INFORMED BY EOS

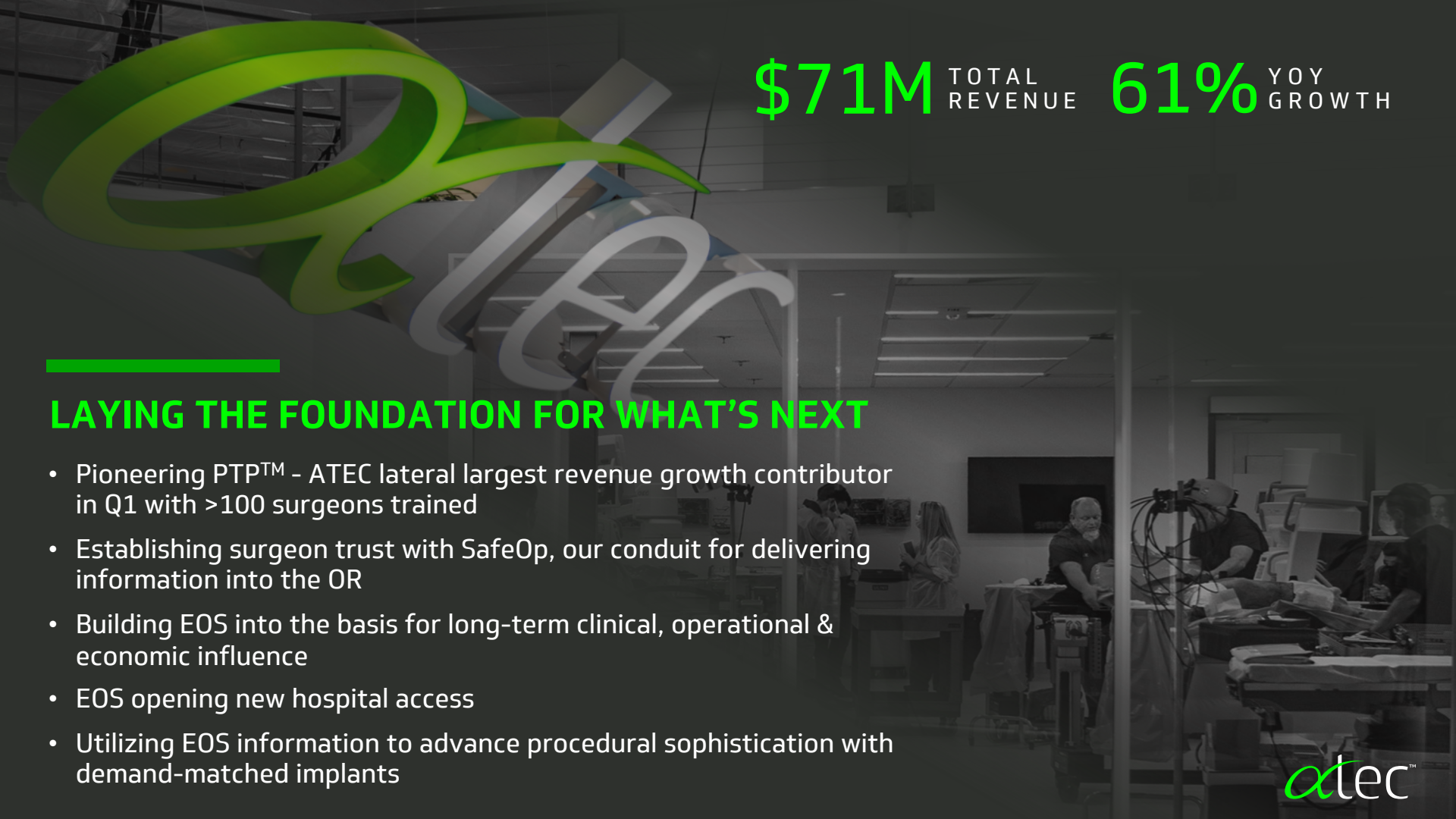
Q1 2022 FINANCIAL RESULTS

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

MAY 5, 2022

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.



$71M TOTAL REVENUE

61% YOY GROWTH

LAYING THE FOUNDATION FOR WHAT'S NEXT

- Pioneering PTP™ - ATEC lateral largest revenue growth contributor in Q1 with >100 surgeons trained
- Establishing surgeon trust with SafeOp, our conduit for delivering information into the OR
- Building EOS into the basis for long-term clinical, operational & economic influence
- EOS opening new hospital access
- Utilizing EOS information to advance procedural sophistication with demand-matched implants

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Q1 2022 ORGANIC SCORECARD*

Earning share of the U.S. spine market

39%	YoY U.S. organic revenue growth
18%	YoY growth in surgeon users
11%	YoY growth in average revenue per case
87%	New product revenue contribution vs ~77% in Q1 2021
2.1	Blended average product categories sold per case
12th	Consecutive quarter of **≥ 20% revenue growth** (ex 11% in pandemic-impacted Q2 2020)

