INFORMED BY EOS

Q4 & FY 2021 FINANCIAL RESULTS

PAT MILES, CHAIRMAN & CEO | TODD KONING, EVP & CFO

MARCH 1, 2021

FORWARD LOOKING STATEMENTS

This deck contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainty. Such statements are based on management's current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The Company cautions investors that there can be no assurance that actual results will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors. Forward-looking statements include, but are not limited to: references to the Company's revenue and growth outlook; planned product launches, introductions, regulatory submissions or clearances; efforts to transform sales and distribution channels; the Company's ability to compel surgeon adoption; the Company's future ability to finance its operations and sufficiency of its cash runway; and statements about the benefits and synergies of the integration of EOS imaging, S.A. Important factors that could cause actual operating results to differ significantly from those expressed or implied by such forward-looking statements include, but are not limited to: the uncertainty of success in developing new products or products currently in the pipeline; the uncertainties in the Company's ability to execute upon its strategic operating plan; the uncertainties regarding the ability to successfully license or acquire new products, and the commercial success of such products; failure to achieve acceptance of the Company's products by the surgeon community; failure to obtain FDA or other regulatory clearance or approval or unexpected or prolonged delays in the process; continuation of favorable third party reimbursement; unanticipated expenses or liabilities or other adverse events affecting cash flow or the Company's ability to achieve profitability; uncertainty of additional funding; the Company's ability to compete with other products or with emerging technologies; product liability exposure; an unsuccessful outcome in any litigation; patent infringement claims; claims related to the Company's intellectual property; the Company's ability to meet its financial obligations; the impact of the COVID-19 pandemic on the Company and economy; and uncertainties and risks related to the integration of EOS imaging, S.A. A further list and description of these and other factors, risks and uncertainties can be found in the Company's most recent annual report, and any subsequent quarterly and current reports, filed with the Securities and Exchange Commission. ATEC disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law.

2021 IN REVIEW

$243M TOTAL REVENUE **68%** YOY GROWTH

HIGHLIGHTS

- Continued to pioneer PTP™ approach - ATEC lateral largest revenue growth contributor in 2021
- Launched >10 new products
- Closed EOS imaging® acquisition, which contributed $30M to FY revenue
- Opened new HQ enabling increased sales & surgeon education capacity
- Trained >400 surgeons
- Opened distribution center in Memphis
- Closed $316M convertible offering to fuel investment in future growth

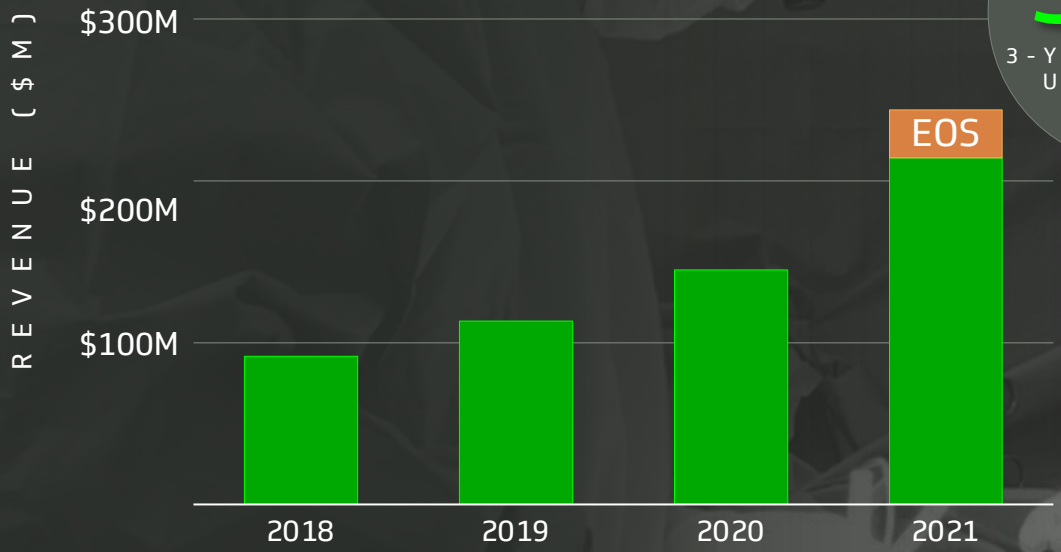
Q4 2021 ORGANIC SCORECARD*

Earning share of the U.S. spine market

42%	YoY U.S. organic revenue growth
23%	YoY growth in surgeon users
9%	YoY growth in average revenue per case
84%	New product revenue contribution vs ~75% in Q4 2020
2.0	Blended average product categories sold per case
13th	Consecutive quarter of double-digit revenue growth **11 of 13 quarters >20%**

* Revenue metrics exclude EOS imaging & terminated international supply agreement.

SECTOR-LEADING GROWTH



36%
3-YEAR ORGANIC US REVENUE CAGR

We have built one of med-tech's best growth stories

And our best is yet to come!

OUR COMMITMENTS

Earning market share by prioritizing key initiatives

1 CREATE CLINICAL DISTINCTION

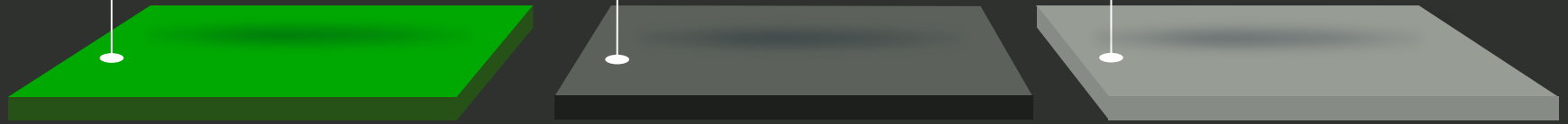
Build an organic product development machine & advance our information-based core competence

