

A decorative horizontal bar consisting of two segments: a light blue segment on the left and a dark blue segment on the right.

# Investor Presentation

November 4, 2024

NASDAQ: TCMD

# Forward-Looking Statements Disclosure

This presentation contains forward-looking statements. Forward-looking statements are generally identifiable by the use of words like “may,” “will,” “should,” “could,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “continue,” “confident,” “outlook,” “guidance,” “project,” “goals,” “look forward,” “poised,” “designed,” “plan,” “return,” “focused,” “positioned,” “prospects,” or “remain” or the negative of these words or other variations on these words or comparable terminology. All statements other than statements of historical or current fact are, or may be deemed to be, forward-looking statements. The reader is cautioned not to put undue reliance on these forward-looking statements, as these statements are based upon the current beliefs and expectations of management and are subject to numerous risks and uncertainties outside of the Company’s control that can cause actual outcomes and results to differ materially. These risks and uncertainties include, but are not limited to: the Company’s ability to obtain reimbursement from third-party payers for its products; the impacts of inflation, rising interest rates or a recession; the adequacy of the Company’s liquidity to pursue its business objectives; adverse economic conditions or intense competition; price increases for supplies and components; wage and component price inflation; loss of a key supplier; entry of new competitors and products; compliance with and changes in federal, state and local government regulation; loss or retirement of key executives, including transition matters related to the Company’s recent Chief Executive Officer change; technological obsolescence of the Company’s products; technical problems with the Company’s research and products; the Company’s ability to expand its business through strategic acquisitions; the Company’s ability to integrate acquisitions and related businesses; the effects of current and future U.S. and foreign trade policy and tariff actions; or the inability to carry out research, development and commercialization plans. In addition, other factors that could cause actual results to differ materially are discussed in the Company’s filings with the SEC. Investors and security holders are urged to read these documents free of charge on the SEC's website at <http://www.sec.gov>. The Company undertakes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.

# Use of Non-GAAP Financial Measures

This presentation includes the non-GAAP financial measures of Adjusted EBITDA and free cash flow, which differ from financial measures calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). These non-GAAP financial measures are presented because we believe they are useful indicators of our operating performance. Management uses these measures principally as measures of our operating performance and for planning purposes, including the preparation of our annual operating budget and financial projections. We believe these non-GAAP financial measures are useful to investors as supplemental information because they are frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We believe these non-GAAP financial measures are useful as measures of comparative operating performance from period to period. In addition, Adjusted EBITDA is used as a performance metric in our compensation program. Set forth in the Appendix to this presentation, we have provided reconciliations of historical Adjusted EBITDA to net income (loss), the most directly comparable GAAP financial measure. Investors and other readers are encouraged to review these reconciliations. This presentation also includes the forward-looking non-GAAP measure of Adjusted EBITDA guidance for 2024. We calculate forward-looking non-GAAP financial measures based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. We have not provided quantitative reconciliations of these forward-looking non-GAAP financial measures to the most directly comparable forward-looking GAAP financial measures because the excluded items are not available on a prospective basis without unreasonable efforts. It is probable that these forward-looking non-GAAP financial measures may be materially different from the corresponding GAAP financial measures. Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool, and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. You are encouraged to review the related GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business.

# Revealing & Treating Patients with Underserved Chronic Conditions in the Home

Including **Lymphedema** & **Bronchiectasis**:

<b>DIAGNOSED POPULATIONS<sup>(1)</sup></b> ~2.5M Patients	<b>UNDIAGNOSED POPULATIONS<sup>(2)</sup></b> ~25M Patients	<b>CURRENT TAM<sup>(3)</sup>:</b> \$10B+	<b>PATIENTS SERVED IN 2023</b> >77,000
<b>2023 REVENUE</b> \$274.4M	<b>2023 GROSS MARGIN</b> 71.1%	<b>2023 ADJ EBITDA<sup>(4)</sup></b> \$29.7M	<b>2023 OPERATING CASH FLOW</b> \$35.9M

(1) Data on file at Tactile Medical; Weycker, D. et al. Prevalence and Incidence of Non-cystic Fibrosis BE Among US Adults in 2013. Chron Respir Dis 2017;14(4):377–384.

(2) Includes phlebotymphedema, primary and secondary lymphedema, including lymphedema secondary to certain cancers, and lipedema. 3. Dean S, Valenti E, Hock K, Leffler J, Compston A, Abraham W, The clinical characteristics of lower extremity lymphedema in 440 patients. Jour of Vasc Surg: Venous & Lymph Disorders. ePublished Feb 2020. 4. Weycker, D. et al. Prevalence and Incidence of Non-cystic Fibrosis BE Among US Adults in 2013. Chron Respir Dis 2017;14(4):377–384. 5. Kosmas, E. et al. Bronchiectasis in Patients with COPD: An Irrelevant Imaging Finding or a Clinically Important Phenotype? CHEST. 2016; 150(4):894A. 6. Lambert AA, Dransfield MT. COPD Overlap Syndromes: Asthma and Beyond. Chronic Obstr Pulm Dis. 2016;3(1):459-465. Published 2016 Jan 15. doi:10.15326/jcopdf.3.1.2015.0176

(3) Based on management estimates

(4) Non-GAAP measure. See the Appendix for a reconciliation to the directly comparable GAAP measure.