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

OUR COMMITMENTS

Earning market share by prioritizing key initiatives

1 CREATE CLINICAL DISTINCTION

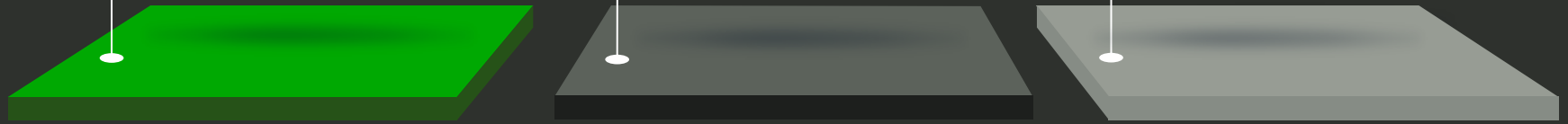
Build an organic product development machine & advance our information-based core competence

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

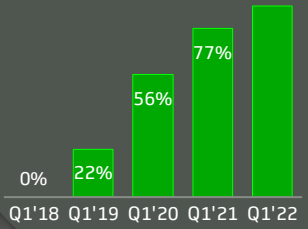


CLINICAL DISTINCTION SCORECARD

Addressing spine's unmet procedural challenges

1 CREATE CLINICAL DISTINCTION

NEW PRODUCT REVENUE CONTRIBUTION 87%



2018 TO 2021:
~40 PRODUCTS RELEASED

LOOKING AHEAD:
IN PURSUIT OF PERFECT PROCEDURES

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

ENABLING TECHNOLOGY

BIOLOGICS — NAVIGATION — SAFEOP — EOS — PATIENT POSITIONING — POSTERIOR FX

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1 EARNING LATERAL MARKET SHARE

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

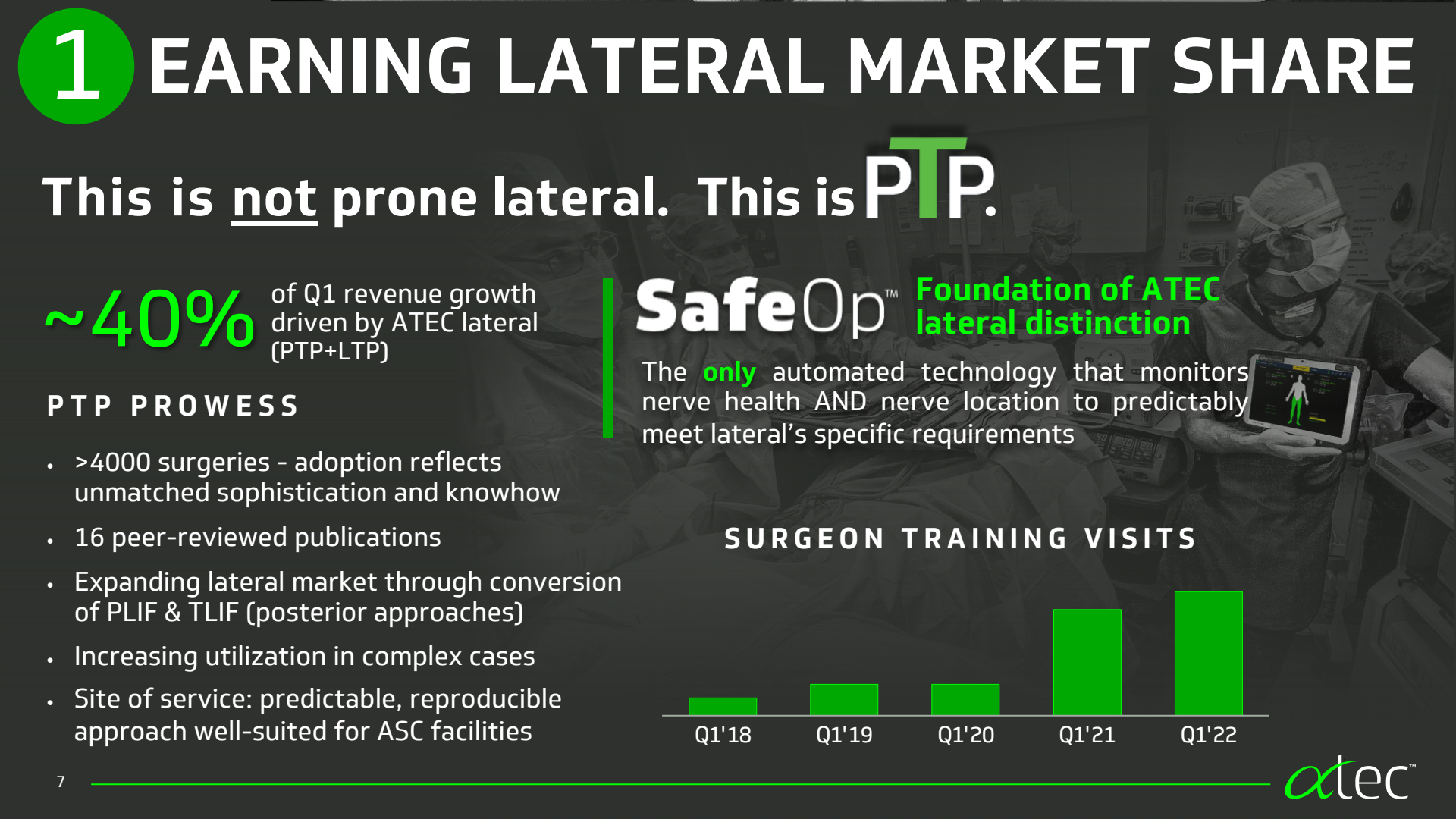
~40% of Q1 revenue growth driven by ATEC lateral (PTP+LTP)

