Domestic

- ~8 independent sales reps
- Commission-only

International

- Distributors in Canada, Australia, Russia, China, India, Singapore, Holland, Germany, UAE, Malaysia, Saudi Arabia, Egypt and Vietnam



Patients

Insurance Plans

- HMO and PPO private insurance plans
- Patient's carrier is directly billed upon product delivery
- Experienced reimbursement staff of ~160 employees

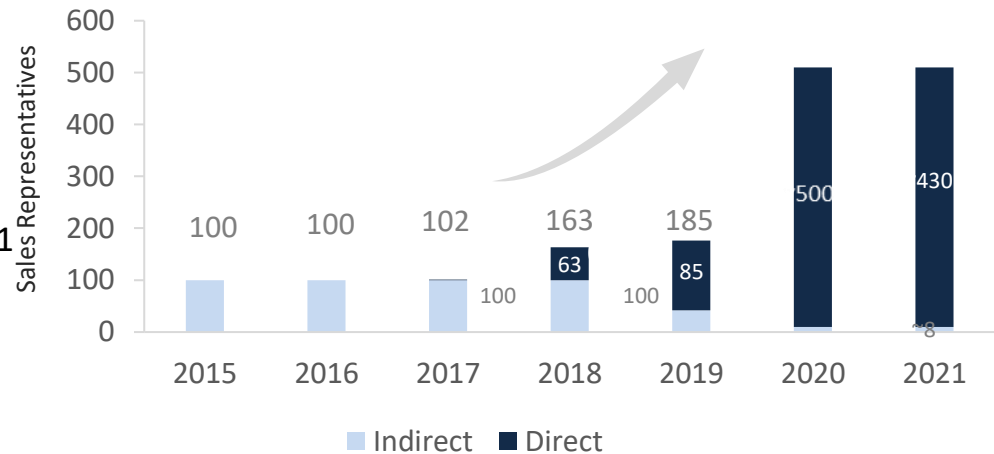
**A leading
distribution
network in the
electrotherapy
market**

Commercial Infrastructure

Grow Proven Direct Sales Team

Sales management, national account coverage, direct reps

- ~430 direct sales reps as of September 30, 2021
- ~8 independent reps as of September 30, 2021
- ~430 direct reps at year end 2021