# Investment Highlights

Leveraging Market Leadership to Deliver **Profitable Growth**

## ATTRACTIVE END MARKETS

- Large, growing and underserved patient segments
- Broad payer adoption
- Market leadership

## UNIQUE ASSETS

- Richest body of clinical evidence
- Largest distribution reach
- Scalable revenue cycle management / logistics capacity
- Multipronged product development pipeline
- Tech-forward digital strategy to optimize service & op costs

## VALUE CREATION

- Profitable market leader poised for scale
- Gross margins >70%
- Strong cash position, with 10 consecutive quarters of free cash flow<sup>(1)</sup> generation

# Lymphedema & Bronchiectasis are Chronic, Progressive, and Underdiagnosed Disease States

*Large & Underpenetrated U.S. Patient Populations*

**2M<sup>1</sup>**  
DIAGNOSED  
LYMPHEDEMA IN THE U.S.

**20M+<sup>2,3</sup>**  
UNDIAGNOSED  
IN THE U.S.

*Significant Gaps in Patient Access To Effective Solutions*

**500K<sup>4</sup>**  
DIAGNOSED  
BRONCHIECTASIS IN THE U.S.

**4.4M<sup>5,6</sup>**  
UNDIAGNOSED  
IN THE U.S.

*Long & Complicated Patient Treatment Journeys*

1. Data on file at Tactile Medical. 2. Includes phlebolymphedema, primary and secondary lymphedema, including lymphedema secondary to certain cancers, and lipedema. 3. Dean S, Valenti E, Hock K, Leffler J, Compston A, Abraham W, The clinical characteristics of lower extremity lymphedema in 440 patients. Jour of Vasc Surg: Venous & Lymph Disorders. ePublished Feb 2020. 4. Weycker, D. et al. Prevalence and Incidence of Non-cystic Fibrosis BE Among US Adults in 2013. Chron Respir Dis 2017;14(4):377-384. 5. Kosmas, E. et al. Bronchiectasis in Patients with COPD: An Irrelevant Imaging Finding or a Clinically Important Phenotype? CHEST. 2016; 150(4):894A. 6. Lambert AA, Dransfield MT. COPD Overlap Syndromes: Asthma and Beyond. Chronic Obstr Pulm Dis. 2016;3(1):459-465. Published 2016 Jan 15. doi:10.15326/jcopdf.3.1.2015.0176

# Lymphedema Has Many Causes and Affects People of all Backgrounds

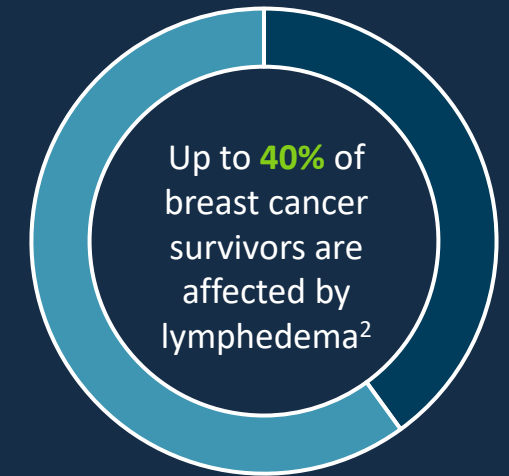
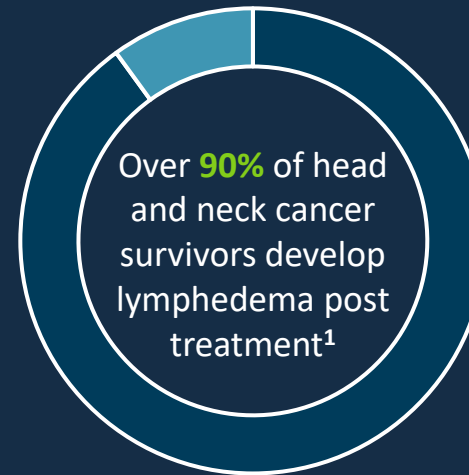
## WHAT IS IT?

The lymphatic system enables the transport of fluids containing infection-fighting white blood cells that rid the body of toxins and waste throughout the body

When the lymphatic system is damaged or impaired, these fluids can build up, causing swelling, infections & discomfort