PTP PROWESS

- >4000 surgeries - adoption reflects unmatched sophistication and knowhow
- 16 peer-reviewed publications
- Expanding lateral market through conversion of PLIF & TLIF (posterior approaches)
- Increasing utilization in complex cases
- Site of service: predictable, reproducible approach well-suited for 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 requirements



SURGEON TRAINING VISITS

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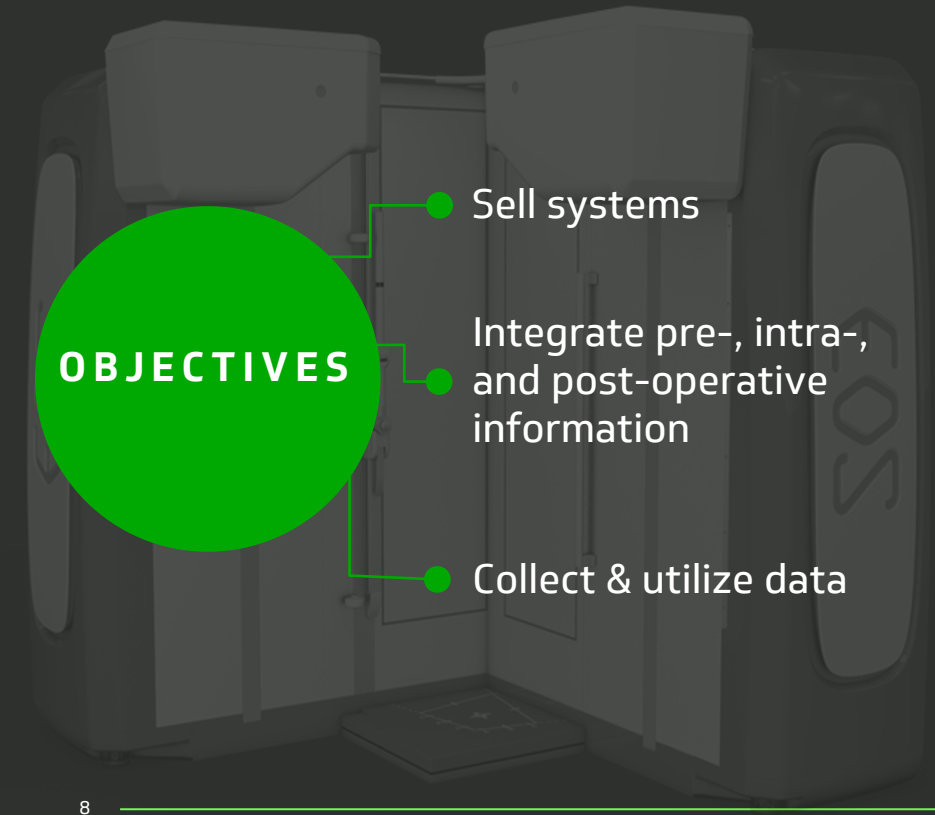
1 EOS INTEGRATION UPDATE

Team in place executing against strategic objectives



OBJECTIVES

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

Q1'22 HIGHLIGHTS

$10M+ In EOS-related revenue reflects enthusiasm around technology

- ✓ Leveraging disciplined ATEC cadence to advance product development
- ✓ Accelerating deliveries AND increasing size of order book
- ✓ Creating implant sales opportunities in new-to-ATEC accounts
- ✓ Obtaining expanded contractual data access

1 DELIVERING PREDICTABILITY

EOS will amplify our information-based competitive advantage

CLINICAL

- Utilizing information to minimize impact of variables undermining surgical predictability
- Setting the standard for spine's first predictive analytics

OPERATIONAL

- Informed surgical planning reduces inefficiencies for hospitals & ATEC: freight, labor, time, tray processing, configuration, etc.

