

# Clear Course for Profitable Growth

**2Q 2025 Earnings Call**

August 5, 2025

ORTHOFIX®

# Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, relating to our business and financial outlook, which are based on our current beliefs, assumptions, intentions, plans, expectations, estimates, forecasts and projections. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “intends,” “predicts,” “potential,” “positioned,” “deliver,” or “continue” or other comparable terminology. Forward-looking statements in this presentation include the Company's expectations regarding net sales, adjusted EBITDA, and free cash flow for the year ended December 31, 2025. Forward-looking statements are not guarantees of our future performance, are based on our current expectations and assumptions regarding our business, the economy and other future conditions, and are subject to risks, uncertainties and changes in circumstances that are difficult to predict, including the risks described in Part I, Item 1A under the heading Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2024, and in Part II, Item 1A under the heading Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2025. Factors that could cause future results to differ from those expressed by forward-looking statements include, but are not limited to, (i) our ability to maintain operations to support our customers and patients in the near-term and to capitalize on future growth opportunities, (ii) risks associated with acceptance of surgical products and procedures by surgeons and hospitals, (iii) development and acceptance of new products or product enhancements, (iv) clinical and statistical verification of the benefits achieved via the use of our products, (v) our ability to adequately manage inventory, (vi) our ability to successfully optimize our commercial channels, (vii) our success in defending legal proceedings brought against us, and (viii) the other risks and uncertainties more fully described in our periodic filings with the Securities and Exchange Commission (the “SEC”). As a result of these various risks, our actual outcomes and results may differ materially from those expressed in these forward-looking statements.

Further, any forward-looking statement speaks only as of the date hereof, unless it is specifically otherwise stated to be made as of a different date. The Company undertakes no obligation to update, and expressly disclaim any duty to update, its forward-looking statements, whether as a result of circumstances or events that arise after the date hereof, new information, or otherwise, except as required by law.

The Company is unable to provide expectations of GAAP net income (loss), the closest comparable GAAP measures to adjusted EBITDA (which is a non-GAAP measure), on a forward-looking basis because the Company is unable to predict, without unreasonable efforts, the ultimate outcome of matters (including acquisition-related expenses, accounting fair value adjustments, and other such items) that will determine the quantitative amount of the items excluded in calculating adjusted EBITDA, which items are further described in the reconciliation tables and related descriptions below. These items are uncertain, depend on various factors, and could be material to the Company’s results computed in accordance with GAAP.

# Non-GAAP Financial Measures

Management uses certain non-GAAP financial measures in this presentation, most specifically Adjusted EBITDA, Adjusted Gross Margin, Adjusted Net Income and Free Cash Flow, as a supplement to GAAP financial measures to further evaluate the Company's operating performance period over period, analyze the underlying business trends, assess performance relative to competitors and establish operational objectives.

Management believes it is important to provide investors with the same non-GAAP metrics it uses to evaluate the performance and underlying trends of the Company's business operations to facilitate comparisons to its historical operating results and evaluate the effectiveness of its operating strategies. Disclosure of these non-GAAP financial measures also facilitates comparisons of the Company's underlying operating performance with other companies in the industry that also supplement their GAAP results with non-GAAP financial measures.

Unless noted otherwise, full-year guidance is based on the current foreign currency exchange rates and does not take into account any additional potential exchange rate changes that may occur this year.

These non-GAAP financial measures should not be considered in isolation from, or as replacements for, the most directly comparable GAAP financial measures, as these measures are not prepared in accordance with U.S. GAAP. Reconciliations between GAAP and non-GAAP results are included at the end of this presentation and represent the most comparable GAAP measure(s) to the applicable non-GAAP measure(s) shown in the table. For further information regarding the nature of these exclusions, why the Company believes that these non-GAAP financial measures provide useful information to investors, the specific manner in which management uses these measures, and some of the limitations associated with the use of these measures, please refer to the Company's Current Report on Form 8-K regarding its second quarter 2025 press release filed on August 5, 2025 with the SEC and available on the SEC's website at www.sec.gov and on the "Investors" page of the Company's website at www.orthofix.com.

The Company's non-GAAP financial measures for the three and six months ended June 30, 2025, and 2024, have been adjusted to eliminate the financial effects of the Company's decision to discontinue its M6® product lines. Accordingly, previously reported figures for 2024 have been recast to reflect the financial impact of this decision.

Amounts may not add due to rounding.

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## VISION

The unrivaled partner in Med Tech, delivering exceptional experiences and life-changing solutions.