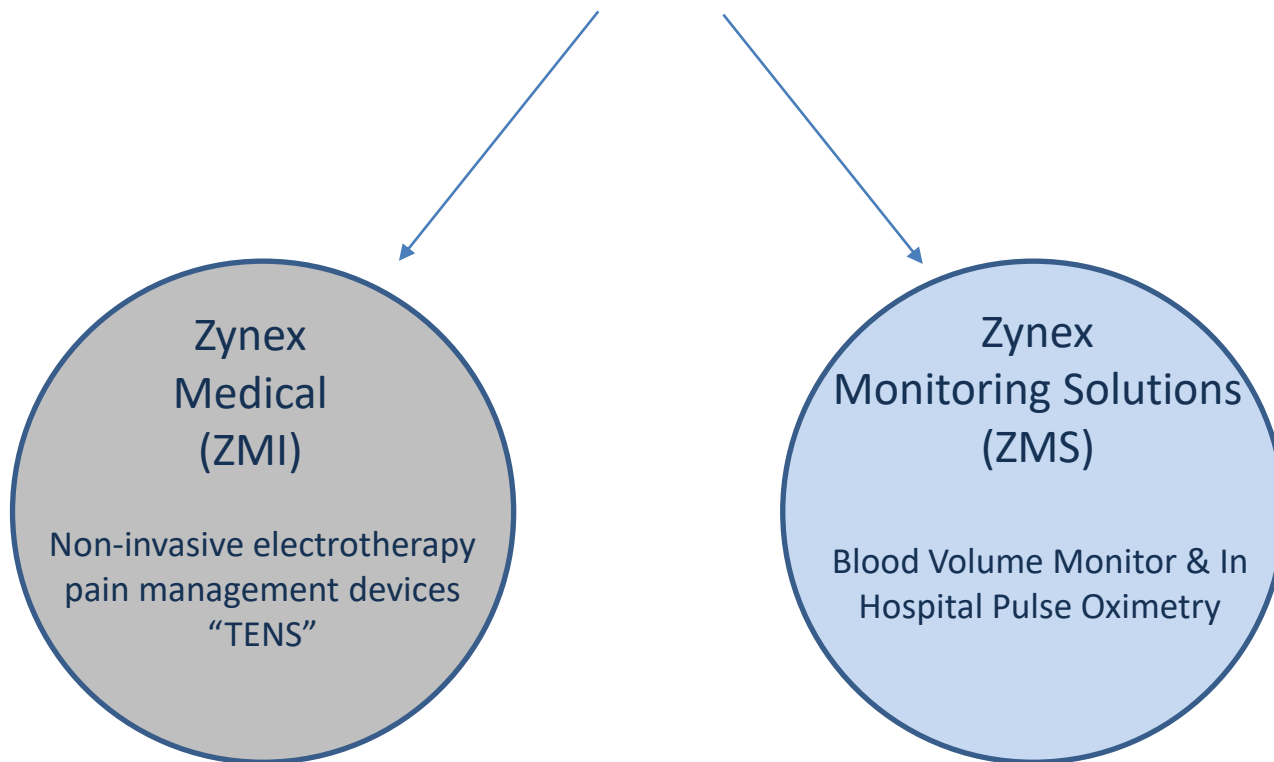


Direct Sales Productivity

- Developed focused training program designed for reps to achieve long-term productivity goal of \$1M annually within 24 months of hire
- Top performing sales representatives produce \$1.5M+ in annual revenue



1) Based on Q1 2021 average rep revenue productivity annualized



Blood Volume Monitor (CM1500)

Used to Detect Blood Loss and Internal Bleeding

- Early warning that the patients condition is deteriorating
- Enables higher level of care than vital sign monitor
- Effective in multiple care environments including operating and recovery rooms
- US Patent obtained in October 2018;
European patent obtained in February 2020
- 510(k) clearance received in February 2020
- 510(k) application filed in December 2021 for next-generation CM1600
- CE mark in progress



Applications

- Bioelectrical Impedance
- Heart Rate
- ECG Amplitude
- PPG Amplitude
- Skin Temperature
- Skin Humidity

Acquisition of Kestrel

The Kestrel NICO™ Co-Oximeter and HemOx™ tHb Oximeter utilize laser-based pulse oximetry to expand physician monitoring capability, improve treatment decision making, and reduce healthcare costs.

Key Achievements/Milestones

- ✓ Core technology developed
- ✓ First generation products developed
- ✓ Medicare Reimbursement established

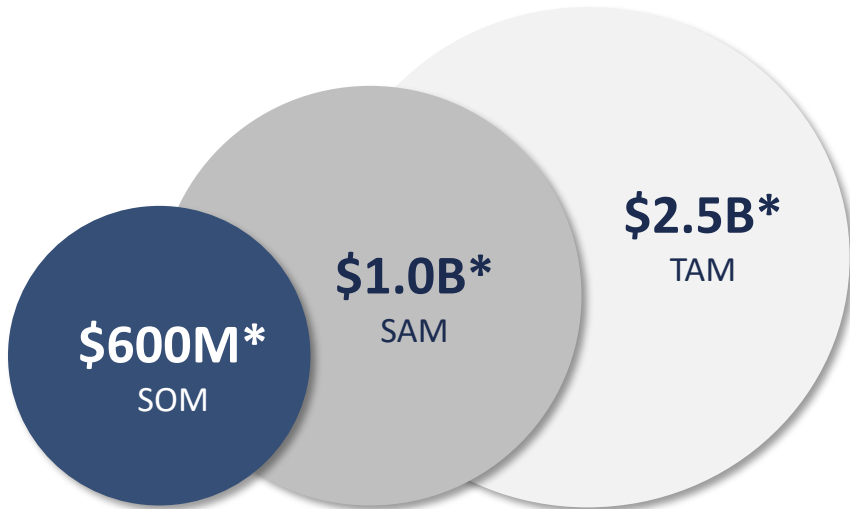


Kestrel Labs

- Founded in 2001
- Private Company, based in Boulder, Colorado
- 10 U.S. & Int'l Patents issued
- Proof of performance established