ECONOMIC

- Hospital engagements objectively informed by procedural spend data



PRE-OP

SURGICAL PLAN

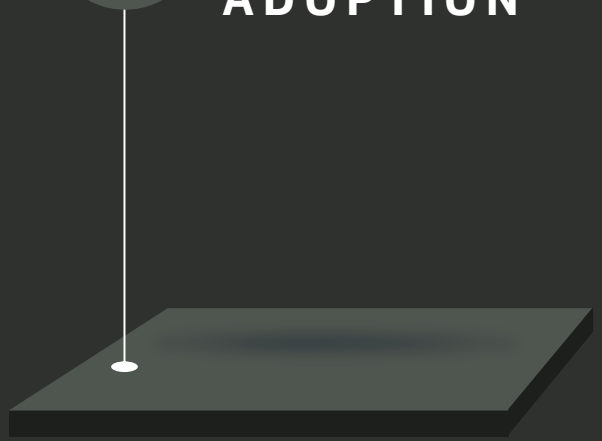
INTRA-OP

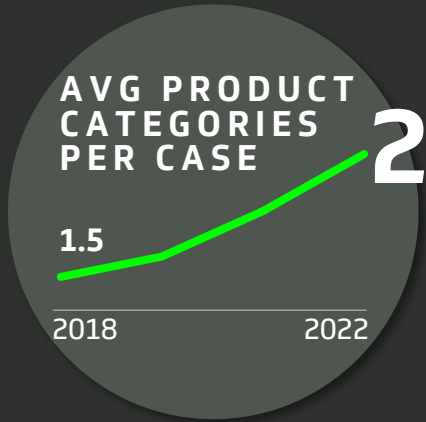
POST-OP ASSESSMENT

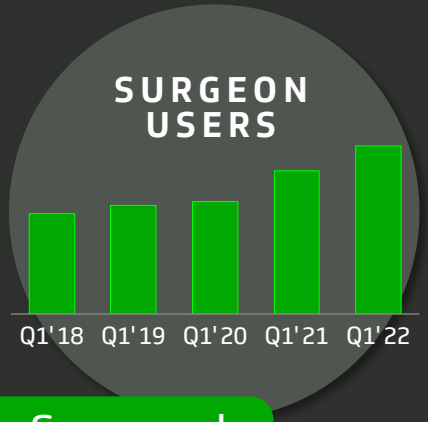
SURGEON ADOPTION SCORECARD*

Approach-based innovation drives expansion in average revenue / case

2 COMPEL SURGEON ADOPTION







Scorecard	
Growth in average revenue / case YoY	11%
Surgeons trained	>100
Growth in surgeon user base YoY	18%