2 COMPEL SURGEON ADOPTION

Increase revenue and products sold per case through innovation

3 ELEVATE SALES FORCE

Progress toward comprehensive & clinically adept, exclusive sales team

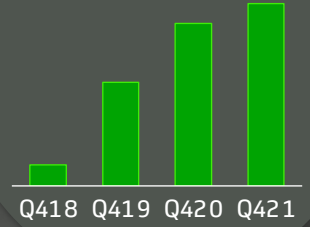


CLINICAL DISTINCTION SCORECARD

Addressing spine's unmet procedural challenges

1 CREATE CLINICAL DISTINCTION

NEW PRODUCT REVENUE CONTRIBUTION 84%



2018 TO 2021:
~40 PRODUCTS RELEASED

LOOKING AHEAD:
IN PURSUIT OF THE PERFECT PROCEDURE

- LATERAL
  - LTP™
  - PTP™
- TLIF
- PLIF
- ALIF
- ACDF
- PCF

ENABLING TECHNOLOGY
- BIOLOGICS
- NAVIGATION
- SAFE OP
- EOS
- PATIENT POSITIONING
- POSTERIOR FX

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1 EARNING LATERAL MARKET SHARE

This is <u>not</u> prone lateral. This is PTP.

>40% of Q4 revenue growth driven by ATEC lateral (PTP+LTP)

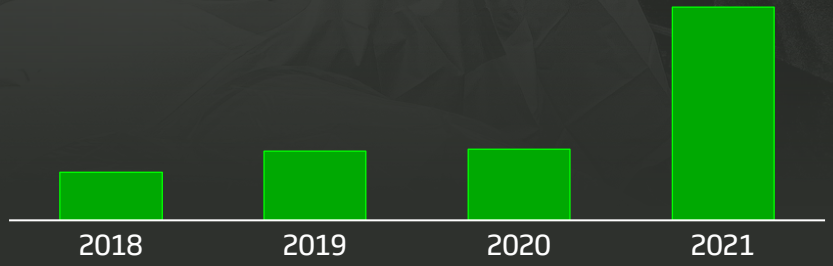
PTP PROWESS

- Adoption reflects unmatched sophistication and knowhow
- Expanding lateral market through conversion of PLIF & TLIF
- Increasing utilization in complex cases
- Predictable, reproducible approach being deployed in ASC facilities

SafeOp™ **Foundation of ATEC lateral distinction**

The **only** automated technology that monitors nerve health and nerve location to predictably meet lateral's specific informational requirements

ATEC SURGEON TRAINING VISITS



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1 EOS INTEGRATION UPDATE

Progress on strategic objectives



OBJECTIVES

- Place systems
- Integrate pre-, intra-, and post-operative information
- Collect & utilize data

Q4'21 HIGHLIGHTS

$13M In EOS-related revenue reflects enthusiasm around technology

✓ Established disciplined cadence of product development

✓ Accelerated deliveries AND increased size of order book

>2X Increased # of capital reps & placed high-caliber service & support leader

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1 DELIVERING PREDICTABILITY

How EOS will amplify our information-based competitive advantage

EXPANDING FOOTPRINT & UTILIZATION

- Increasing hospital & surgeon access
- Increasing sales & sales per surgeon
- Driving strong utilization rates

EXTENDING CLINICAL INFLUENCE

- Enhancing pre-op diagnoses
- Integrating pre-op into intra-op experience through surgical plan
- Better understanding post-op outcomes

COMPILING VALUABLE DATA TO SET NEW STANDARDS

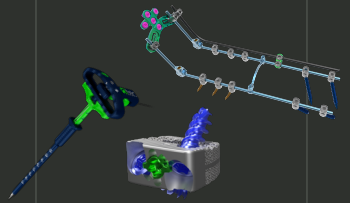
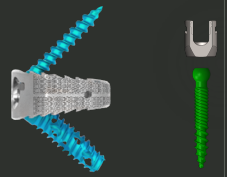
- Clinical
- Operational
- Economic



1 CREATING CLINICAL DISTINCTION

Advancing Approaches to Address Unmet Clinical Needs

2021 LAUNCHES

EOS Imaging	SafeOp 1.5 Arcus Guided Access	IdentiTi Cervical Standalone InVictus OCT	PTP Patient Positioner 2.0 Sigma PTP 2.0	IdentiTi ALIF Standalone LIF Instruments	InVictus Medialized MOD InVictus Connectors	InVictus Vice InVictus Osseoscrew AlphaGRAFT CBM
						

R&D FOCUS AREAS

EOS surgical planning, automation, data collection	SafeOp DSEP & MEP	Anterior cervical approaches	ALIF access & patient positioning	PTP advanced approaches	LTP access & patient positioning	Corpectomy approaches & expandable implants	Medialized approach	Integrated deformity solutions	Surface treatment & biologics expansion

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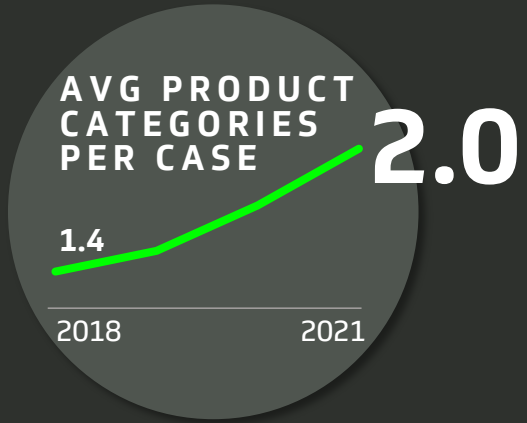
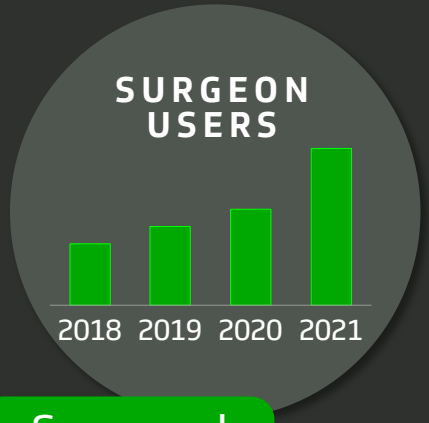
SURGEON ADOPTION SCORECARD*

Approach-based innovation drives expansion in average revenue / case

2 COMPEL SURGEON ADOPTION







	Scorecard
FY growth in average revenue / case YoY	10%
Surgeons trained in 2021	>400
FY growth in surgeon user base	24%

* Revenue metrics exclude EOS imaging & international supply agreement.