## VALUES



ORTHOFIX TODAY

# Healing Musculoskeletal Pathologies in Spine and Orthopedics with Specialized Solutions and Enabling Technologies

## Key Stats

| | |
|---|---|
| Founded | 1980 |
| Employees | 1,600+ |
| NASDAQ | OFIX |

**~$433M**
Market-Cap[1]

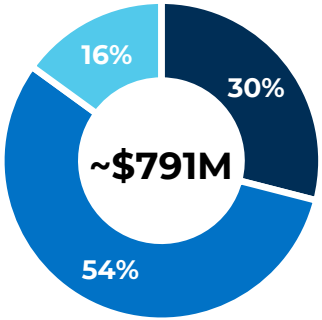
**~$77.9M**
TTM Adjusted EBITDA[2]

**~71.6%**
TTM Adjusted Gross Margin[2]

**~$68.7M**
Cash, Cash Equivalents, and Restricted Cash[2]

## TTM Net Sales[2] by Business

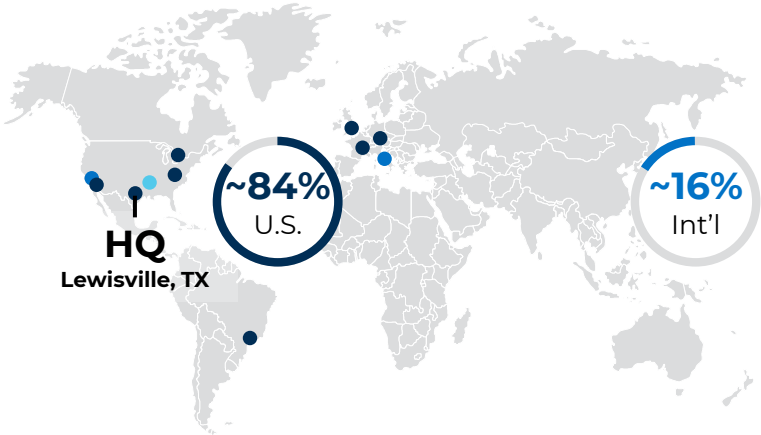
- Bone Growth Therapies
- Spinal Implants, Biologics, and Enabling Technologies
- Orthopedics




## Global Presence

*TTM Net Sales[2] by Geography*

- Office
- Manufacturing / Distribution
- 3rd-Party Logistics




**Attractive Stock Entry Point with Significant Upside Potential to Current Valuation**



Note: TTM = Trailing 12 Months. [1] 7/31/2025. [2] As of 6/30/2025; All figures exclude impact of net sales related to discontinuation of M6® product lines.

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# Q2 2025 Financial Highlights

| $200.7M | $20.6M | $4.5M | 5% | 6% | 28% | 72.7% |
|---|---|---|---|---|---|---|
| **Pro Forma Net Sales[1]** | **Non-GAAP Pro Forma Adjusted EBITDA[1,3]** | **Free Cash Flow[3]** | **U.S. Spine Fixation[4] YoY Net Sales Growth** | **Bone Growth Therapies YoY Net Sales Growth** | **U.S. Orthopedics YoY Net Sales Growth** | **Non-GAAP Pro Forma Adjusted Gross Margin[1,3]** |
| 4% growth YoY on constant currency basis[1,2] | $4.0M YoY increase and ~190 bps margin expansion | Continued positive YoY progress | U.S. procedure volume growth of 7% | 7% Growth in BGT Fracture | 4th consecutive quarter of double-digit growth | Compared to 71.3% reported for Q2 2024 |

"Orthofix's second quarter results demonstrate clear progress on our three-year plan to transform the business. Our disciplined approach led to strong adjusted EBITDA margin growth and positive free cash flow generation, underscoring our ability to grow the business responsibly. Strategic initiatives, like accelerating spine distributor transitions in certain underpenetrated U.S. territories, are gaining traction and creating a powerful foundation for a stronger, more scalable commercial organization to drive our next phase of growth. Looking ahead, we expect to benefit from recent product launches and deliver meaningful product innovation to improve outcomes and efficiencies for our surgeons and their patients. I am confident the Company is well positioned to deliver sustainable, long-term shareholder value throughout the second half of 2025 and beyond."



**Massimo Calafiore**
President & Chief Executive Officer

[1] The Company's non-GAAP financial measures have been adjusted to eliminate the financial effects of the Company's decision to discontinue its M6® product lines. [2] Constant currency is calculated by applying foreign currency rates applicable to the comparable, prior-year period to present the current period net sales at comparable rates. [3] The reasons for and nature of non-GAAP disclosures by the Company, descriptions of the adjustments used to calculate those non-GAAP financial measures, and reconciliations of those non-GAAP financial measures to the most comparable GAAP financial measure, are provided in the Company's press release issued and Quarterly Report on Form 10-Q filed on August 5, 2025.[4] Spine Fixation is comprised of the Company's Spinal Implants product category, excluding motion preservation product offerings.