PULSE Oximetry

\$600M Obtainable U.S. Market in 2022



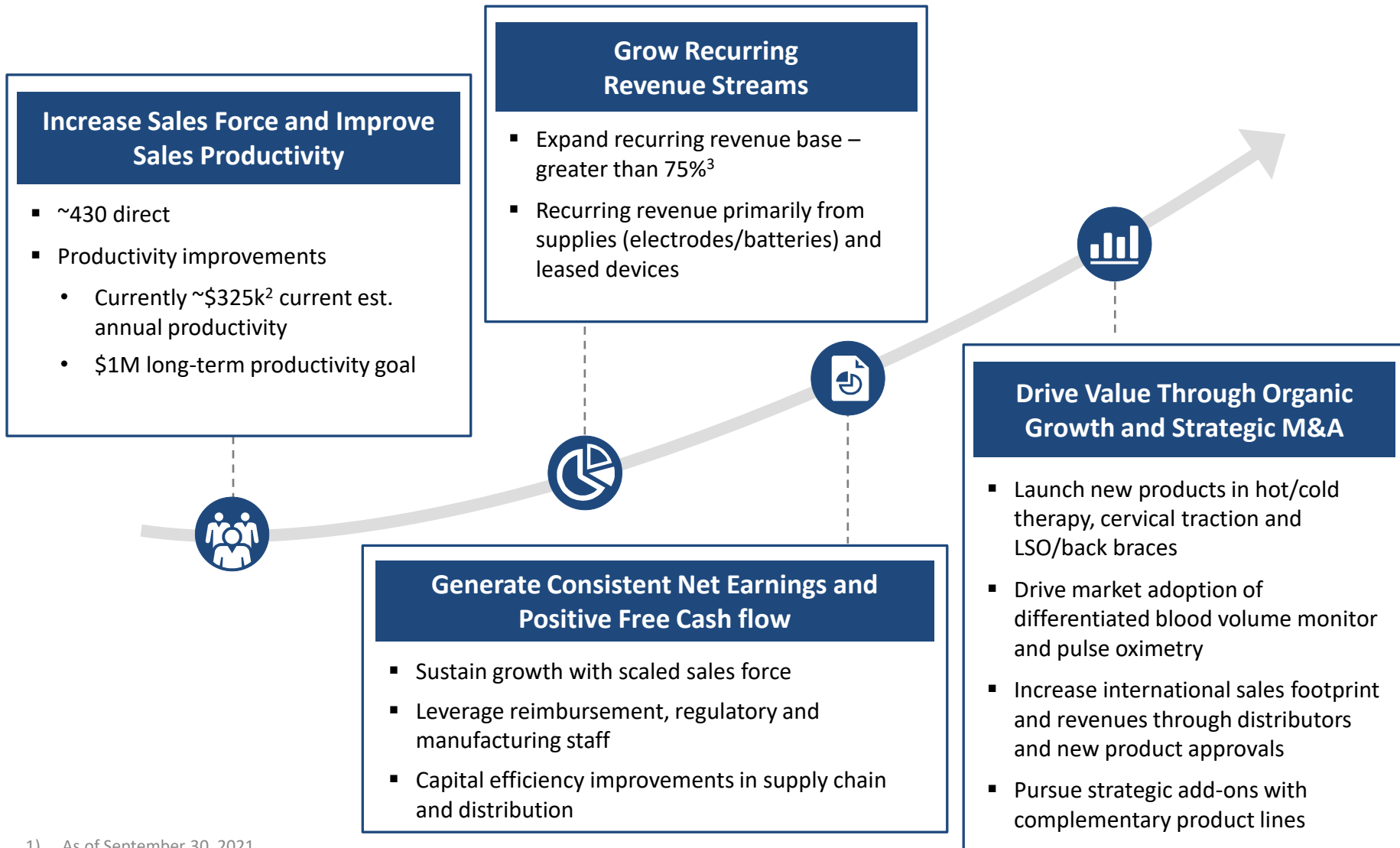
Largest Patient Monitoring Segment



* Company estimates

■ Hospitals ■ Ambulatory Care ■ Home Health

Long-Term Objectives



1) As of September 30, 2021

2) Based on Q3 2021 average rep productivity annualized

3) Based on Q3 2021 results

Executive Team



THOMAS SANDGAARD – FOUNDER, CHAIRMAN AND CHIEF EXECUTIVE

Thomas Sandgaard has been the Chairman of the Board, President and Chief Executive Officer of Zynex, Inc. since founding the company in 1996. He has previously held management positions with companies such as ITT, Siemens, GN Danavox, Dataco and Philips. He is experienced in international sales and distribution, technology transfers, mergers and marketing management in industrials and medical equipment industries. Thomas has a B.A. in electronics engineering from University of Southern Denmark and an MBA from Copenhagen Business School.