2 CENTRAL DRIVER OF ADOPTION

Procedural requirements define the rules of engagement

Where INDUSTRY competes



Where ATEC innovates & compels

technologies that improve reproducibility & predictability



AUTOMATED NERVE HEALTH & LOCATION MONITORING



OPTIMIZED PATIENT POSITIONERS



SURGICAL CASE PLANNING & DATA COLLECTION



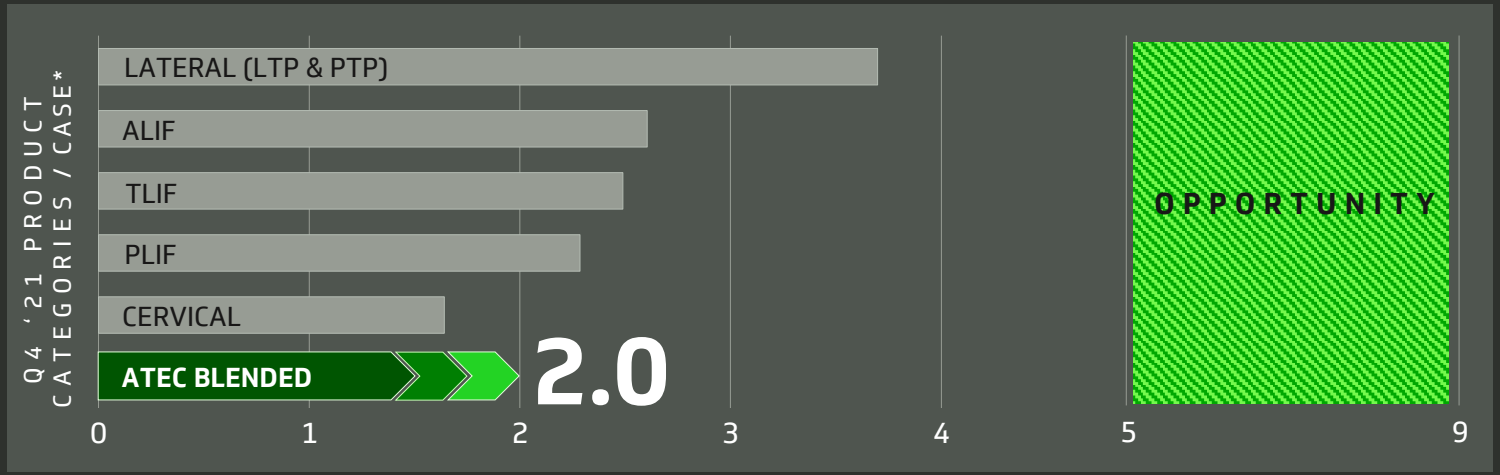
APPROACH-SPECIFIC ACCESS



INTEGRATED IMPLANT DELIVERY

2 ADOPTION OUTLOOK

Strong progress, yet vast potential to capture more of each surgery





PRODUCT CATEGORIES PER CASE

2019	2020	2021
1.6	1.8	2.0

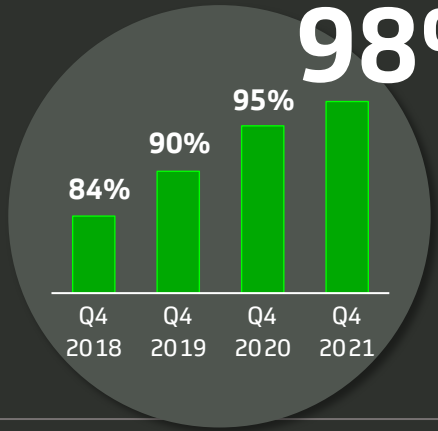
* Revenue metrics exclude EOS imaging & int'l supply agreement.

STRATEGIC SALES SCORECARD*

Creating a clinically adept sales force

3 **ELEVATE SALES FORCE**



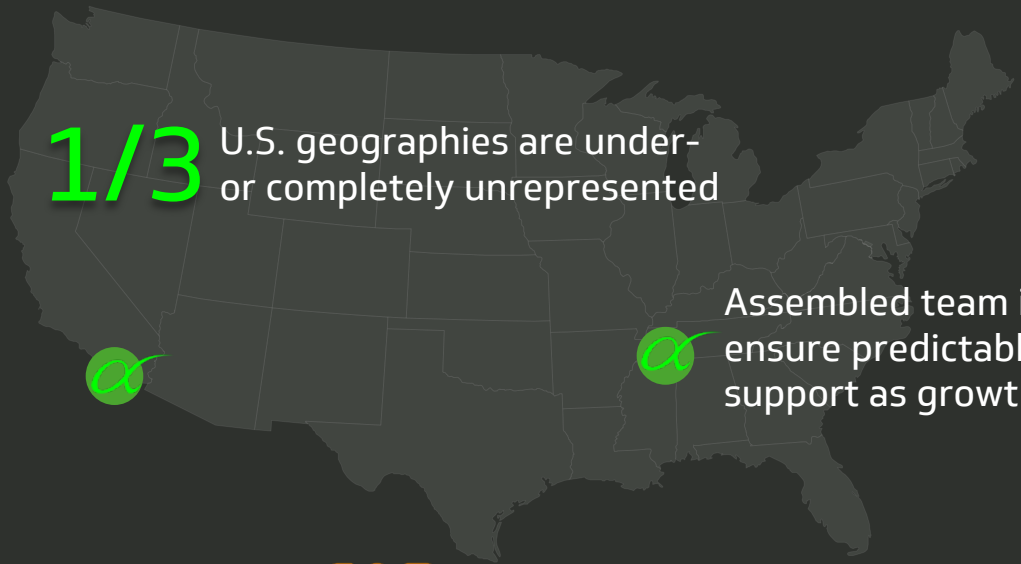


	Scorecard
Q4 organic revenue growth - strategic distribution	46%
Sales representatives trained in 2021	172
Revenue growth of top 20 PTP distributors in 2021	77%

* Revenue metrics exclude EOS imaging & international supply agreement.