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# Q2 2025 Key Messages

**01** **Continuing to execute the priorities that we outlined in long-term plan** to transform our business and deliver on our commitment to drive disciplined, profitable growth

**02** **Six consecutive quarters of adjusted EBITDA margin expansion** – pro forma adjusted EBITDA margin expanded by ~190 bps compared to reported non-GAAP adjusted EBITDA for 2Q 2024

**03** **Initiated global commercial launch** of TrueLok® Elevate Transverse Bone Transport ("TBT") System, U.S. launch of Reef® L Lateral Lumbar Interbody System and U.S. limited launch of VIRATA™ Spinal Fixation System

**04** **Off to a strong start accelerating targeted distributor transitions in certain underpenetrated U.S. territories** to support a stronger, more scalable commercial organization to drive next phase of growth

**05** **Prudently deploying capital and prioritizing investment in profitable growth opportunities** in areas where we can win



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# Q2 2025 Business Segment Highlights

## BONE GROWTH THERAPIES

**BGT net sales +6%***

- Successful cross-selling
- Continued focus on adding new surgeons and competitive surgeon conversions
- BGT Fracture with AccelStim® Bone Growth Therapy Device continuing to outperform the market

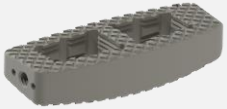


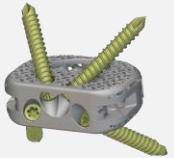


## SPINE

**U.S. Spine Fixation net sales +5%***

- Off to a strong start accelerating targeted distributor transitions in certain underpenetrated U.S. territories
- Gained share in U.S. Anterior Lumbar and Cervical Fusion portfolios - both grew >15% and significantly outperformed the market
- Announced full U.S. launch of REEF® L Interbody System and U.S. limited launch of VIRATA™ Spinal Fixation System





## ORTHOPEDICS

**Global Orthopedics net sales +5%***
**U.S. Orthopedics net sales +28%***

- Growth led by limited market release of TRUELOK® Elevate and the full-market launch of FITBONE® Bone Transport Nail
- TRUELOK® Elevate TBT System global launch announced in June 2025





TBT = Transverse Bone Transport
*Net sales growth is on constant currency basis



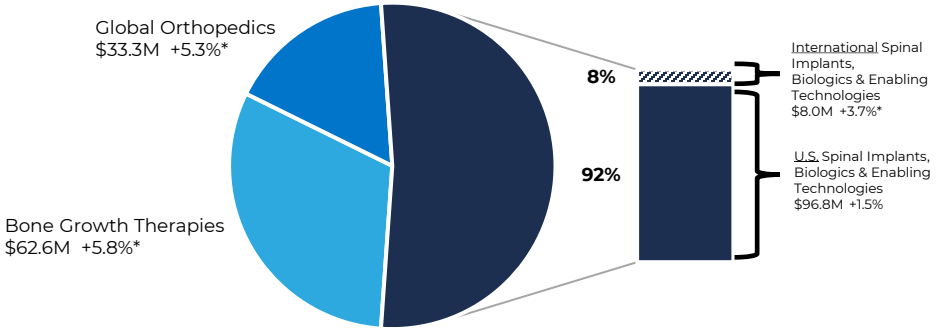
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# Q2 2025 Results Summary

**Second Quarter 2025 Results Summary (in millions)**

| | Pro Forma Q2 2025 | Reported Q2 2024 | Constant Currency Change |
|---|---|---|---|
| Bone Growth Therapies | $ 62.6 | $ 59.1 | 5.8% |
| Spinal Implants, Biologics, and Enabling Technologies | 104.8 | 103.1 | 1.6% |
| Global Spine | 167.4 | 162.2 | 3.2% |
| Global Orthopedics | 33.3 | 30.6 | 5.3% |
| Pro forma net sales (excludes M6) | $ 200.7 | $ $192.8 | 3.5% |
| Impact from discontinuation of M6 | 2.5 | 5.8 | (57.8%) |
| Reported net sales | $ 203.1 | $ 198.6 | 1.7% |
| Non-GAAP Adjusted Gross Margin | 72.7% | 71.3% | +~140 bps |
| Non-GAAP Adjusted EBITDA | $ 20.6 | $ 16.6 | 24.1% |

**Q2 2025 Total Pro Forma Net Sales $200.7M +3.5% YoY***




Global Spinal Implants, Biologics, & Enabling Technologies
$104.8M +1.6%*

**Q2 Total Pro Forma Net Sales: $200.7M**
3.5% YoY pro forma, constant currency growth

**Q2 Non-GAAP Pro Forma Adjusted EBITDA: $20.6M**
**10.3% of pro forma net sales**
vs $16.6M in Q2 2024; 8.4% of reported net sales

**Q2 Non-GAAP Pro Forma Adjusted Gross Margin: 72.7%**
vs 71.3% as reported in Q2 2024

**Q2 Non-GAAP Pro Forma SG&A Expense: $127.7M**
**63.6% of pro forma net sales**
vs $126.2M in Q2 2024; 63.5% of reported net sales

**Q2 Non-GAAP Pro Forma R&D Expense: $14.6M**
**7.3% of pro forma net sales**
vs $17.7M in Q2 2024; 8.9% of reported net sales