## HOW DOES IT OCCUR?

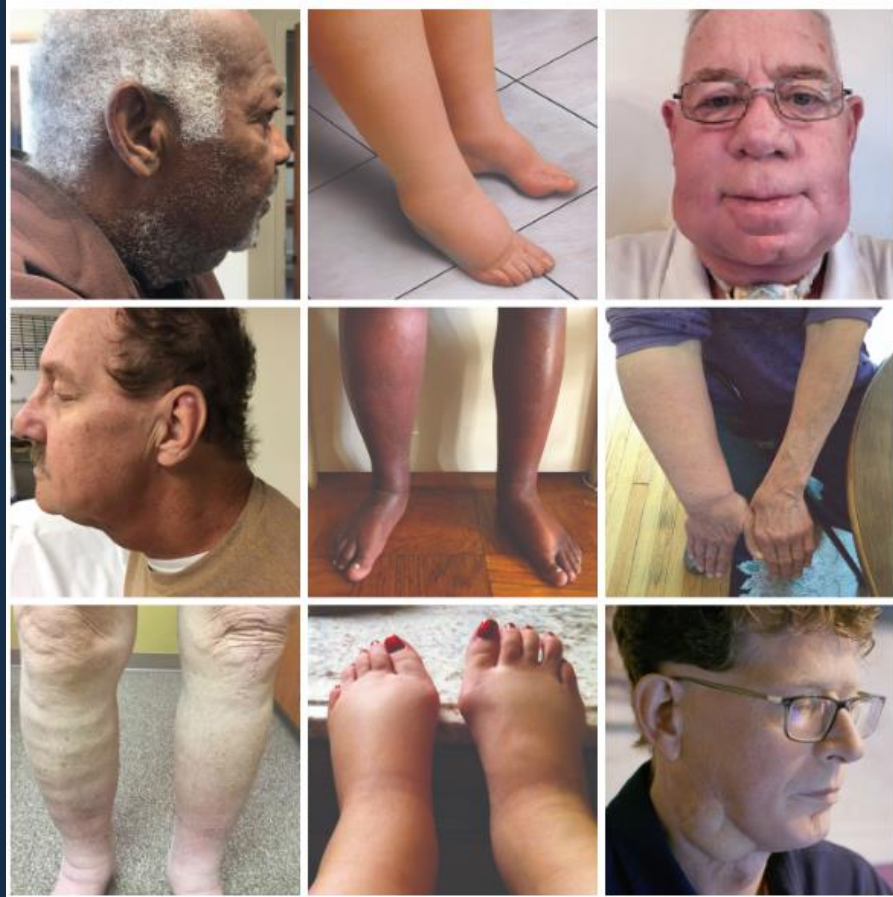
- Chronic venous insufficiency
- Cancer treatment
- Obesity
- Trauma
- Surgery
- Infection



1. Ridner, S.H., et al., A Prospective Study of the Lymphedema and Fibrosis Continuum in Patients with Head and Neck Cancer. *Lymphat Res Biol*, 2016. 14(4): p. 198-205.1.

2. Ridner S, McMahon E, Dietrich M, et al. Home-Based Lymphedema Treatment in Patients with Cancer-Related Lymphedema or Noncancer-Related Lymphedema. *Onc Nurse Forum*. July 2008 Vol. 35(4); 671-680.

# There is No Cure and The Vast Majority of Patients are Left Untreated



## LYMPHEDEMA SYMPTOMS AND CONSEQUENCES INCLUDE:

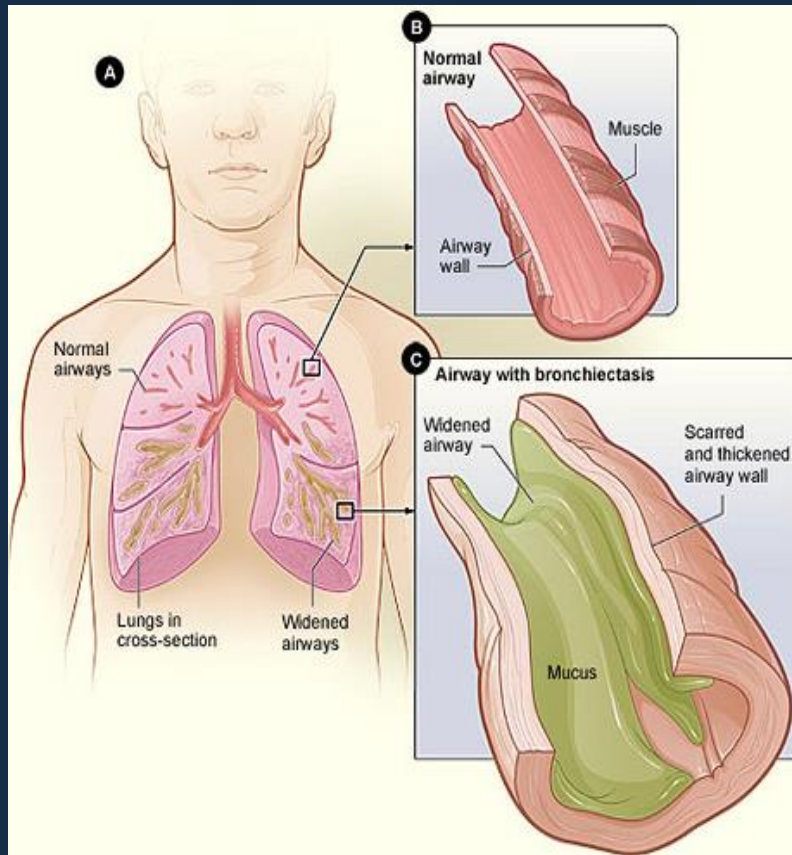
- Cellulitis
- Swelling
- Hard-to-heal wounds
- Limb heaviness
- Fibrosis
- Skin changes
- Pain & tightness
- Dysphagia
- Inability to swallow
- Limited range of motion