3 ELEVATING DISTRIBUTION

Immense opportunity to expand & advance our sales force



1/3 U.S. geographies are under- or completely unrepresented

Assembled team in Memphis to ensure predictable surgical support as growth expands



Building foundation to pursue international opportunities

EOS imaging Expanded capital sales team & support to extend access & utility beyond EOS' footprint

Shriners Hospitals for Children · Rady Children's · Texas Health Presbyterian Hospital · Advocate Health Care · Northwestern University · HUV · Charité · Massachusetts General Hospital · Barnes-Jewish Hospital · Singapore General Hospital · SingHealth · 名城病院 · Stanford Health Care · UCSF Health · Barnes-Jewish Hospital · Nemours · NewYork-Presbyterian · HCA · schulthess klinik · Ascension · NYU · Mayo Clinic

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FINANCIALS

REVENUE

Growth driven by increase in surgeon users and EOS

	Q4 2021	YoY	FY 2021	YoY
U.S. Organic Revenue	$61M	**42%**	$212M	**50%**
EOS Related Revenue	$13M	--	$30M	--
Revenue from Products & Services	**$74M**	**71%**	**$242M**	**72%**
Terminated Int'l Supply Agreement	--	--	$1M	(75%)
TOTAL REVENUE	**$74M**	**68%**	**$243M**	**68%**

Q4'21 YOY U.S. ORGANIC GROWTH

30% In volume 9% Revenue per case

EOS pro forma growth 42%

FY'21 YOY U.S. ORGANIC GROWTH

37% In volume 10% Revenue per case

EOS pro forma growth 42%

May not foot due to rounding

NON-GAAP P&L HIGHLIGHTS*

Investing to support rapid long-term growth

	Q4 2021	YoY	FY 2021	YoY
Total Revenue $	$74M	68%	$243M	68%
Gross margin %	70%	(550) bps	73%	(390) bps
R&D %	10%	(50) bps	11%	flat
SG&A %	79%	(200) bps	81%	+250 bps
Total Operating Expense %	90%	(200) bps	93%	+250 bps
Operating Margin %	(19%)	(350) bps	(20%)	(640) bps

- GM% includes impact of EOS mix
- Continued R&D investment to support portfolio expansion
- SG&A reflects continued investment in sales channel expansion

	Q4 2021	FY 2021
Adjusted EBITDA $	($8M)	($28M)
% of sales	(10%)	(12%)

- Adjusted EBITDA reflects sustained pace of investment

* May not foot due to rounding. | Non-GAAP GM excludes intangible amortization, purchase accounting impacts, non-cash E&O legacy product charges and SBC. Non-GAAP operating expenses exclude intangible amortization, SBC and litigation, transaction, and restructuring-related expenses. Additional detail in the appendix or at https://investors.alphatecspine.com/investors.

BALANCE SHEET

Cash position supports investments for growth

Cash and Debt	Q4 2021
Cash	$187M
Debt (at face value)[1]	$336M

Cash Use	Q4 2021	FY 2021
Inventory & capital expenditures	$24M	$96M
Operating cash use[2]	$34M	$142M
Operating cash use[2] as % of total revenue	46%	58%

- Cash balance of $187M and debt at face value of $336M
- Continuing to invest in inventory & instrument sets to support growth
- 2021 set investments reflect deferred 2020 set purchases & support for 2022 revenue
- 2022 cash use expected to improve with asset leverage + more favorable adjusted EBITDA

1. Detailed components as defined in 10K for corresponding period. | 2. Operating Cash Use defined as GAAP Net cash used in operating activities and GAAP PP&E.

REVENUE GUIDANCE

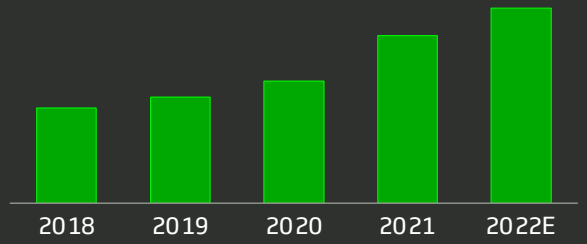
Strong momentum will continue to propel market share expansion

	FY 2022E	YoY
Organic Revenue	$260M	23%
EOS Related Revenue	$45M	--
TOTAL REVENUE	**$305M**	**25%**

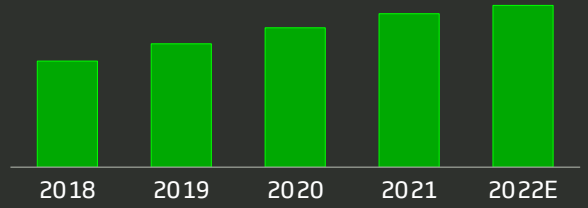
- Lateral (PTP+ LTP) expected to continue to be a primary growth driver
- Continued contribution from new products & sales channel expansion/ advancement

KEY COMPONENTS OF ORGANIC REVENUE GROWTH

PROCEDURE VOLUMES



AVERAGE REVENUE / SURGERY



VOLUME DRIVERS

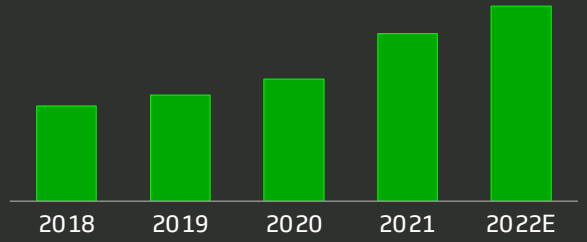
- Expanding adoption:
  - Clinical distinction + surgeon training
  - Capturing more of each customer's cases
- Increasing geographic penetration, expanding footprint and improving access