* YoY Growth is on a pro forma, constant currency basis compared to Q2 2024

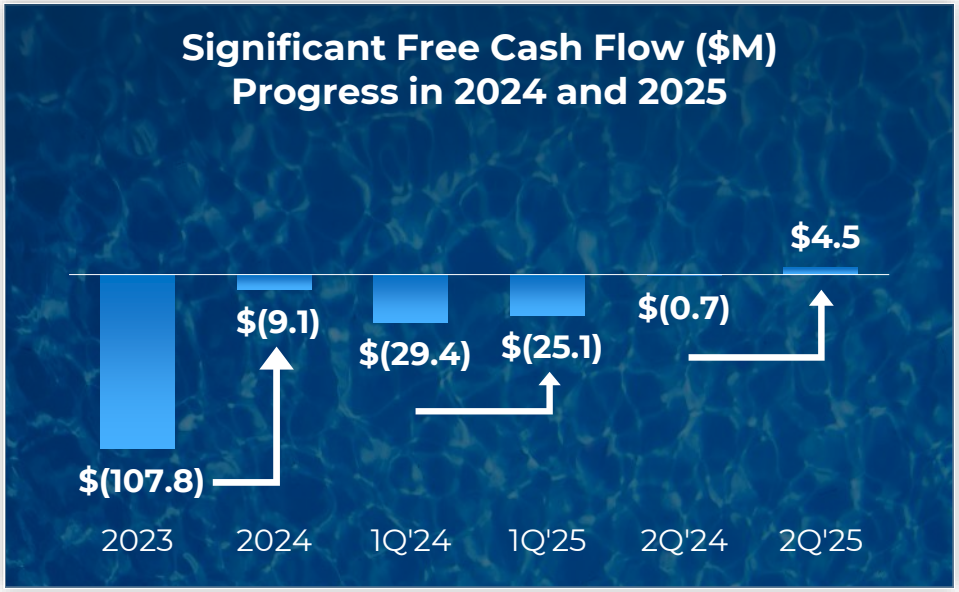
# Building Financial Resilience and Unlocking Strong, Consistent Free Cash Flow

## Driving Positive Free Cash Flow

- Expect to be **free cash flow positive for full-year 2025**[1]
  - Drop-through to EBITDA from incremental revenue
  - Working Capital improvements

## Efficient Working Capital Management

- Reduction in Inventory Days on Hand (DOH) and Instrument Efficiency
- Continued improvement in Days Sales Outstanding (DSO)




**Strong Execution and Positive Free Cash Flow Momentum**



[1] Excluding impact of restructuring charges related to discontinuation of M6® product lines

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# Looking Forward – Accelerating Our Profitable Growth Engine

Invest in **Differentiated Technologies** in Areas Where We Can Win and Lead Innovation

Capitalize on **Multiple Access Points** to Grow Business at Sustained, Above-Market Rates

Operate with Discipline for **Margin Expansion**

Building Financial Resilience and Unlocking **Strong, Consistent Free Cash Flow**

## Advancing Toward Our Goals for Consistent Above-Market Growth, Improved Profitability, and Positive Free Cash Flow



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# Full-Year 2025 Guidance[1]



**$808M – $816M**
Pro Forma Net Sales

**Positive**
Free Cash Flow for 2025[2]

**$82M – $86M**
Pro Forma Adj. EBITDA

[1] As of the Company's Q2 2025 Earnings Call hosted on 8/5/2025. Inclusion of this information in this presentation is not a confirmation or an update of, and should not be construed or otherwise assumed to reflect any confirmation or update of, that guidance by Orthofix leadership as of any date other than 8/5/2025. Pro forma net sales range of $808 million to $816 million excludes sales from the discontinued M6® product lines and assumes a $5 million negative impact from U.S. funded non-governmental organization (NGO) business as compared to the full-year 2024. This guidance range is based on current foreign currency exchange rates and does not take into account any additional potential exchange rate changes that may occur this year.

[2] Excluding impact of restructuring charges related to the discontinuation of the M6® product lines



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# Investment Summary – Why Invest in Orthofix?



**01** **Strong fundamentals with profitable growth opportunity** and compelling value proposition across diverse portfolio

**02** **More focused commercial strategy** with robust innovation pipeline complemented by successful cross-selling

**03** **Established leadership team** well-positioned to implement strategic vision and achieve sustainable, profitable growth across portfolio

**04** **Improved operational execution** to drive toward profitability objectives and positive free cash flow

**05** **Long-term financial targets** reflect confidence in sustainable growth trends and commercial strategy and execution



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**www.Orthofix.com**

**NASDAQ: OFIX**



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# Appendix

## Financial and Non-GAAP Reconciliation Tables

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# Net Sales by Major Product Category by Reporting Segment

| (Unaudited, U.S. Dollars, in millions) | Three Months Ended June 30, 2025 | 2024 | Change | Constant Currency Change |
|---|---|---|---|---|
| Bone Growth Therapies | $ 62.6 | $ 59.1 | 5.8% | 5.8% |
| Spinal Implants, Biologics and Enabling Technologies* | 104.8 | 103.1 | 1.6% | 1.6% |
| Global Spine* | 167.4 | 162.2 | 3.2% | 3.2% |
| Global Orthopedics | 33.3 | 30.6 | 8.9% | 5.3% |
| **Pro forma net sales*** | **200.7** | **192.8** | **4.1%** | **3.5%** |
| Impact from discontinuation of M6 product lines | 2.5 | 5.8 | (57.5%) | (57.8%) |
| Reported net sales | $ 203.1 | $ 198.6 | 2.3% | 1.7% |

* Results above for each of Spinal Implants, Biologics, and Enabling Technologies; Global Spine; and pro forma net sales exclude the impact from discontinuation of the M6® product lines. Since pro forma net sales represent a non-GAAP measure, see the reconciliation above of the Company's pro forma net sales to its reported figures under U.S. GAAP. The Company's reported figures under U.S. GAAP represent each of the pro forma line items discussed above plus the impact from discontinuation of the M6® product lines.