**Majority of patients with these symptoms are unaware of exactly what they are experiencing**

**Less than 10% of diagnosed patients have received a solution to treat their symptoms**



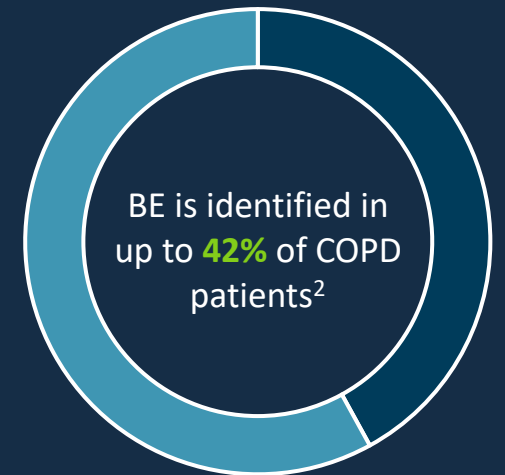
# Bronchiectasis is Among One of the Most Common Respiratory Diseases



## WHAT IS IT?

Bronchiectasis (BE) is a complex respiratory disease that causes airways to be abnormally widened, inflamed, and scarred, leading to permanent damage

Damaged airways can no longer clear mucus and bacteria from airways and lungs, causing cough, increased mucus production, and frequent lung infections and pneumonia



1. Cai Q, Triphuridat N, Zhu Y, et al. Bronchiectasis in Low-Dose CT Screening for Lung Cancer [published online ahead of print, 2022 Apr 19]. Radiology. 2022;212547. doi:10.1148/radiol.212547  
2. Weycker D, et al., Prevalence and Economic Burden of Bronchiectasis. CLIN PULM MED 2005;12:205.

# BE is Routinely Misdiagnosed and Left Untreated

1

## LEFT UNTREATED

- Commonly missed diagnosis due to overlap with COPD; BE occurs in up to 42% of COPD patients.<sup>1,2</sup>
- Inability to clear mucus leads to a cycle of infection, inflammation and worsening damage

2

## BASIC APPROACH

- Antibiotics for commonly-occurring infections
- Airway clearance foundational; common methods:
  - Huff coughing
  - PEP\* devices

3

## STANDARD OF CARE

- Chest physiotherapy (CPT)
- Administered by care provider with manual positioning and clapping the lungs to thin and mobilize secretions

- First-line treatment options not effective for many patients
- Routinely misdiagnosed
- When left untreated, creates continuous cycle of infection and worsening damage
- **Too many afflicted patients are not receiving access to quality-of-life restoring treatment**

\*PEP is defined as “positive expiratory pressure”

1. Kosmas E. et al., Bronchiectasis in Patients with COPD: An Irrelevant Imaging Finding or a Clinically Important Phenotype? *CHEST*. 2016;150(4):894A.
2. Aksamit, T. et al., Bronchiectasis and Chronic Airway Disease: It Is Not Just About Asthma and COPD. *CHEST*. 2018;154(4):737-739.

# Opportunity to Expand Treatment Access to Critically Underserved Patient Populations

LYMPHEDEMA

**\$5B+**  
CURRENT ADDRESSABLE  
MARKET



BRONCHIECTASIS

**\$5B+**  
CURRENT ADDRESSABLE  
MARKET

**\$10B+**  
TOTAL ADDRESSABLE  
MARKET\*

Gaps in patient education and access present opportunity to deliver patient-centric solutions that address life-altering symptoms across the entire body



LOWER BODY



UPPER BODY



HEAD & NECK

# Differentiated, At-Home Solutions for Treating Lymphedema Across the Whole Body

## Existing Systems

### Basic Device:



### ENTRE PLUS®

Convenient, at-home treatment for lymphedema and chronic swelling designed for a better patient experience

### Advanced Device:



### FLEXITOUCH PLUS®

Uses advanced intermittent pneumatic compression to provide a comfortable and effective way to self-manage lymphedema

## New Platform

### Basic Device:



### NIMBL® (NEW PLATFORM)

Smaller, lighter, and portable solution for use at home or on the go with connectivity to Kylee™

Oct 2024 launch **initially targeting upper extremities**; launch for lower extremities to follow in 1H 2025