DAN MOORHEAD – CHIEF FINANCIAL OFFICER

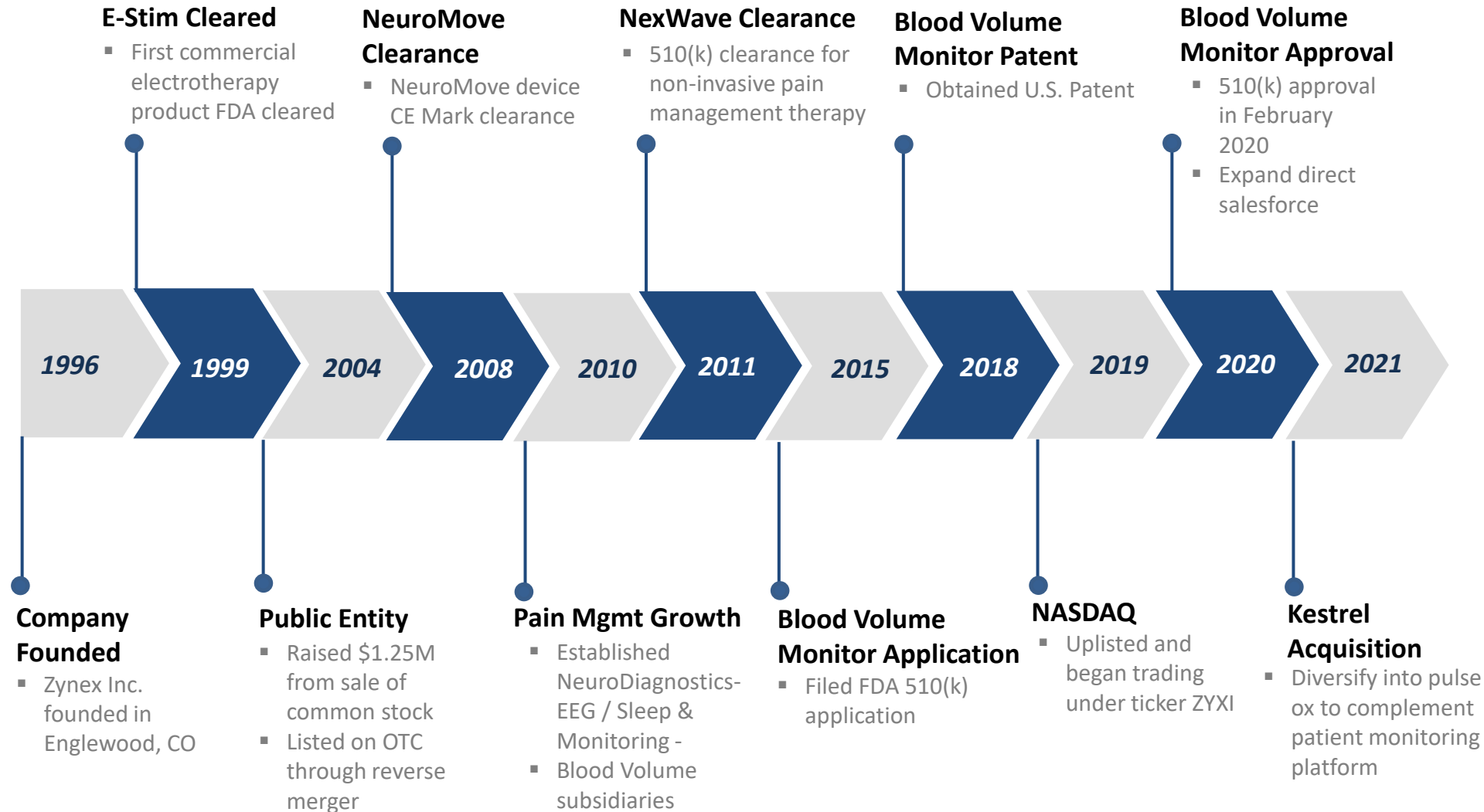
Dan Moorhead joined the company in June 2017 as CFO. Mr. Moorhead has over 25 years of experience in a variety of finance roles serving both public and private companies. For the last 10 years, he worked at Evolving Systems, Inc. (a Nasdaq listed company), most recently as Chief Financial Officer after having served as Vice President of Finance & Administration and Corporate Controller. Dan is a CPA and holds a B.B.A. in Accounting from the University of Northern Colorado.