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# Condensed Consolidated Balance Sheets

| (U.S. Dollars, in thousands, except par value data) | June 30, 2025 (Unaudited) | December 31, 2024 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ 65,606 | $ 83,238 |
| Restricted Cash | 3,083 | 2,500 |
| Accounts receivable, net of allowances of $8,909 and $7,418, respectively | 129,556 | 134,713 |
| Inventories | 172,993 | 189,452 |
| Prepaid expenses and other current assets | 24,592 | 23,382 |
| Total current assets | 395,830 | 433,285 |
| Property, plant, and equipment, net | 129,200 | 139,804 |
| Intangible assets, net | 78,868 | 98,803 |
| Goodwill | 194,934 | 194,934 |
| Other long-term assets | 38,325 | 26,468 |
| **Total assets** | **$ 837,157** | **$ 893,294** |
| **Liabilities and shareholders' equity** | | |
| Current liabilities | | |
| Accounts payable | $ 45,098 | $ 48,803 |
| Current portion of finance lease liability | 797 | 755 |
| Other current liabilities | 102,486 | 119,070 |
| Total current liabilities | 148,381 | 168,628 |
| Long-term debt | 157,047 | 157,015 |
| Long-term portion of finance lease liability | 17,448 | 17,835 |
| Other long-term liabilities | 55,934 | 46,692 |
| Total liabilities | 378,810 | 390,170 |
| Contingencies | | |
| Shareholders' equity | | |
| Common shares $0.10 par value; 100,000 shares authorized; 39,483 and 38,486 issued and outstanding as of June 30, 2025, and December 31, 2024, respectively | 3,948 | 3,849 |
| Additional paid-in capital | 796,807 | 779,718 |
| Accumulated deficit | (343,316) | (276,141) |
| Accumulated other comprehensive income (loss) | 908 | (4,302) |
| Total shareholders' equity | 458,347 | 503,124 |
| **Total liabilities and shareholders' equity** | **$ 837,157** | **$ 893,294** |



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# Condensed Consolidated Statements of Operations

| (Unaudited, U.S. Dollars, in thousands, except share and per share data) | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 | Six Months Ended June 30, 2025 | Six Months Ended June 30, 2024 |
|---|---|---|---|---|
| Net sales | $ 203,121 | $ 198,620 | $ 396,767 | $ 387,228 |
| Cost of sales | 63,588 | 63,871 | 135,615 | 125,237 |
| Gross profit | 139,533 | 134,749 | 261,152 | 261,991 |
| Sales, general, and administrative | 136,493 | 134,218 | 269,474 | 265,909 |
| Research and development | 15,934 | 18,049 | 35,700 | 37,541 |
| Acquisition-related amortization, impairment, and remeasurement | 3,109 | 7,388 | 20,854 | 12,784 |
| Operating loss | (16,003) | (24,906) | (64,876) | (54,243) |
| Interest expense, net | (3,950) | (4,943) | (8,456) | (9,501) |
| Other income (expense), net | 5,730 | (2,510) | 6,976 | (3,784) |
| Loss before income taxes | (14,223) | (32,359) | (66,356) | (67,528) |
| Income tax benefit (expense) | 142 | (1,084) | (819) | (1,935) |
| **Net loss** | **$ (14,081)** | **$ (33,443)** | **$ (67,175)** | **$ (69,463)** |
| | | | | |
| Net loss per common share: | | | | |
| Basic | $ (0.36) | $ (0.88) | $ (1.71) | $ (1.84) |
| Diluted | (0.36) | (0.88) | (1.71) | (1.84) |
| Weighted average number of common shares (in millions): | | | | |
| Basic | 39.5 | 38.0 | 39.3 | 37.8 |
| Diluted | 39.5 | 38.0 | 39.3 | 37.8 |



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## Adjusted Gross Profit and Adjusted Gross Margin

| (Unaudited, U.S. Dollars, in thousands) | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 | Six Months Ended June 30, 2025 | Six Months Ended June 30, 2024 |
|---|---|---|---|---|
| Gross profit | $ 139,533 | $ 134,749 | $ 261,152 | $ 261,991 |
| Share-based compensation expense | 467 | 497 | 929 | 1,034 |
| SeaSpine merger-related costs | 4,341 | 3,115 | 4,941 | 4,418 |
| Restructuring costs and impairments related to M6 product lines | 2,791 | — | 13,710 | — |
| Strategic investments | 43 | 64 | 56 | 129 |
| Acquisition-related fair value adjustments | — | 3,047 | — | 6,094 |
| Amortization/depreciation of acquired long-lived assets | 351 | 209 | 664 | 527 |
| **Adjusted gross profit** | **$ 147,526** | **$ 141,681** | **$ 281,452** | **$ 274,193** |
| *Adjusted gross margin as a percentage of reported net sales* | *72.6%* | *71.3%* | *70.9%* | *70.8%* |
| Adjusted gross profit attributable to M6 product lines | (1,639) | (2,943) | (2,545) | (5,838) |
| **Pro forma adjusted gross profit** | **$ 145,887** | **$ 138,738** | **$ 278,907** | **$ 268,355** |
| *Pro forma adjusted gross margin as a percentage of pro forma net sales* | *72.7%* | *72.0%* | *71.5%* | *71.6%* |