### Advanced Device:

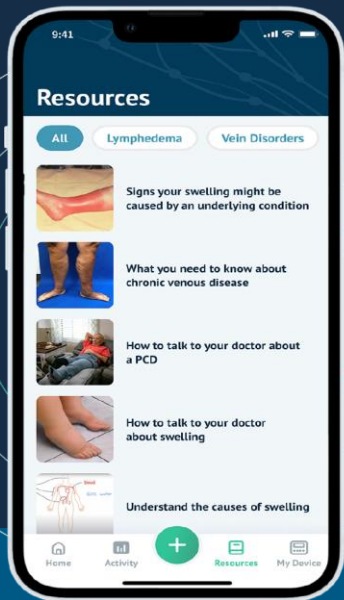
*In Development*

**New platform designed to meet lymphedema patients where they are in their care continuum**

# Personalized Lymphedema Treatment with Kylee™

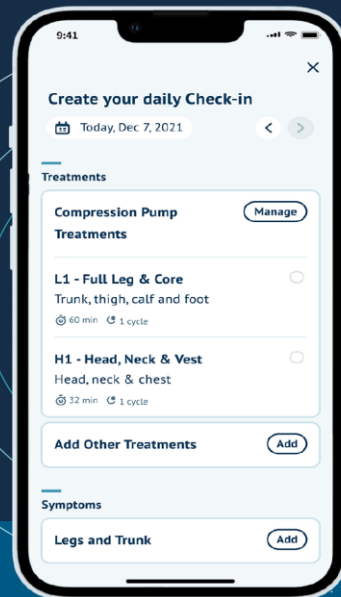
## LEARN

Includes personalized information to help patients better understand their condition



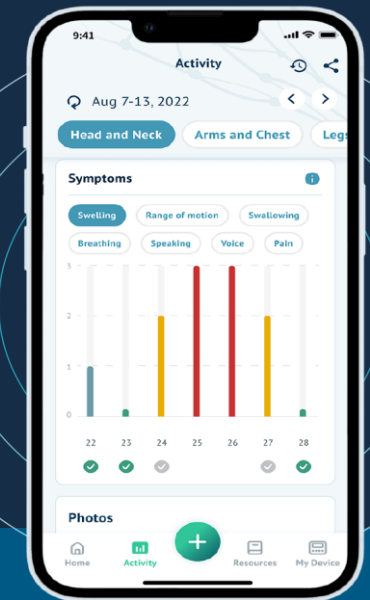
## TRACK

Records symptoms & treatments over time to understand how therapy is progressing



## SHARE

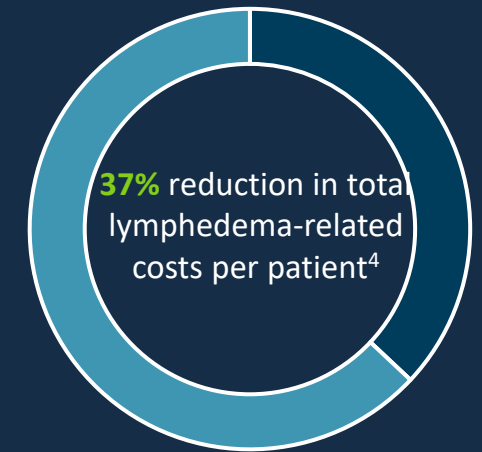
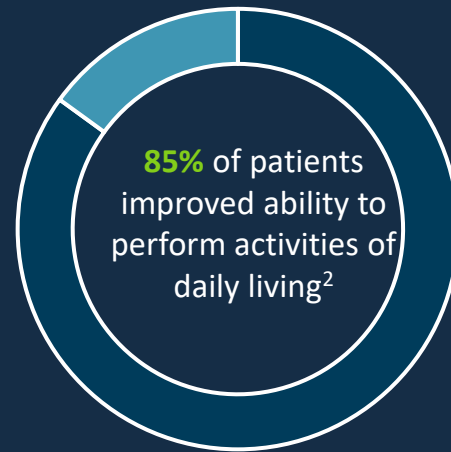
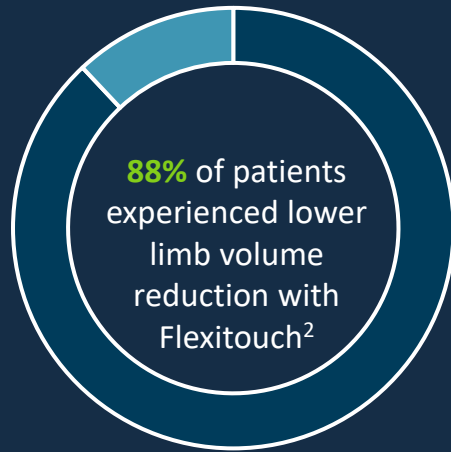
Converts treatment info into an Activity Report that can be shared with care team



*Enabling direct patient engagement throughout the disease journey*

# Proven Clinical Efficacy Driving Consistent and Effective Therapy

Key highlights from existing clinical evidence supporting Flexitouch



**New publication<sup>1</sup> among VA patients demonstrated high compliance with Flexitouch and significant improvements across all study endpoints:**

**High Therapy Compliance**

92% patient compliance at 8 weeks, and 72% at 52 weeks

leads to...



**Reduced Limb Girth**

Decrease of 1.4cm (baseline to 52 weeks)



**Reduced Cellulitis Events**

Decrease from 21.4% to 6.1% (baseline to 52 weeks)



**Improved Lymphedema QoL**  
(function, appearance, emotion, symptoms)

Increase from 6.2 to 6.9 (baseline to 52 weeks)

1. Padberg, Frank T. et al. Longitudinal assessment of health-related quality of life and clinical outcomes with at home advanced pneumatic compression treatment of lower extremity lymphedema. EJVSVL. 2024; Vol. 12(4)101-892.