AVG REVENUE/ SURGERY DRIVERS

- Mix shift toward higher ASP procedures (PTP+ LTP)
- Increasing complexity (multi-level, deformity)
- EOS acquisition influence
- Expanding products / procedure
- Commanding price premium with distinct innovation

KEY COMPONENTS OF ORGANIC REVENUE GROWTH

PROCEDURE VOLUMES



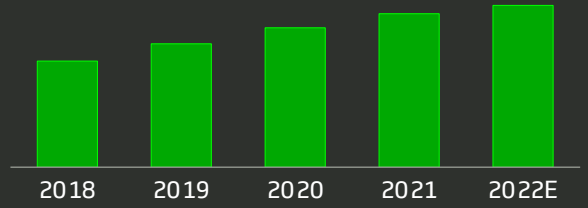
Growth implied by FY guidance

MID-TEENS %

2021 surgeries

~26,000

AVERAGE REVENUE / SURGERY



Growth implied by FY guidance

MID-SINGLE DIGIT %

2021 ASP

~$8,200



CLOSING

PAT MILES, CHAIRMAN & CEO

SHARE EARNING STRATEGY

PTP™: The MIS Category Killer

Taking share of $1B+ lateral market & the $2B+ market for TLIFs & PLIFs*

Increasingly applied to complex cases

Well-suited for ASCs

Advance US distribution

>1/3 of U.S. geographies still under- or completely unrepresented

Expand internationally

Building platform for direct, narrow & deep int'l market entry in coming years

Halo effect increases portfolio adoption

Increasingly comprehensive portfolio benefits from traction of our most distinct products & procedures

Capture more of the >$2B* EOS opportunity

Utilize surgeon & hospital access to drive revenue

Provide unprecedented diagnostic & surgical planning capabilities that create intra-operative clinical & economic value

Reflect EOS' informational prowess

* Sources: iData and Management Estimates

THE DECADE BELONGS TO ATEC

> “Most people overestimate what happens in 2 years and underestimate what can happen in 10.
>
> -BILL GATES

WE ARE JUST GETTING STARTED!



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YOU'RE INVITED!

2022 ATEC INVESTOR DAY

ATEC HQ - CARLSBAD,CA | MAY 25 | 8 AM

Mgmt presentations
Surgeon panel

Facility tour
Q&A

PTP lab demonstration
EOS demonstration



APPENDIX

atec HISTORICAL GAAP P&L TREND - CONSOLIDATED ($000's)

INFORMED BY EOS

	2017	2018	2019	Q120	Q220	Q320	Q420	2020	Q121	Q221	Q321	Q421	2021
Revenues:													
Revenue from products and services	86,925	83,656	108,242	29,070	28,834	40,052	43,123	141,079	43,716	61,885	62,735	73,922	242,258
Revenue from Int'l supply agreement	14,814	8,038	5,185	1,045	795	1,111	831	3,782	405	364	145	40	954
TOTAL REVENUE	**101,739**	**91,694**	**113,427**	**30,115**	**29,629**	**41,163**	**43,954**	**144,861**	**44,121**	**62,249**	**62,880**	**73,962**	**243,212**
Cost of revenue	33,517	28,457	35,833	9,084	8,787	11,926	12,563	42,360	12,263	21,184	23,266	28,737	85,450
Total gross profit	**68,222**	**63,237**	**77,594**	**21,031**	**20,842**	**29,237**	**31,391**	**102,501**	**31,858**	**41,065**	**39,614**	**45,225**	**157,762**
Operating expenses (GAAP):													
Research & development	6,013	10,988	15,486	4,169	4,237	4,984	5,355	18,745	5,801	7,839	9,391	8,984	32,015
Sales, general & administrative	68,866	71,505	100,077	27,583	26,468	35,380	39,725	129,156	40,426	60,659	61,494	66,692	229,271
Litigation-related	308	5,683	8,549	2,643	1,304	1,560	3,045	8,552	3,335	1,167	1,209	5,412	11,123
Amortization of acquired intangible assets	688	738	698	172	172	172	172	688	172	1,208	2,012	1,956	5,348
Transaction-related expenses	-	1,550	-	4,272	(181)	2	130	4,223	1,012	4,771	373	209	6,365
Restructuring expenses	2,206	1,381	60	-	-	-	-	-	158	1,173	256	110	1,697
Gain on Settlement	(856)	(6,168)	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses (GAAP)	**77,225**	**85,677**	**124,870**	**38,839**	**32,000**	**42,098**	**48,427**	**161,364**	**50,904**	**76,817**	**74,735**	**83,363**	**285,819**
TOTAL OPERATING LOSS	**(9,003)**	**(22,440)**	**(47,276)**	**(17,808)**	**(11,158)**	**(12,861)**	**(17,036)**	**(58,863)**	**(19,046)**	**(35,752)**	**(35,121)**	**(38,138)**	**(128,057)**
Other income (expense):													
Interest and other income (expense),net	(7,615)	(7,139)	(9,865)	(2,874)	(3,032)	(2,768)	(3,700)	(12,374)	(3,827)	(2,410)	(386)	(2,048)	(8,671)
Loss on debt extinguishment	-	(590)	-	-	(1,555)	-	(6,057)	(7,612)	-	-	(7,434)	-	(7,434)
Gain on change in fair value of warrants	12,044	-	-	-	-	-	-	-	-	-	-	-	-
Total other income (expense), net	**4,429**	**(7,729)**	**(9,865)**	**(2,874)**	**(4,587)**	**(2,768)**	**(9,757)**	**(19,986)**	**(3,827)**	**(2,410)**	**(7,820)**	**(2,048)**	**(16,105)**
Income (loss) from continuing operations (GAAP)	**(4,574)**	**(30,169)**	**(57,141)**	**(20,682)**	**(15,745)**	**(15,629)**	**(26,793)**	**(78,849)**	**(22,873)**	**(38,162)**	**(42,941)**	**(40,186)**	**(144,162)**
Income tax provision	(34)	(1,361)	(239)	40	60	40	5	145	30	43	90	1	164
Net loss from continuing operations	**(4,540)**	**(28,808)**	**(56,902)**	**(20,722)**	**(15,805)**	**(15,669)**	**(26,798)**	**(78,994)**	**(22,903)**	**(38,205)**	**(43,031)**	**(40,187)**	**(144,326)**
Income (Loss) from discontinued operations	2,246	(167)	(100)	-	-	-	-	-	-	-	-	-	-
Net loss	**(2,294)**	**(28,975)**	**(57,002)**	**(20,722)**	**(15,805)**	**(15,669)**	**(26,798)**	**(78,994)**	**(22,903)**	**(38,205)**	**(43,031)**	**(40,187)**	**(144,326)**
Recognition of beneficial conversion feature - Series B preferred stock	-	(13,488)	-	-	-	-	-	-	-	-	-	-	-
Net loss attributable to common shareholders	**(2,294)**	**(42,463)**	**(57,002)**	**(20,722)**	**(15,805)**	**(15,669)**	**(26,798)**	**(78,994)**	**(22,903)**	**(38,205)**	**(43,031)**	**(40,187)**	**(144,326)**
Net loss per share	**(0.36)**	**(0.82)**	**(1.09)**	**(0.33)**	**(0.25)**	**(0.24)**	**(0.35)**	**(1.18)**	**(0.26)**	**(0.39)**	**(0.43)**	**(0.40)**	**(1.50)**
Weighted average shares outstanding, basic and dilut	**12,788**	**35,315**	**52,234**	**62,568**	**63,713**	**64,761**	**77,098**	**67,020**	**87,223**	**98,541**	**99,571**	**99,300**	**96,197**