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## Adjusted EBITDA and Pro Forma Adjusted EBITDA

| (Unaudited, U.S. Dollars, in thousands) | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 | Six Months Ended June 30, 2025 | Six Months Ended June 30, 2024 |
|---|---|---|---|---|
| Net loss | $ (14,081) | $ (33,443) | $ (67,175) | $ (69,463) |
| Income tax (benefit) expense | (141) | 1,084 | 819 | 1,936 |
| Interest expense, net | 3,950 | 4,943 | 8,456 | 9,501 |
| Depreciation and amortization | 16,871 | 14,032 | 51,302 | 28,894 |
| Share-based compensation expense | 7,824 | 9,959 | 14,293 | 18,759 |
| Foreign exchange impact | (2,751) | 851 | (3,795) | 2,439 |
| SeaSpine merger-related costs | 4,886 | 5,913 | 6,017 | 10,376 |
| Restructuring costs and impairments related to M6 product lines | 3,651 | — | 13,531 | — |
| Strategic investments | 353 | 319 | 3,867 | 431 |
| Acquisition-related fair value adjustments | (763) | 6,117 | (1,373) | 10,334 |
| Interest and (gain) loss on investments | (31) | 1,806 | (31) | 1,553 |
| Litigation and investigation costs | 4,029 | (277) | 7,071 | 1,983 |
| Succession charges | — | 5,346 | — | 7,556 |
| Employee retention credit | (2,854) | — | (2,854) | — |
| **Adjusted EBITDA** | **$ 20,943** | **$ 16,650** | **$ 30,128** | **$ 24,299** |
| *Adjusted EBITDA as a percentage of reported net sales* | *10.3%* | *8.4%* | *7.6%* | *6.3%* |
| Operating (income) losses attributable to M6 product lines | (297) | 1,794 | 1,949 | 3,648 |
| **Pro forma adjusted EBITDA** | **$ 20,646** | **$ 18,444** | **$ 32,077** | **$ 27,947** |
| *Adjusted EBITDA as a percentage of pro forma net sales* | *10.3%* | *9.6%* | *8.2%* | *7.5%* |



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## Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income

| (Unaudited, U.S. Dollars, in thousands) | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 | Six Months Ended June 30, 2025 | Six Months Ended June 30, 2024 |
|---|---|---|---|---|
| Net loss | $ (14,081) | $ (33,443) | $ (67,175) | $ (69,463) |
| Share-based compensation expense | 7,824 | 9,959 | 14,293 | 18,759 |
| Foreign exchange impact | (2,751) | 851 | (3,795) | 2,439 |
| SeaSpine merger-related costs | 7,786 | 5,968 | 9,260 | 10,815 |
| Restructuring costs and impairments related to M6 product lines | 4,257 | — | 34,461 | — |
| Strategic investments | 364 | 349 | 3,907 | 497 |
| Acquisition-related fair value adjustments | (761) | 6,117 | (1,371) | 10,334 |
| Amortization/depreciation of acquired long-lived assets | 4,221 | 4,648 | 8,853 | 9,440 |
| Litigation and investigation costs | 4,029 | (277) | 7,071 | 1,983 |
| Succession charges | — | 5,346 | — | 7,556 |
| Interest and (gain) loss on investments | (31) | 1,786 | (31) | 1,504 |
| Employee retention credit | (3,616) | — | (3,616) | — |
| Long-term income tax rate adjustment | (2,130) | 415 | 70 | 3,112 |
| **Adjusted net income (loss)** | **$ 5,111** | **$ 1,719** | **$ 1,927** | **$ (3,024)** |
| Operating (income) losses attributable to M6 product lines | (766) | 2,245 | 1,922 | 4,645 |
| Long-term income tax rate adjustment for M6 product lines | 215 | (629) | (538) | (1,301) |
| **Pro forma adjusted net income** | **$ 4,560** | **$ 3,335** | **$ 3,311** | **$ 320** |