2. Muluk SC, Hirsch AT, Tafe EC. Pneumatic Compression Device Treatment of Lower Extremity Lymphedema Elicits Improved Limb Volume and Patient-Reported Outcomes. EJVES. 2013; Vol. 46(4): 480-487.

3. Muluk SC, Hirsch AT, Tafe EC. Pneumatic Compression Device Treatment of Lower Extremity Lymphedema Elicits Improved Limb Volume and Patient-Reported Outcomes. EJVES. 2013; Vol. 46(4): 480-487.

4. Karaca-Mandic P, Hirsch AT, Rockson SG, Ridner SH. The Cutaneous, Net Clinical, and Health Economic Benefits of Advanced Pneumatic Compression Devices in Patients With Lymphedema. JAMA Dermatol. 2015;151(11):1187-1193.

# Owning the Space with Lymphedema Solutions that Improve Patient's Lives

**#1\***

MARKET  
SHARE

**\$5B+\***

TOTAL ADDRESSABLE  
MARKET

- CLINICALLY PROVEN PNEUMATIC COMPRESSION BRANDS
- EXPANDING CLINICAL EVIDENCE
- LARGE SALES REACH
- SCALABLE BACK OFFICE CAPABILITIES
- BROAD INSURANCE COVERAGE
- NEARLY 275M U.S. LIVES UNDER COVERAGE

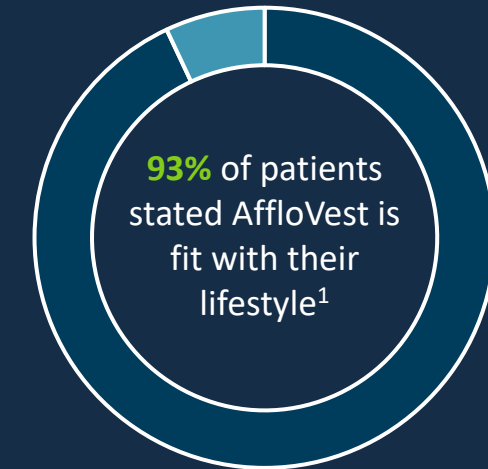
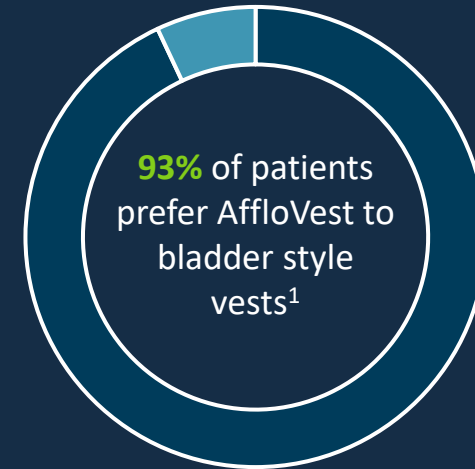


# Advancing the Bronchiectasis Treatment Paradigm with Proven At-Home Therapy



## AFFLOVEST

- High frequency chest wall oscillation (HFCWO)
- Mimics manual CPT
- Can be used with other treatments, independent of a caregiver
- Fully mobile during use; designed to improve adherence



1. Wetherby M, Dunn N, Mullenix V. et al. A Patient Preference Study of High-Frequency Chest Wall Oscillation Devices. RT Magazine. May/June 2023.



# Steadily Increasing Market Share with Patient-Friendly Therapy

#2\*

MARKET  
SHARE

\$5B+\*

TOTAL ADDRESSABLE  
MARKET

- DIFFERENTIATED PORTABLE DESIGN
- BROAD DME CHANNEL REACH
- AFFLOVEST FITS COMPLEX RESPIRATORY PATIENT ALREADY ON-SERVICE
- STRONG REIMBURSEMENT



# Recent Milestones

Multiple Product Launches & Operational Enhancements Fueling Continued Market Penetration and Profitable Growth

## 2022

- ✓ Completed AffloVest integration
- ✓ Launched ComfortEase™ lower-garments
- ✓ Launched Kylee™ mobile application
- ✓ New IP protecting Head and Neck therapy
- ✓ Enhanced board experience/diversity