* 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



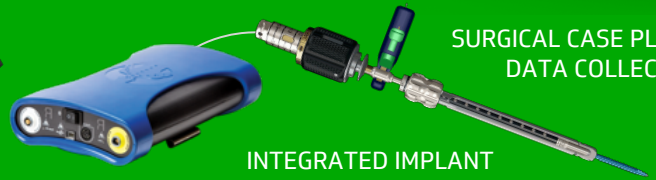
OPTIMIZED PATIENT POSITIONERS



SURGICAL CASE PLANNING & DATA COLLECTION



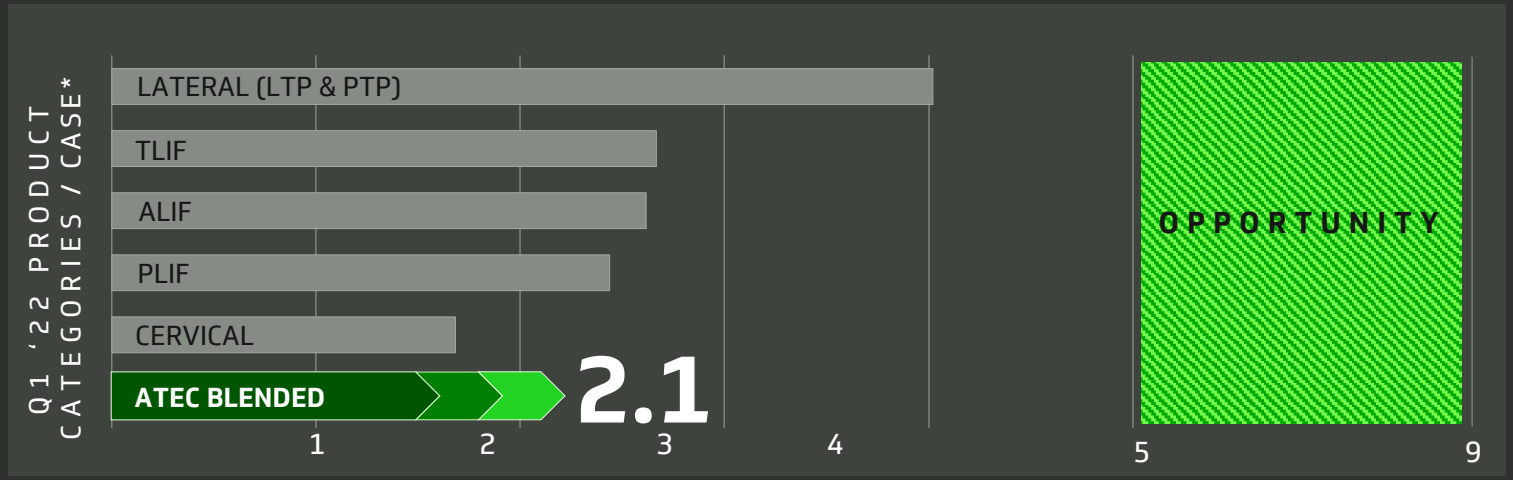
APPROACH-SPECIFIC ACCESS



INTEGRATED IMPLANT DELIVERY

2 ADOPTION OUTLOOK

Expanding “buy-in” to our procedural clinical thesis



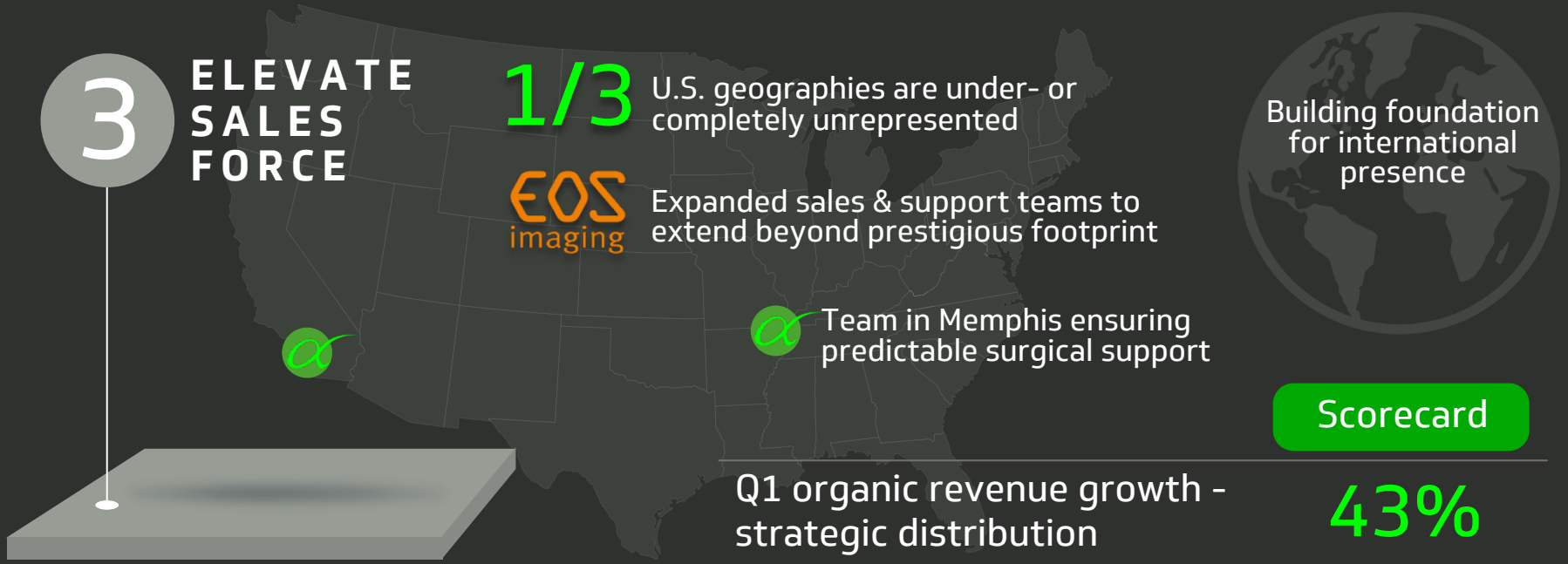




* Revenue metrics exclude EOS imaging & int’l supply agreement.

STRATEGIC SALES SCORECARD*

Clinical distinction central to continued success of sales network



3 ELEVATE SALES FORCE

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

EOS imaging — Expanded sales & support teams to extend beyond prestigious footprint

Team in Memphis ensuring predictable surgical support

Building foundation for international presence

Scorecard	
Q1 organic revenue growth - strategic distribution	43%
Revenue growth of top 20 PTP distributors in 2021	77%

* Revenue metrics exclude EOS imaging & international supply agreement.

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FINANCIALS

REVENUE

Growth driven by increase in surgeon users and EOS

	Q1 2022	YoY	QoQ
Organic Revenue	$61M	**39%**	(1)%
EOS Related Revenue	$10M	--	(20%)
TOTAL REVENUE	**$71M**	**61%**	**(4%)**

Q1'22 YOY ORGANIC GROWTH

25% In volume

11% Revenue per case

EOS PRO FORMA

50% YoY growth

May not foot due to rounding

NON-GAAP P&L HIGHLIGHTS*

Investing to support rapid long-term growth

	Q1 2022	YoY
Total Revenue $	$71M	61%
Gross margin %	72%	(560) bps
R&D %	12%	+30 bps
SG&A %	85%	+250 bps
Total Operating Expense %	98%	+280 bps
Operating Margin %	(26%)	(840) bps

- GM% includes impact of EOS mix
- Continued R&D investment to support portfolio expansion
- SG&A reflects continued investment in sales channel expansion and training, including annual global sales meeting
- Continuing to hold the line on G&A spend on absolute $ basis

	Q1 2022	Q4 2021
Adjusted EBITDA $	($11M)	($8M)
% of sales	(16%)	(10%)

- FY'22 adjusted EBITDA expected to improve relative to FY'21

* 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	Q1 2022	Q4 2021
Cash	$152M	$187M
Debt (at face value)[1]	$337M	$336M

Cash Use	Q1 2022	Q4 2021
Inventory & capital expenditures	$23M	$24M
Operating cash use[2]	$38M	$34M
Operating cash use[2] as % of total revenue	53%	46%

- Continuing to invest in inventory & instrument sets to support growth
- Q1 included annual compensation-related payments
- FY'22 cash use expected to improve compared to FY'21 with asset leverage + more favorable adjusted EBITDA

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

INCREASED REVENUE GUIDANCE

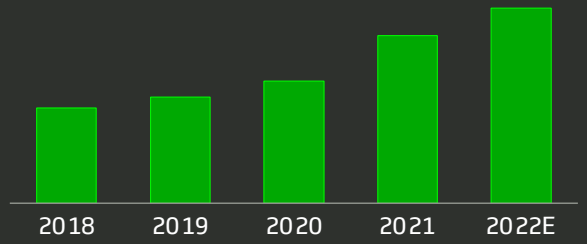
Strong momentum, especially in ATEC lateral, will continue to fuel market share expansion

	FY 2022 UPDATED	YoY	FY 2022 PREVIOUS
Organic Revenue	$269M	27%	$260M
EOS Related Revenue	$47M	--	$45M
TOTAL REVENUE	**$316M**	**30%**	**$305M**

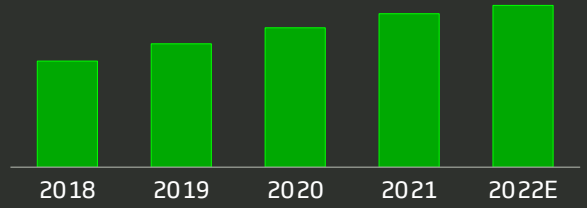
- Q1 performance + robust momentum drives increased confidence in full-year organic and EOS revenue growth