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# Cash Flow and Free Cash Flow

| (Unaudited, U.S. Dollars, in thousands) | Six Months Ended June 30, 2025 | 2024 |
|---|---|---|
| Net cash used in operating activities | $ (6,752) | $ (9,611) |
| Net cash used in investing activities | (13,833) | (20,583) |
| Net cash provided by financing activities | 1,989 | 21,678 |
| Effect of exchange rate changes on cash | 1,547 | (375) |
| Net change in cash and cash equivalents | $ (17,049) | $ (8,891) |

| (Unaudited, U.S. Dollars, in thousands) | Six Months Ended June 30, 2025 | 2024 |
|---|---|---|
| Net cash used in operating activities | $ (6,752) | $ (9,611) |
| Capital expenditures | (13,845) | (20,533) |
| **Free cash flow** | **$ (20,597)** | **$ (30,144)** |



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# Pro Forma Non-GAAP Financial Statements – Excluding Impact of M6® Product Lines

| (Unaudited, U.S. Dollars, in thousands) | Three Months Ended March 31, 2025 | Three Months Ended June 30, 2025 | Six Months Ended June 30, 2025 |
|---|---|---|---|
| Net sales | $ 189,203 | $ 200,658 | $ 389,861 |
| Cost of sales (inclusive of share-based compensation expense) | 56,183 | 54,770 | 110,953 |
| Gross profit | 133,020 | 145,887 | 278,907 |
| Sales, general, and administrative | 121,851 | 127,700 | 249,550 |
| Research and development | 14,623 | 14,616 | 29,239 |
| Less - Share-based compensation expense in operating expenses | (6,008) | (7,356) | (13,364) |
| Operating income | 2,554 | 10,931 | 13,485 |
| Interest expense, net | (4,501) | (4,707) | (9,208) |
| Other income, net | 212 | 111 | 323 |
| Income (loss) before income taxes | (1,735) | 6,335 | 4,600 |
| Income tax benefit (expense) | 486 | (1,775) | (1,289) |
| **Net income (loss)** | **$ (1,249)** | **$ 4,560** | **$ 3,311** |



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## Adjusted Sales, General and Administrative Expense

| (Unaudited, U.S. Dollars, in thousands) | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 | Six Months Ended June 30, 2025 | Six Months Ended June 30, 2024 |
|---|---|---|---|---|
| **Sales, general, and administrative** | $ 136,493 | $ 134,218 | $ 269,474 | $ 265,909 |
| *Reconciling items impacting sales, general, and administrative:* | | | | |
| SeaSpine merger-related costs | (3,384) | (2,784) | (4,142) | (6,134) |
| Restructuring costs and impairments related to M6 product lines | (1,393) | — | (4,729) | — |
| Strategic investments | (194) | (30) | (1,741) | (111) |
| Amortization/depreciation of acquired long-lived assets | — | (121) | (60) | (369) |
| Litigation and investigation costs | (3,579) | 277 | (6,621) | (1,983) |
| Succession charges | — | (5,346) | — | (7,556) |
| **Sales, general, and administrative expense, as adjusted** | **$ 127,943** | **$ 126,214** | **$ 252,181** | **$ 249,756** |
| *As a percentage of reported net sales* | *63.0%* | *63.5%* | *63.6%* | *64.5%* |
| Sales, general, and administrative expense attributable to M6 product lines | (243) | (3,144) | (2,631) | (7,299) |
| **Pro forma sales, general, and administrative expense, as adjusted** | **$ 127,700** | **$ 123,070** | **$ 249,550** | **$ 242,457** |
| *As a percentage of pro forma net sales* | *63.6%* | *63.8%* | *64.0%* | *64.7%* |



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## Adjusted Research and Development Expense

| (Unaudited, U.S. Dollars, in thousands) | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 | Six Months Ended June 30, 2025 | Six Months Ended June 30, 2024 |
|---|---|---|---|---|
| **Research and development expense, as reported** | $ 15,934 | $ 18,049 | $ 35,700 | $ 37,541 |
| *Reconciling items impacting research and development:* | | | | |
| SeaSpine merger-related costs | (62) | (84) | (178) | (318) |
| Restructuring costs and impairments related to M6 product lines | (77) | — | (1,929) | — |
| Strategic investments | (127) | (255) | (2,110) | (258) |
| Litigation and investigation costs | (450) | — | (450) | — |
| **Research and development expense, as adjusted** | **$ 15,218** | **$ 17,710** | **$ 31,033** | **$ 36,965** |
| *As a percentage of reported net sales* | *7.5%* | *8.9%* | *7.8%* | *9.5%* |
| Research and development expense attributable to M6 product lines | (602) | (2,440) | (1,794) | (4,676) |
| **Pro forma research and development expense, as adjusted** | **$ 14,616** | **$ 15,270** | **$ 29,239** | **$ 32,289** |
| *As a percentage of pro forma net sales* | *7.3%* | *7.9%* | *7.5%* | *8.6%* |