GUIDANCE & COMMENTARY

FY 2022 total revenue from products and services is expected to approximate $305M, which includes ~$260M of organic revenue and ~$45M of EOS-related revenue. The international supply agreement terminated in August 2021.

Common shares outstanding as of 12/31/21 were 100M. The fully diluted share count as of 12/31/21 was 132M. Using the treasury stock method, fully diluted share count was 121M as of 12/31/21. Once converted, the net effect of the convertible transaction adds 17M shares ($316M of debt should be excluded at that point.)

YOY GROWTH	2017	2018	2019	Q120	Q220	Q320	Q420	2020	Q121	Q221	Q321	Q421	2021
Revenue from products and services		-3.8%	29.4%	26.6%	10.5%	42.8%	38.5%	30.3%	50.4%	114.6%	56.6%	71.4%	71.7%
Revenue from Int'l supply agreement		-45.7%	-35.5%	-34.7%	-35.2%	-3.4%	-31.3%	-27.1%	-61.2%	-54.2%	-86.9%	-95.2%	-74.8%
Total Revenue		-9.9%	23.7%	22.6%	8.5%	41.0%	35.9%	27.7%	46.5%	110.1%	52.8%	68.3%	67.9%
Research & development		82.7%	40.9%	12.6%	17.8%	16.4%	37.2%	21.0%	39.1%	85.0%	88.4%	67.8%	70.8%
Sales, general & administrative		3.8%	40.0%	32.8%	8.8%	33.7%	39.3%	29.1%	46.6%	129.2%	73.8%	67.9%	77.5%

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NON-GAAP RECONCILIATION - CONSOLIDATED ($000's)

	2017	2018	2019	Q120	Q220	Q320	Q420	2020	Q121	Q221	Q321	Q421	2021
ADJUSTED EBITDA													
Operating loss, GAAP	(9,003)	(22,440)	(47,276)	#####	#####	#####	#####	(58,863)	(19,046)	(35,752)	(35,121)	(38,138)	######
Depreciation	6,545	6,051	6,775	2,014	2,161	2,307	2,704	9,186	3,409	5,068	5,311	6,544	20,332
Amortization of intangible assets	936	799	803	440	440	442	441	1,763	441	1,476	2,281	2,226	6,424
Total EBITDA	**(1,522)**	**(15,590)**	**(39,698)**	**#####**	**(8,557)**	**#####**	**#####**	**(47,914)**	**(15,196)**	**(29,208)**	**(27,529)**	**(29,368)**	**######**
+ Stock-based compensation	3,881	5,304	10,954	3,568	4,575	4,544	4,972	17,659	4,474	11,496	10,754	9,726	36,450
+ Purchase accounting adjustments on acquisitio	-	-	-	-	-	-	-	-	-	1,763	2,577	2,083	6,423
+ Excess & obsolete write-down	2,435	3,733	8,624	1,722	1,712	1,995	1,615	7,044	2,096	2,221	2,525	4,305	11,147
+ Contingent consideration fair value adjustment	-	846	289	-	-	-	-	-	-	-	-	-	-
+ Litigation-related expenses	308	5,683	8,549	2,643	1,304	1,560	3,045	8,552	3,335	1,167	1,209	5,412	11,123
+ Transaction-related expenses	-	1,550	-	4,272	(181)	2	130	4,223	1,012	4,771	373	209	6,365
+ Restructuring expenses	2,206	1,381	60	-	-	-	-	-	158	1,173	256	110	1,697
+ Gain on settlement	(856)	(6,168)	-	-	-	-	-	-	-	-	-	-	-
Total Adjusted EBITDA	**6,452**	**(3,261)**	**(11,222)**	**(3,149)**	**(1,147)**	**(2,011)**	**(4,129)**	**(10,436)**	**(4,121)**	**(6,617)**	**(9,835)**	**(7,531)**	**(28,096)**
Adjusted EBITDA as a % of Revenue	***6.3%***	***-3.6%***	***-9.9%***	***-10.5%***	***-3.9%***	***-4.9%***	***-9.4%***	***-7.2%***	***-9.3%***	***-10.6%***	***-15.6%***	***-10.2%***	***-11.6%***