ANNA LUCSOK – CHIEF OPERATING OFFICER

Ms. Lucsok joined the company in 2018 and previously served as Vice President of Reimbursement and Sales Operations with Zynex Medical. In this position she was responsible for leading and expanding Zynex's order, reimbursement, patient experience, and inside sales support operations. Ms. Lucsok brings more than nine years of healthcare operations experience as well as critical knowledge of revenue cycle management and medical care collections. She's previously held key positions with companies such as University of Colorado Hospital, the US Air Force and Schryver Medical. Ms. Lucsok holds certification in medical billing as well as completed her degree in Healthcare Administration and Management from Colorado State University.

Company Milestones



Zynex Financial Overview

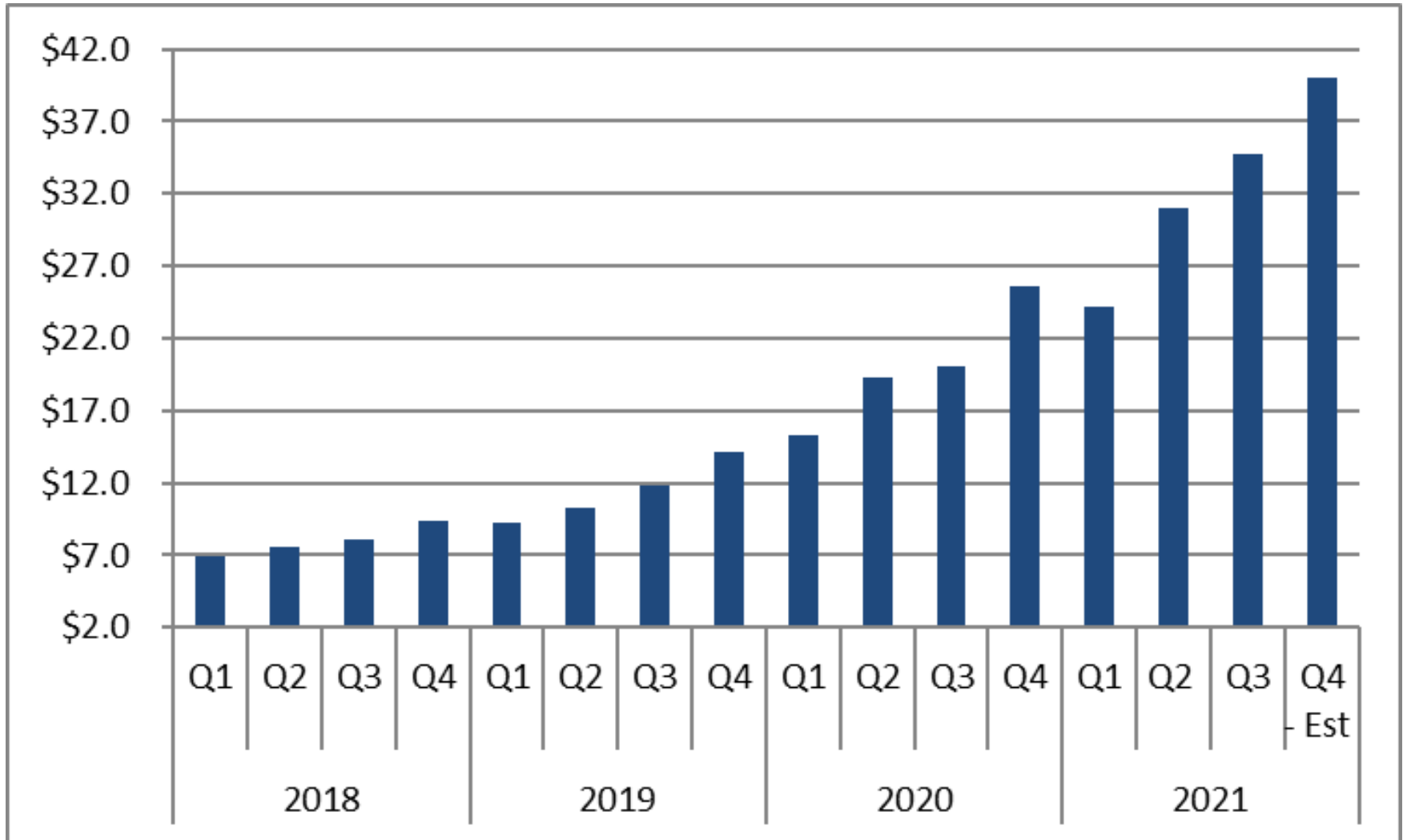
Financial Highlights

- 2021 full year guidance – Revenue \$130 to \$133 million, Adjusted EBITDA \$22.7 to \$23.7 million
- 2021 fourth quarter guidance
 - Revenue \$40M to \$43M (Q4 2021 revenue ↑ 56% to 68% vs Q4 2020)
 - Adjusted EBITDA \$9.0M to \$10.0M
- Direct sales reps of 430 at the end of 2021