KEY COMPONENTS OF ORGANIC REVENUE GROWTH

PROCEDURE VOLUMES



AVERAGE REVENUE / SURGERY



VOLUME DRIVERS

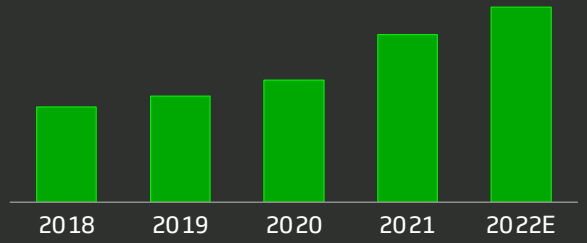
- Expanding adoption:
  - Clinical distinction + surgeon training
  - Capturing more of each customer's cases
- Increasing geographic penetration, expanding footprint and improving access

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 innovation

KEY COMPONENTS OF ORGANIC REVENUE GROWTH

PROCEDURE VOLUMES



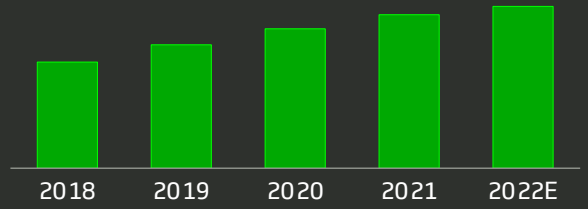
Growth implied by FY guidance

MID-TEENS %

2021 surgeries

~26,000

AVERAGE REVENUE / SURGERY



Growth implied by FY guidance

HIGH-SINGLE DIGIT %

UP FROM MID-SINGLE DIGIT PREVIOUSLY

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



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

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

	2018	2019	Q120	Q220	Q320	Q420	2020	Q121	Q221	Q321	Q421	2021	Q122
Revenues:													
Revenue from products and services	83,656	108,242	29,070	28,834	40,052	43,123	141,079	43,716	61,885	62,735	73,922	242,258	70,918
Revenue from Int'l supply agreement	8,038	5,185	1,045	795	1,111	831	3,782	405	364	145	40	954	15
TOTAL REVENUE	**91,694**	**113,427**	**30,115**	**29,629**	**41,163**	**43,954**	**144,861**	**44,121**	**62,249**	**62,880**	**73,962**	**243,212**	**70,933**
Cost of revenue	28,457	35,833	9,084	8,787	11,926	12,563	42,360	12,263	21,184	23,266	28,737	85,450	21,717
Total gross profit	**63,237**	**77,594**	**21,031**	**20,842**	**29,237**	**31,391**	**102,501**	**31,858**	**41,065**	**39,614**	**45,225**	**157,762**	**49,216**
Operating expenses (GAAP):													
Research & development	10,988	15,486	4,169	4,237	4,984	5,355	18,745	5,801	7,839	9,391	8,984	32,015	9,722
Sales, general & administrative	71,505	100,077	27,583	26,468	35,380	39,725	129,156	40,426	60,659	61,494	66,692	229,271	69,471
Litigation-related	5,683	8,549	2,643	1,304	1,560	3,045	8,552	3,335	1,167	1,209	5,412	11,123	7,532
Amortization of acquired intangible assets	738	698	172	172	172	172	688	172	1,208	2,012	1,956	5,348	2,230
Transaction-related expenses	1,550	-	4,272	(181)	2	130	4,223	1,012	4,771	373	209	6,365	120
Restructuring expenses	1,381	60	-	-	-	-	-	158	1,173	256	110	1,697	1,370
Gain on Settlement	(6,168)	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses (GAAP)	**85,677**	**124,870**	**38,839**	**32,000**	**42,098**	**48,427**	**161,364**	**50,904**	**76,817**	**74,735**	**83,363**	**285,819**	**90,445**
TOTAL OPERATING LOSS	**(22,440)**	**(47,276)**	**(17,808)**	**(11,158)**	**(12,861)**	**(17,036)**	**(58,863)**	**(19,046)**	**(35,752)**	**(35,121)**	**(38,138)**	**(128,057)**	**(41,229)**
Other income (expense):													
Interest and other income (expense),net	(7,139)	(9,865)	(2,874)	(3,032)	(2,768)	(3,700)	(12,374)	(3,827)	(2,410)	(386)	(2,048)	(8,671)	(1,486)
Loss on debt extinguishment	(590)	-	-	(1,555)	-	(6,057)	(7,612)	-	-	(7,434)	-	(7,434)	-
Gain on change in fair value of warrants	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other income (expense), net	**(7,729)**	**(9,865)**	**(2,874)**	**(4,587)**	**(2,768)**	**(9,757)**	**(19,986)**	**(3,827)**	**(2,410)**	**(7,820)**	**(2,048)**	**(16,105)**	**(1,486)**
Income (loss) from continuing operations (GAAP)	**(30,169)**	**(57,141)**	**(20,682)**	**(15,745)**	**(15,629)**	**(26,793)**	**(78,849)**	**(22,873)**	**(38,162)**	**(42,941)**	**(40,186)**	**(144,162)**	**(42,715)**
Income tax provision	(1,361)	(239)	40	60	40	5	145	30	43	90	1	164	129
Net loss from continuing operations	**(28,808)**	**(56,902)**	**(20,722)**	**(15,805)**	**(15,669)**	**(26,798)**	**(78,994)**	**(22,903)**	**(38,205)**	**(43,031)**	**(40,187)**	**(144,326)**	**(42,844)**
Income (Loss) from discontinued operations	(167)	(100)	-	-	-	-	-	-	-	-	-	-	-
Net loss	**(28,975)**	**(57,002)**	**(20,722)**	**(15,805)**	**(15,669)**	**(26,798)**	**(78,994)**	**(22,903)**	**(38,205)**	**(43,031)**	**(40,187)**	**(144,326)**	**(42,844)**
Recognition of beneficial conversion feature - Series B preferred stock	(13,488)	-	-	-	-	-	-	-	-	-	-	-	-
Net loss attributable to common shareholders	**(42,463)**	**(57,002)**	**(20,722)**	**(15,805)**	**(15,669)**	**(26,798)**	**(78,994)**	**(22,903)**	**(38,205)**	**(43,031)**	**(40,187)**	**(144,326)**	**(42,844)**
Net loss per share	**(0.82)**	**(1.09)**	**(0.33)**	**(0.25)**	**(0.24)**	**(0.35)**	**(1.18)**	**(0.26)**	**(0.39)**	**(0.43)**	**(0.40)**	**(1.50)**	**(0.43)**
Weighted avg shares outstanding, basic and diluted	**35,315**	**52,234**	**62,568**	**63,713**	**64,761**	**77,098**	**67,020**	**87,223**	**98,541**	**99,571**	**99,300**	**96,197**	**99,978**