NON-GAAP GROSS PROFIT & GROSS MARGIN		2018	2019	Q120	Q220	Q320	Q420	2020	Q121	Q221	Q321	Q421	2021
Gross Profit, GAAP	68,222	63,237	77,594	21,031	20,842	29,237	31,391	102,501	31,858	41,065	39,614	45,225	157,762
+ Amortization of intangible assets	248	62	105	268	268	270	269	1,075	269	268	270	268	1,075
+ Stock-based compensation	40	73	146	107	128	139	138	512	95	84	310	248	737
+ Purchase accounting adjustments on acquisitions		-	-	-	-	-	-	-	-	1,763	2,577	2,083	6,423
+ Excess & obsolescence write-down	2,435	3,733	8,624	1,722	1,712	1,995	1,615	7,044	2,096	2,221	2,525	4,305	11,147
Non-GAAP Gross Profit	**70,945**	**67,105**	**86,469**	**23,128**	**22,950**	**31,641**	**33,413**	**111,132**	**34,318**	**45,401**	**45,296**	**52,129**	**177,144**
Gross Margin, GAAP	**67.1%**	**69.0%**	**68.4%**	**69.8%**	**70.3%**	**71.0%**	**71.4%**	**70.8%**	**72.2%**	**66.0%**	**63.0%**	**61.1%**	**64.9%**
+ Amortization of intangible assets	0.2%	0.1%	0.1%	0.9%	0.9%	0.7%	0.6%	0.7%	0.6%	0.4%	0.4%	0.4%	0.4%
+ Stock-based compensation	0.0%	0.1%	0.1%	0.4%	0.4%	0.3%	0.3%	0.4%	0.2%	0.1%	0.5%	0.3%	0.3%
+ Purchase accounting adjustments on acquisitio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	4.1%	2.8%	2.6%
+ Excess & obsolescence write-down	2.4%	4.1%	7.6%	5.7%	5.8%	4.8%	3.7%	4.9%	4.8%	3.6%	4.0%	5.8%	4.6%
Non-GAAP Gross Margin	**69.7%**	**73.2%**	**76.2%**	**76.8%**	**77.5%**	**76.9%**	**76.0%**	**76.7%**	**77.8%**	**72.9%**	**72.0%**	**70.5%**	**72.8%**

GM% impacted by consolidation of EOS, which bears lower GMs.

NON-GAAP OPERATING EXPENSES		2018	2019	Q120	Q220	Q320	Q420	2020	Q121	Q221	Q321	Q421	2021
Research & Development, GAAP	**6,013**	**10,988**	**15,486**	**4,169**	**4,237**	**4,984**	**5,355**	**18,745**	**5,801**	**7,839**	**9,391**	**8,984**	**32,015**
- Stock-based compensation in R&D	206	351	1,044	390	548	504	632	2,074	498	664	1,440	1,454	4,056
- Contingent consideration fair value adjustment	-	846	289	-	-	-	-	-	-	-	-	-	-
Non-GAAP R&D	**5,807**	**9,791**	**14,153**	**3,779**	**3,689**	**4,480**	**4,723**	**16,671**	**5,303**	**7,175**	**7,951**	**7,530**	**27,959**
Sales General & Administrative, GAAP	**68,866**	**71,505**	**#####**	**27,583**	**26,468**	**35,380**	**39,725**	**129,156**	**40,426**	**60,659**	**61,494**	**66,692**	**229,271**
- Stock-based compensation in SG&A	3,635	4,880	9,764	3,071	3,899	3,901	4,202	15,073	3,881	10,748	9,004	8,024	31,657
- Purchase accounting adjustments on acquisitior	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP SG&A	**65,231**	**66,625**	**90,313**	**24,512**	**22,569**	**31,479**	**35,523**	**114,083**	**36,545**	**49,911**	**52,490**	**58,668**	**197,614**
Other Operating Expense, GAAP	**2,346**	**3,184**	**9,307**	**7,087**	**1,295**	**1,734**	**3,347**	**13,463**	**4,677**	**8,319**	**3,850**	**7,687**	**24,533**
- Litigation-related expenses	308	5,683	8,549	2,643	1,304	1,560	3,045	8,552	3,335	1,167	1,209	5,412	11,123
- Amortization of intangible assets	688	738	698	172	172	172	172	688	172	1,208	2,012	1,956	5,348
- Transaction-related expenses	-	1,550	-	4,272	(181)	2	130	4,223	1,012	4,771	373	209	6,365
- Restructuring expenses	2,206	1,381	60	-	-	-	-	-	158	1,173	256	110	1,697
- Gain on settlement	(856)	(6,168)	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP Other Operating Expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Non-GAAP Operating Expenses	**71,038**	**76,416**	**#####**	**28,291**	**26,258**	**35,959**	**40,246**	**130,754**	**41,848**	**57,086**	**60,441**	**66,198**	**225,573**
Non-GAAP Operating Expenses as a % of Revenue													
Research & development	5.7%	10.7%	12.5%	12.5%	12.5%	10.9%	10.7%	11.5%	12.0%	11.5%	12.6%	10.2%	11.5%
Sales, general & administrative	64.1%	72.7%	79.6%	81.4%	76.2%	76.5%	80.8%	78.8%	82.8%	80.2%	83.5%	79.3%	81.3%
Total Non-GAAP Operating Expenses % of Revenu	**69.8%**	**83.3%**	**92.1%**	**93.9%**	**88.6%**	**87.4%**	**91.6%**	**90.3%**	**94.8%**	**91.7%**	**96.1%**	**89.5%**	**92.8%**

Opex reflects sustained levels of planned investment throughout 2021 to support portfolio expansion and investment in the sales channel.