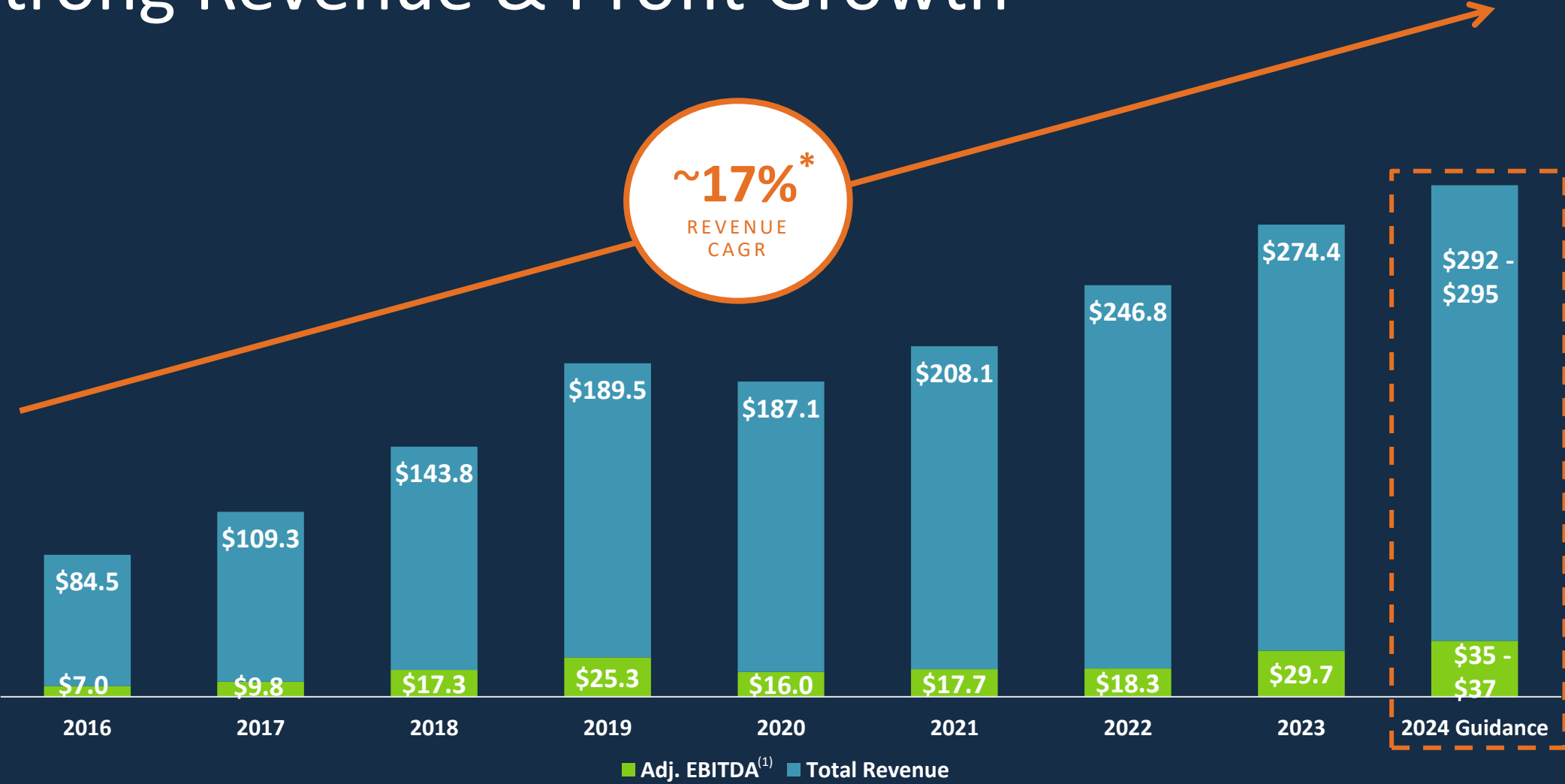
## 2023

- ✓ Launched Entre® Plus
- ✓ Launched ComfortEase™ upper-garments
- ✓ Generated record profitability
- ✓ Strengthened balance sheet
- ✓ Expanded board and enhanced senior leadership team

## YTD 2024

- ✓ Generated new clinical evidence among VA patients using Flexitouch
- ✓ Completed enrollment in Head & Neck lymphedema RCT
- ✓ Launched Nimbl® System for upper extremity conditions
- ✓ Deployed new workflow-related tools:
  - E-verification of patient insurance
  - E-prescribing tool
  - Select tools from new CRM

# Strong Revenue & Profit Growth



(In \$ millions)  
 \*Trailing 8 yr. Revenue CAGR from FY'16 to FY'24E  
 \*Includes COVID-19 impacted FY'20 and FY'21  
 (1) Non-GAAP measure. See the Appendix for a reconciliation to the directly comparable GAAP measure.

# Multiple Near-Term Strategic Priorities In-Place to Drive Sustainable & Profitable Growth

## GROWTH

### *Revenue & profitability*

- Expand our sales channel(s)
- Optimize selling capacity
- Equip teams with better tools
- Complete largest ever RCT for head & neck lymphedema

## TECH-ENABLED

### *Efficient & Scalable*

- Rollout e-prescribing capability
- Deploy CRM solution
- Implement new order management platform
- Digital Apps to engage patients

## INNOVATION

### *Patients, Providers & Employees*

- New products to improve patient experience
- Simplified order process for all stakeholders
- Expand treatment for head & neck cancer survivors