FY 2022 total revenue is expected to approximate $316M, which includes ~$269M of organic revneue and ~$47M of EOS-related revenue. The international supply agreement terminated in August 2021.

Access this file at https://investors.alphatecspine.com/quarterly-results.

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

	2018	2019	Q120	Q220	Q320	Q420	2020	Q121	Q221	Q321	Q421	2021	Q122
ADJUSTED EBITDA													
Operating loss, GAAP	(22,440)	(47,276)	(17,808)	(11,158)	(12,861)	(17,036)	(58,863)	(19,046)	(35,752)	(35,121)	(38,138)	(128,057)	(41,229)
Depreciation	6,051	6,775	2,014	2,161	2,307	2,704	9,186	3,409	5,068	5,311	6,544	20,332	7,085
Amortization of intangible assets	799	803	440	440	442	441	1,763	441	1,476	2,281	2,226	6,424	2,230
Total EBITDA	**(15,590)**	**(39,698)**	**(15,354)**	**(8,557)**	**(10,112)**	**(13,891)**	**(47,914)**	**(15,196)**	**(29,208)**	**(27,529)**	**(29,368)**	**(101,301)**	**(31,914)**
+ Stock-based compensation	5,304	10,954	3,568	4,575	4,544	4,972	17,659	4,474	11,496	10,754	9,726	36,450	10,184
+ Purchase accounting adjustments on acquisitions	-	-	-	-	-	-	-	-	1,763	2,577	2,083	6,423	-
+ Excess & obsolete charges	3,733	8,624	1,722	1,712	1,995	1,615	7,044	2,096	2,221	2,525	4,305	11,147	1,706
+ Contingent consideration fair value adjustment	846	289	-	-	-	-	-	-	-	-	-	-	-
+ Litigation-related expenses	5,683	8,549	2,643	1,304	1,560	3,045	8,552	3,335	1,167	1,209	5,412	11,123	7,532
+ Transaction-related expenses	1,550	-	4,272	(181)	2	130	4,223	1,012	4,771	373	209	6,365	120
+ Restructuring expenses	1,381	60	-	-	-	-	-	158	1,173	256	110	1,697	1,370
+ Gain on settlement	(6,168)	-	-	-	-	-	-	-	-	-	-	-	-
Total Adjusted EBITDA	**(3,261)**	**(11,222)**	**(3,149)**	**(1,147)**	**(2,011)**	**(4,129)**	**(10,436)**	**(4,121)**	**(6,617)**	**(9,835)**	**(7,523)**	**(28,096)**	**(11,002)**
Adjusted EBITDA as a % of Revenue	***-3.6%***	***-9.9%***	***-10.5%***	***-3.9%***	***-4.9%***	***-9.4%***	***-7.2%***	***-9.3%***	***-10.6%***	***-15.6%***	***-10.2%***	***-11.6%***	***-15.5%***

Adjusted EBITDA for the full year 2022 is expected to improve relative to full year 2021.