Selected Financials Quarter Ended September 30, 2021 vs 2020

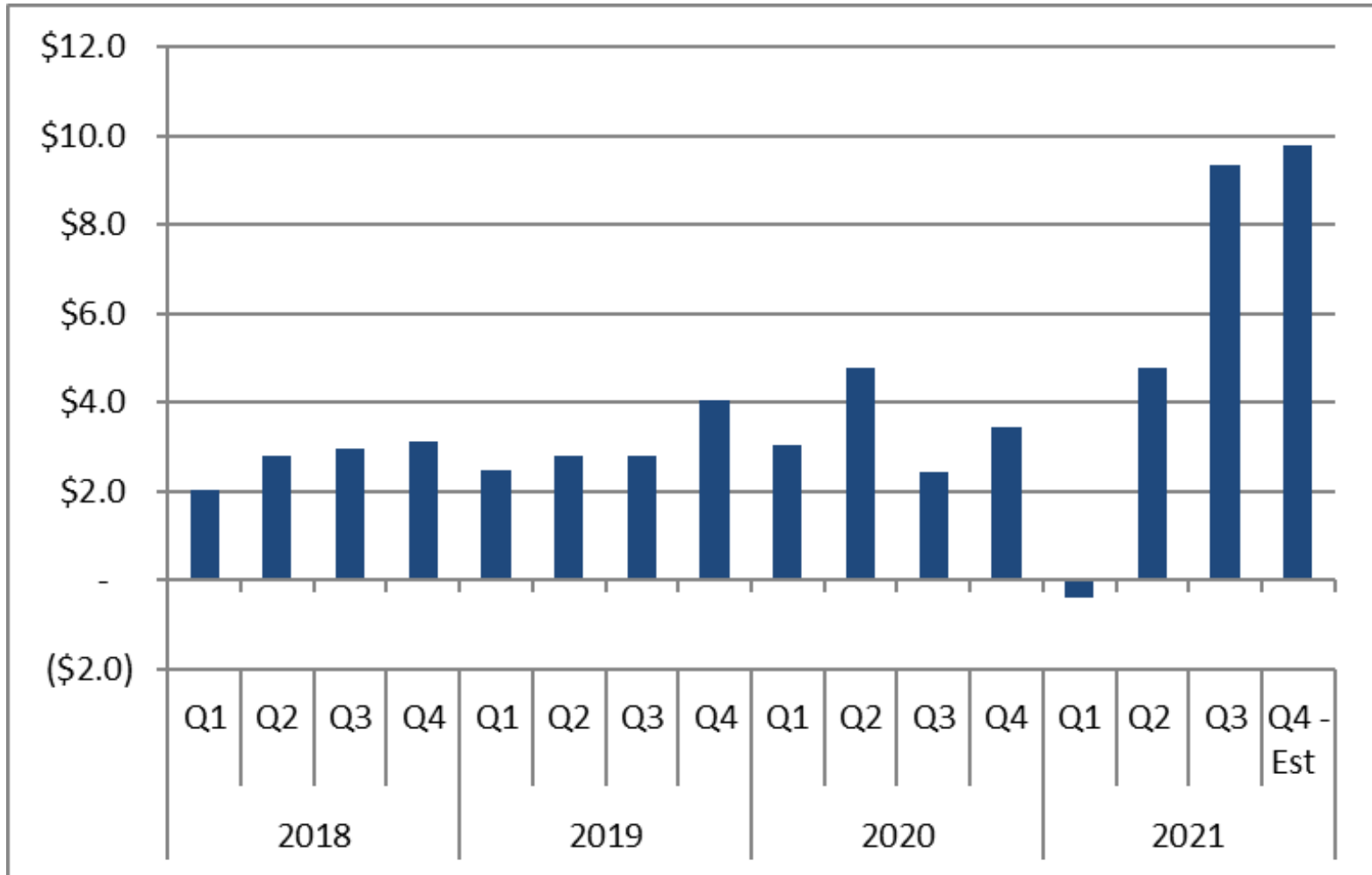
- Net revenue ↑ 74% to \$34.8M from \$20.0M
- Gross margin of 80%
- Net income \$6.1M
- Adjusted EBITDA \$9.4M
- Orders ↑ 70%
- Working capital \$59.6M vs \$52.9M at 12/31/20
- Cash \$35.4M (Share buy-back purchases of \$2.7M in 2021)
- No long-term debt