# Well-Positioned to Create Long-Term Value

 **Durable**  
**REVENUE GROWTH**

 **Consistent**  
**FREE CASH FLOW**

 **Expanding**  
**OPERATING MARGIN**

 **Growth through**  
**STRATEGIC INVESTMENTS**

# Appendix

# Financial Results: 9-MO '24 & '23, FY'23 & FY'22

\$ Millions	Nine months ended September 30,		Year Ended December 31,	
	2024	2023	2023	2022
Lymphedema products	\$182.3	\$172.3	\$241.7	\$212.3
Airway clearance products	\$25.1	\$24.5	\$32.7	\$34.5
Total revenues	\$207.4	\$196.8	\$274.4	\$246.8
Gross profit	\$152.3	\$139.1	\$195.1	\$176.0
<i>Gross margin</i>	73.4%	70.7%	71.1%	71.3%
Total operating expenses	\$142.7	\$132.9	\$177.1	\$188.7
Operating income (loss)	\$9.7	\$6.2	\$18.0	(\$12.8)
Net income (loss)	\$7.2	\$20.3	\$28.5	(\$17.9)
Adjusted EBITDA <sup>(1, 2)</sup>	\$20.8	\$14.3	\$29.7	\$18.3

**9 MONTHS  
ENDED SEPTEMBER 30,  
2024  
FINANCIAL SUMMARY:**

**REVENUE  
\$207.4M**

**ADJ EBITDA<sup>(1)</sup>  
\$20.8M**

1. Non-GAAP measure. See slides 25 for a reconciliation to the directly comparable GAAP measure.

2. Adjusted EBITDA in this presentation represents net income or loss, adjusted for certain items as detailed in the reconciliations. We believe that Adjusted EBITDA, viewed in addition to, and not in lieu of, our reported GAAP results, provides useful information to investors regarding our performance and overall results of operations because it eliminates the impact of other items that we believe reduce the comparability of our underlying core business performance from period to period and is therefore useful to our investors in comparing the core performance of our business from period to period.

# Reconciliation of GAAP Net Income (Loss) to Non-GAAP Adjusted EBITDA

(\$ Millions)	Years ended December 31							
	2023	2022	2021	2020	2019	2018	2017	2016
<b>Net income (loss)</b>	\$ 28.5	\$ (17.9)	\$ (11.8)	\$ (0.6)	\$ 11.0	\$ 6.6	\$ 5.9	\$ 2.9
Interest expense, net	2.3	2.7	0.5	(0.1)	(0.3)	(0.4)	(0.4)	(0.0)
Income tax (benefit) expense	(12.7)	2.4	9.5	(1.6)	0.2	(3.1)	(1.7)	1.4
Depreciation and amortization	6.5	6.3	3.7	2.8	3.5	3.7	1.8	0.8
Stock-based compensation	7.5	9.6	10.1	10.7	9.8	8.0	4.2	1.9
Loss on termination of lease	-	-	-	-	1.1	-	-	-
Impairment charges and inventory write-offs	-	0.2	0.6	4.0	-	2.5	-	-
Acquisition costs	-	-	1.1	-	-	-	-	-
CARES Act funding	-	-	-	(1.2)	-	-	-	-
Change in fair value of earn-out	(2.5)	11.9	(0.2)	-	-	-	-	-
Litigation defense costs	-	2.8	3.7	1.0	-	-	-	-
Executive transition costs	-	0.3	0.5	1.0	-	-	-	-
<b>Adjusted EBITDA</b>	<b>\$ 29.7</b>	<b>\$ 18.3</b>	<b>\$ 17.7</b>	<b>\$ 16.0</b>	<b>\$ 25.3</b>	<b>\$ 17.3</b>	<b>\$ 9.8</b>	<b>\$ 7.0</b>



# Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA

(Dollars in thousands)	Nine Months Ended September 30,		Increase (Decrease)	
	2024	2023	\$	%
<b>Net income</b>	\$ 7,244	\$ 20,313	\$ (13,069)	64%
Interest (income) expense, net	(823)	2,235	(3,058)	(137%)
Income tax expense (benefit)	3,254	(16,307)	19,561	(120%)
Depreciation and amortization	5,079	4,915	164	3%
Stock-based compensation	5,969	5,597	372	7%
Change in fair value of earn-out	-	(2,475)	2,475	(100%)
Executive transition costs	111	-	111	-
<b>Adjusted EBITDA</b>	<b>\$ 20,834</b>	<b>\$ 14,278</b>	<b>\$ 6,556</b>	<b>46%</b>

# Select Comparisons from the Balance Sheet as of 09/30/2024 and 12/31/2023

(Dollars in thousands)	09/30/2024	12/31/2023	Increase (Decrease)	
			\$	%
Cash and cash equivalents	\$ 82,146	\$ 61,033	\$ 21,113	34.6%
Accounts receivable	39,970	43,173	(3,203)	(7.4%)
Accounts receivable, non-current	3,628	10,936	(7,308)	(66.8%)
Total accounts receivable	43,598	54,109	(10,511)	(19.4%)
Inventories	21,176	22,527	(1,351)	(6.0%)
Note payable, current	2,956	2,956	-	-
Note payable, non-current	23,959	26,176	(2,217)	(8.5%)
Total net borrowings	26,915	29,132	(2,217)	(7.6%)
Total stockholders' equity	\$ 207,901	\$ 193,642	\$ 14,259	7.4%