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PROFORMA GAAP P&L - EOS ($000's)

	Q120	Q220	Q320	Q420	2020	Q121	Q221	Q321	Q421	2021
Revenues:										
Revenue from products and services	4,096	6,685	7,389	9,021	27,191	6,865	7,945	11,131	12,772	38,713
Revenue from Int'l supply agreement										
TOTAL REVENUE	**4,096**	**6,685**	**7,389**	**9,021**	**27,191**	**6,865**	**7,945**	**11,131**	**12,772**	**38,713**
Cost of revenue					26,488	3,716	5,482			
Total gross profit					**703**	**3,149**	**2,463**			
Operating expenses (GAAP):										
Research & development					4,690	985	2,213			
Sales, general & administrative					14,285	4,503	3,893			
Litigation-related					-	-	-			
Amortization of acquired intangible assets					7,124	1,796	1,979			
Transaction-related expenses					10,298	-	-			
Restructuring expenses					-	-	-			
Gain on Settlement					-	-	-			
Total operating expenses (GAAP)					**36,397**	**7,284**	**8,085**			
TOTAL OPERATING LOSS					**(35,694)**	**(4,135)**	**(5,622)**			
Other income (expense):										
Interest and other income (expense),net					300	(116)	(236)			
Loss on debt extinguishment										
Gain on change in fair value of warrants										
Total other income (expense), net					300	**(116)**	**(236)**			
Loss from continuing operations before taxes					**(35,394)**	**(4,251)**	**(5,858)**			
Income tax provision (benefit)					89	18	(18)			
Net loss					**(35,483)**	**(4,269)**	**(5,840)**			

NON-GAAP P&L TREND - EOS ($000's)

	Q120	Q220	Q320	Q420	2020	Q121	Q221	Q321	Q421	2021
Revenue					**27,191**	**6,865**	**7,945**	**11,131**	**12,772**	**31,848**
Non-GAAP cost of sales					17,888	3,716	5,482			
Non-GAAP gross profit					**9,303**	**3,149**	**2,463**			
Non-GAAP Gross Margin					*34.2%*	*45.9%*	*31.0%*			
Operating expenses (Non-GAAP):										
Research & development, Non-GAAP					4,690	985	2,213			
Sales, general & administrative, Non-GAAP					14,285	4,503	3,893			
Total operating expenses (Non-GAAP)					**18,975**	**5,488**	**6,106**			
R&D as % of revenue					*17.2%*	*14.3%*	*27.9%*			
SG&A as % of revenue					*52.5%*	*65.6%*	*49.0%*			
Total OPEX as % of revenue					*69.8%*	*79.9%*	*76.9%*			
Non-GAAP operating losss					**(9,672)**	**(2,339)**	**(3,643)**			
Op loss as % of revenue					*-35.6%*	*-34.1%*	*-45.9%*			
Less: Depreciation					806	194	200			
Adjusted EBITDA					**(8,866)**	**(2,145)**	**(3,443)**			
Adj EBITDA as % of revenue					*-32.6%*	*-31.2%*	*-43.3%*			

NON-GAAP RECON ($000's)

ADJUSTED EBITDA	Q120	Q220	Q320	Q420	2020	Q121	Q221
Operating loss, GAAP					(35,694)	(4,135)	(5,622)
Depreciation					806	194	200
Amortization of intangible assets					7,124	1,796	1,979
Total EBITDA					**(27,764)**	**(2,145)**	**(3,443)**
+ Stock-based compensation					-	-	-
+ Purchase accounting adjustments on acquisitions					8,600	-	-
+ Excess & obsolete charges					-	-	-
+ Contingent consideration fair value adjustment					-	-	-
+ Litigation-related expenses					-	-	-
+ Transaction-related expenses					10,298	-	-
+ Restructuring expenses					-	-	-
+ Gain on settlement					-	-	-
Total Adjusted EBITDA					**(8,866)**	**(2,145)**	**(3,443)**
Adjusted EBITDA as a % of Revenue					***-32.6%***	***-31.2%***	***-43.3%***

NON-GAAP GROSS PROFIT & GM	Q120	Q220	Q320	Q420	2020	Q121	Q221
Gross Profit, GAAP					**703**	3,149	2,463
+ Amortization of intangible assets					-	-	-
+ Stock-based compensation					-	-	-
+ Purchase accounting adjustments on acquisitions					**8,600**	-	-
+ Excess & obsolescence charges					-	-	-
Non-GAAP Gross Profit					**9,303**	**3,149**	**2,463**
Gross Margin, GAAP					**2.6%**	**45.9%**	**31.0%**
+ Amortization of intangible assets					0.0%	0.0%	0.0%
+ Stock-based compensation					0.0%	0.0%	0.0%
+ Purchase accounting adjustments on acquisitions					31.6%	0.0%	0.0%
+ Excess & obsolescence charges					0.0%	0.0%	0.0%
Non-GAAP Gross Margin					**34.2%**	**45.9%**	**31.0%**

NON-GAAP OPERATING EXPENSES	Q120	Q220	Q320	Q420	2020	Q121	Q221
Research & Development, GAAP					4,690	985	2,213
- Stock-based compensation in R&D					-	-	-
- Contingent consideration fair value adjustment					-	-	-
Non-GAAP R&D					4,690	985	2,213
Sales General & Administrative, GAAP					14,285	4,503	3,893
- Stock-based compensation in SG&A					-	-	-
- Purchase accounting adjustments on acquisitions					-	-	-
Non-GAAP SG&A					14,285	4,053	3,893
Other Operating Expense, GAAP					17,422	1,796	1,979
- Litigation-related expenses					-	-	-
- Amortization of intangible assets					7,124	1,796	1,979
- Transaction-related expenses					10,298	-	-
- Restructuring expenses					-	-	-
- Gain on settlement					-	-	-
Non-GAAP Other Operating Expense					0	0	0
Total Non-GAAP Operating Expenses					**18,975**	**5,488**	**6,106**
Non-GAAP Operating Expenses as a % of Revenue							
Research & development					17.2%	14.3%	27.9%
Sales, general & administrative					52.5%	65.6%	49.0%
Total Non-GAAP Operating Expenses as a % of Revenue					**69.8%**	**79.9%**	**76.9%**

Based on combination of information in SEC filings.

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