Quarterly Revenue (\$ Millions)



- Q3-21 revenue ↑ 74% vs Q3-20
- Q4-21 Estimated revenue ↑ 56%-68% vs Q4-20

Adjusted Quarterly EBITDA (\$ Millions)



- Q3-2021 \$9.4M
- Q4-2021 Estimated Adjusted EBITDA \$9.0M-\$10.0M

Note: Adjusted EBITDA reflects earnings before interest, taxes, depreciation, amortization, non-cash lease expense, non-cash lease expense, one-time severance, other income/expense and stock compensation. Depreciation does not include amounts related to units on lease to third parties which are depreciated and included in cost of goods sold
See appendix for EBITDA reconciliation figures

Stock Information

| Key Stats | |
|-----------------------------|---------------------------|
| Ticker | NASDAQ:ZYXI |
| Shares Outstanding | 36.1M |
| Public Float | 19.8M |
| Insider Ownership | 43% |
| Avg. Daily Volume (50 days) | 229,087 |
| 52 Week Range | \$8.45 - \$20.81 |
| Year End | December 31 st |

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Appendix

Use of Non-GAAP Financial Measures

This presentation includes the non-GAAP financial measure of Adjusted EBITDA, which differs from financial measures calculated in accordance with accounting principles generally accepted in the U.S. (GAAP). Adjusted EBITDA in this release represents net income plus interest expense, tax expense, depreciation, amortization, other income/expense, non-cash lease expense, restructuring/severance and stock compensation. The Company's management believes this non-GAAP financial measure is useful to investors and lenders in evaluating the overall financial health of the Company in that it allows for greater transparency of additional financial data routinely used by management to evaluate performance. Adjusted EBITDA can be useful for investors or lenders as an indicator of available earnings. Non-GAAP financial measures should not be considered in isolation from or as an alternative to the financial information prepared in accordance with GAAP. The following is a reconciliation of GAAP to Non-GAAP financial measures provided in this presentation.

EBITDA Reconciliation - 2021

| | For the Three Months Ended March 31, | | For the Three Months Ended June 30, | |
|----------------------------------|--------------------------------------|-----------------|-------------------------------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Adjusted EBITDA: | | | | |
| Net income | \$ (706) | \$ 2,937 | \$ 2,808 | \$ 3,017 |
| Depreciation and Amortization* | 268 | 68 | 242 | 97 |
| Stock-based compensation expense | 108 | 497 | 401 | 579 |
| Restructuring/severance** | 318 | - | - | - |
| Interest expense and other, net | 9 | 4 | 45 | 5 |
| Non-cash lease expense *** | - | - | 303 | - |
| Income tax expense | (384) | (483) | 962 | 1,063 |
| Adjusted EBITDA | \$ (387) | \$ 3,023 | \$ 4,761 | \$ 4,761 |
| <i>% of Net Revenue</i> | <i>(2%)</i> | <i>20%</i> | <i>15%</i> | <i>25%</i> |

| | For the Three Months Ended September 30, | |
|----------------------------------|--|-----------------|
| | 2021 | 2020 |
| Adjusted EBITDA: | | |
| Net income | \$ 6,107 | \$ 1,333 |
| Depreciation and Amortization* | 201 | 305 |
| Stock-based compensation expense | 532 | 730 |
| Restructuring/severance** | - | - |
| Interest expense and other, net | 18 | 5 |
| Non-cash lease expense *** | 572 | - |
| Income tax expense | 1,921 | 71 |
| Adjusted EBITDA | \$ 9,351 | \$ 2,444 |
| <i>% of Net Revenue</i> | <i>27%</i> | <i>12%</i> |

EBITDA Reconciliation - 2020

For the Three Months Ended March 31,

| | 2020 | 2019 |
|----------------------------------|-----------------|-----------------|
| Adjusted EBITDA | | |
| Net income | \$ 2,937 | \$ 2,350 |
| Depreciation and Amortization | 68 | 66 |
| Stock-based compensation expense | 497 | 139 |
| Interest expense and other, net | 4 | (880) |
| Income tax expense | (483) | 786 |
| Adjusted EBITDA | \$ 3,023 | \$ 2,461 |
| <i>% of Net Revenue</i> | <i>20%</i> | <i>27%</i> |