NON-GAAP GROSS PROFIT & GROSS MARGIN	2018	2019	Q120	Q220	Q320	Q420	2020	Q121	Q221	Q321	Q421	2021	Q122
Gross Profit, GAAP	63,237	77,594	21,031	20,842	29,237	31,391	102,501	31,858	41,065	39,614	45,225	157,762	49,216
+ Amortization of intangible assets	62	105	268	268	270	269	1,075	269	268	270	268	1,075	-
+ Stock-based compensation	73	146	107	128	139	138	512	95	84	310	248	737	256
+ Purchase accounting adjustments on acquisitions	-	-	-	-	-	-	-	-	1,763	2,577	2,083	6,423	-
+ Excess & obsolescence charges	3,733	8,624	1,722	1,712	1,995	1,615	7,044	2,096	2,221	2,525	4,305	11,147	1,706
Non-GAAP Gross Profit	**67,105**	**86,469**	**23,128**	**22,950**	**31,641**	**33,413**	**111,132**	**34,318**	**45,401**	**45,296**	**52,129**	**177,144**	**51,178**
Gross Margin, GAAP	**69.0%**	**68.4%**	**69.8%**	**70.3%**	**71.0%**	**71.4%**	**70.8%**	**72.2%**	**66.0%**	**63.0%**	**61.1%**	**64.9%**	**69.4%**
+ Amortization of intangible assets	0.1%	0.1%	0.9%	0.9%	0.7%	0.6%	0.7%	0.6%	0.4%	0.4%	0.4%	0.4%	0.0%
+ Stock-based compensation	0.1%	0.1%	0.4%	0.4%	0.3%	0.3%	0.4%	0.2%	0.1%	0.5%	0.3%	0.3%	0.4%
+ Purchase accounting adjustments on acquisitions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	4.1%	2.8%	2.6%	0.0%
+ Excess & obsolescence charges	4.1%	7.6%	5.7%	5.8%	4.8%	3.7%	4.9%	4.8%	3.6%	4.0%	5.8%	4.6%	2.4%
Non-GAAP Gross Margin	**73.2%**	**76.2%**	**76.8%**	**77.5%**	**76.9%**	**76.0%**	**76.7%**	**77.8%**	**72.9%**	**72.0%**	**70.5%**	**72.8%**	**72.1%**

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	Q122
Research & Development, GAAP	**10,988**	**15,486**	**4,169**	**4,237**	**4,984**	**5,355**	**18,745**	**5,801**	**7,839**	**9,391**	**8,984**	**32,015**	**9,722**
- Stock-based compensation in R&D	351	1,044	390	548	504	632	2,074	498	664	1,440	1,454	4,056	972
- Contingent consideration fair value adjustment	846	289	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP R&D	**9,791**	**14,153**	**3,779**	**3,689**	**4,480**	**4,723**	**16,671**	**5,303**	**7,175**	**7,951**	**7,530**	**27,959**	**8,750**
Sales General & Administrative, GAAP	**71,505**	**100,077**	**27,583**	**26,468**	**35,380**	**39,725**	**129,156**	**40,426**	**60,659**	**61,494**	**66,692**	**229,271**	**69,471**
- Stock-based compensation in SG&A	4,880	9,764	3,071	3,899	3,901	4,202	15,073	3,881	10,748	9,004	8,024	31,657	8,956
- Purchase accounting adjustments on acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP SG&A	**66,625**	**90,313**	**24,512**	**22,569**	**31,479**	**35,523**	**114,083**	**36,545**	**49,911**	**52,490**	**58,668**	**197,614**	**60,515**
Other Operating Expense, GAAP	**3,184**	**9,307**	**7,087**	**1,295**	**1,734**	**3,347**	**13,463**	**4,677**	**8,319**	**3,850**	**7,687**	**24,533**	**11,252**
- Litigation-related expenses	5,683	8,549	2,643	1,304	1,560	3,045	8,552	3,335	1,167	1,209	5,412	11,123	7,532
- Amortization of intangible assets	738	698	172	172	172	172	688	172	1,208	2,012	1,956	5,348	2,230
- Transaction-related expenses	1,550	-	4,272	(181)	2	130	4,223	1,012	4,771	373	209	6,365	120
- Restructuring expenses	1,381	60	-	-	-	-	-	158	1,173	256	110	1,697	1,370
- Gain on settlement	(6,168)	-	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP Other Operating Expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Non-GAAP Operating Expenses	**76,416**	**104,466**	**28,291**	**26,258**	**35,959**	**40,246**	**130,754**	**41,848**	**57,086**	**60,441**	**66,198**	**225,573**	**69,265**
Non-GAAP Operating Expenses as a % of Revenue													
Research & development	10.7%	12.5%	12.5%	12.5%	10.9%	10.7%	11.5%	12.0%	11.5%	12.6%	10.2%	11.5%	12.3%
Sales, general & administrative	72.7%	79.6%	81.4%	76.2%	76.5%	80.8%	78.8%	82.8%	80.2%	83.5%	79.3%	81.3%	85.3%
Total Non-GAAP Operating Expenses as a % of Reve	**83.3%**	**92.1%**	**93.9%**	**88.6%**	**87.4%**	**91.6%**	**90.3%**	**94.8%**	**91.7%**	**96.1%**	**89.5%**	**92.8%**	**97.6%**

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

HISTORICAL NON-GAAP U.S. GROSS PROFIT & GM	2018	2019	Q120	Q220	Q320	Q420	2020	Q121
U. S. Gross Margin, GAAP	**62,740**	**77,235**	20,954	20,834	29,178	31,483	**102,449**	31,975
+ Excess & obsolescence charges	3,733	8,624	1,722	1,712	1,995	1,615	7,044	2,096
Non-GAAP U.S. Gross Margin	**66,473**	**85,859**	**22,676**	**22,546**	**31,173**	**33,098**	**109,493**	**34,071**
U.S. Gross Margin, GAAP	**75.0%**	**71.4%**	**72.1%**	**72.3%**	**72.9%**	**73.0%**	**72.6%**	**73.1%**
+ Excess & obsolescence charges	4.5%	8.0%	5.9%	5.9%	5.0%	3.7%	5.0%	4.8%
Non-GAAP U.S. Gross Margin	**79.5%**	**79.3%**	**78.0%**	**78.2%**	**77.8%**	**76.8%**	**77.6%**	**77.9%**

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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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