For the Three Months Ended September 30,

| | 2020 | 2019 |
|----------------------------------|-----------------|-----------------|
| Adjusted EBITDA: | | |
| Net income | \$ 1,333 | \$ 2,033 |
| Depreciation and Amortization | 305 | 50 |
| Stock-based compensation expense | 730 | 259 |
| Interest expense and other, net | 5 | - |
| Income tax expense | 71 | 463 |
| Adjusted EBITDA | \$ 2,444 | \$ 2,805 |
| <i>% of Net Revenue</i> | <i>12%</i> | <i>24%</i> |

For the Three Months Ended June 30,

| | 2020 | 2019 |
|----------------------------------|-----------------|-----------------|
| Adjusted EBITDA | | |
| Net income | \$ 3,017 | \$ 2,162 |
| Depreciation and Amortization | 97 | 76 |
| Stock-based compensation expense | 579 | 158 |
| Interest expense and other, net | 5 | - |
| Income tax expense | 1,063 | 422 |
| Adjusted EBITDA | \$ 4,761 | \$ 2,818 |
| <i>% of Net Revenue</i> | <i>25%</i> | <i>27%</i> |

For the Three Months Ended December 31,

| | 2020 | 2019 |
|----------------------------------|-----------------|-----------------|
| Adjusted EBITDA: | | |
| Net income | \$ 1,788 | \$ 2,947 |
| Depreciation and Amortization* | 272 | 60 |
| Stock-based compensation expense | 875 | 264 |
| Interest expense and other, net | 82 | 6 |
| Income tax expense | 428 | 778 |
| Adjusted EBITDA | \$ 3,445 | \$ 4,055 |
| <i>% of Net Revenue</i> | <i>13%</i> | <i>29%</i> |

EBITDA Reconciliation - 2019

| | For the Three Months Ended March 31, | |
|---|---|-----------------|
| | 2019 | 2018 |
| Adjusted EBITDA | | |
| Net Income | \$ 2,350 | \$ 1,921 |
| Depreciation and Amortization | 66 | 25 |
| Stock-based Compensation Expense | 139 | 63 |
| Interest Expense and Other (Benefit), net | (880) | 115 |
| Income Tax Expense (Benefit) | 786 | (81) |
| Adjusted EBITDA | \$ 2,461 | \$ 2,043 |
| <i>% of Net Revenue</i> | 27% | 30% |

| | For the Three Months Ended September 30, | |
|---|---|-----------------|
| | 2019 | 2018 |
| Adjusted EBITDA | | |
| Net Income | \$ 2,033 | \$ 2,591 |
| Depreciation and Amortization | 50 | 59 |
| Stock-based Compensation Expense | 259 | 76 |
| Interest Expense and Other (Benefit), net | 0 | 1 |
| Income Tax Expense (Benefit) | 463 | 228 |
| Adjusted EBITDA | \$ 2,805 | \$ 2,955 |
| <i>% of Net Revenue</i> | 24% | 36% |

| | For the Three Months Ended June 30, | |
|---|--|-----------------|
| | 2019 | 2018 |
| Adjusted EBITDA | | |
| Net Income | \$ 2,162 | \$ 2,418 |
| Depreciation and Amortization | 76 | 42 |
| Stock-based Compensation Expense | 158 | 53 |
| Interest Expense and Other (Benefit), net | 0 | 37 |
| Income Tax Expense (Benefit) | 422 | 260 |
| Adjusted EBITDA | \$ 2,818 | \$ 2,810 |
| <i>% of Net Revenue</i> | 27% | 37% |

| | For the Three Months Ended December 31, | |
|---|--|-----------------|
| | 2019 | 2018 |
| Adjusted EBITDA | | |
| Net Income | \$ 2,947 | \$ 2,622 |
| Depreciation and Amortization | 60 | 62 |
| Stock-based Compensation Expense | 264 | 178 |
| Interest Expense and Other (Benefit), net | 4 | 0 |
| Income Tax Expense (Benefit) | 778 | 258 |
| Adjusted EBITDA | \$ 4,053 | \$ 3,120 |
| <i>% of Net Revenue</i> | 29% | 33% |