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## Adjusted Non-Operating Expense

| (Unaudited, U.S. Dollars, in thousands) | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 | Six Months Ended June 30, 2025 | Six Months Ended June 30, 2024 |
|---|---|---|---|---|
| **Non-operating expense** | $ (1,780) | $ 7,453 | $ 1,480 | $ 13,285 |
| *Reconciling items impacting non-operating expense:* | | | | |
| Restructuring costs and impairments related to M6 product lines | 3 | — | 3 | — |
| Foreign exchange impact | 2,751 | (851) | 3,795 | (2,439) |
| Interest and gain (loss) on investments | 31 | (1,786) | 31 | (1,503) |
| Employee retention credit | 3,617 | — | 3,617 | — |
| **Non-operating expense, as adjusted** | **$ 4,622** | **$ 4,816** | **$ 8,926** | **$ 9,343** |
| *As a percentage of reported net sales* | *2.3%* | *2.4%* | *2.2%* | *2.4%* |
| Losses attributable to M6 product lines | (26) | (18) | (41) | (65) |
| **Pro forma non-operating expense, as adjusted** | **$ 4,596** | **$ 4,798** | **$ 8,885** | **$ 9,278** |
| *As a percentage of pro forma net sales* | *2.3%* | *2.5%* | *2.3%* | *2.5%* |



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# Pro Forma Non-GAAP Adjusted EBITDA – Excluding Impact of M6® Product Lines

| | Three Months Ended | | Six Months Ended | Three Months Ended | | | | Year Ended |
|---|---|---|---|---|---|---|---|---|
| (Unaudited, U.S. Dollars, in thousands) | March 31, 2025 | June 30, 2025 | June 30, 2025 | March 31, 2024 | June 30, 2024 | September 30, 2024 | December 31, 2024 | December 31, 2024 |
| Net loss | $ (20,201) | $ (10,589) | $ (30,790) | $ (32,501) | $ (30,172) | $ (23,930) | $ (26,477) | $ (113,079) |
| Income tax expense | 961 | (144) | 816 | 851 | 1,084 | 751 | (564) | 2,122 |
| Interest expense, net | 4,501 | 3,945 | 8,446 | 4,553 | 4,938 | 5,205 | 14,915 | 29,611 |
| Depreciation and amortization | 13,669 | 16,739 | 30,408 | 13,341 | 12,606 | 13,780 | 14,562 | 54,289 |
| Share-based compensation expense | 6,469 | 7,824 | 14,293 | 8,689 | 9,864 | 6,443 | 7,086 | 32,082 |
| Foreign exchange impact | (1,044) | (2,751) | (3,795) | 1,577 | 851 | (1,180) | 3,091 | 4,338 |
| SeaSpine merger-related costs | 1,130 | 4,886 | 6,017 | 4,462 | 5,946 | 2,312 | 1,440 | 14,160 |
| Restructuring costs and impairments related to M6 product lines | — | (2) | (2) | — | — | — | — | — |
| Strategic investments | 3,514 | 353 | 3,867 | 120 | 311 | 39 | 440 | 910 |
| Acquisition-related fair value adjustments | (610) | (763) | (1,373) | 4,217 | 6,117 | 5,017 | 3,737 | 19,088 |
| Interest and (gain) loss on investments | — | (31) | (31) | (260) | 1,813 | 3,567 | — | 5,120 |
| Litigation and investigation costs | 3,042 | 4,029 | 7,071 | 2,260 | (277) | 8,335 | 5,452 | 15,770 |
| Succession charges | — | — | — | 2,210 | 5,346 | 505 | 1,315 | 9,376 |
| Employee retention credit | — | (2,854) | (2,854) | — | — | — | — | — |
| **Adjusted EBITDA** | **$ 11,431** | **$ 20,646** | **$ 32,077** | **$ 9,519** | **$ 18,427** | **$ 20,844** | **$ 24,997** | **$ 73,787** |



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# Pro Forma Non-GAAP Adjusted Net Loss and Adjusted Gross Margin – Excluding Impact of M6® Product Lines

| (Unaudited, U.S. Dollars, in thousands) | Three Months Ended March 31, 2025 | Three Months Ended June 30, 2025 | Six Months Ended June 30, 2025 | Three Months Ended March 31, 2024 | Three Months Ended June 30, 2024 | Three Months Ended September 30, 2024 | Three Months Ended December 31, 2024 | Year Ended December 31, 2024 |
|---|---|---|---|---|---|---|---|---|
| Net loss | $ (20,201) | $ (10,589) | $ (30,790) | $ (32,501) | $ (30,172) | $ (23,930) | $ (26,477) | $ (113,079) |
| Share-based compensation expense | 6,469 | 7,824 | 14,293 | 8,689 | 9,864 | 6,443 | 7,086 | 32,082 |
| Foreign exchange impact | (1,044) | (2,751) | (3,795) | 1,577 | 851 | (1,180) | 3,090 | 4,338 |
| SeaSpine merger-related costs | 1,474 | 7,786 | 9,260 | 4,831 | 6,016 | 2,315 | 4,396 | 17,558 |
| Restructuring costs and impairments related to M6 product lines | 20,324 | 604 | 20,928 | — | — | — | — | — |
| Strategic investments | 3,543 | 364 | 3,907 | 126 | 371 | 69 | 470 | 1,036 |
| Acquisition-related fair value adjustments | (610) | (761) | (1,371) | 4,217 | 6,117 | 5,017 | 3,737 | 19,088 |
| Amortization/depreciation of acquired long-lived assets | (15,693) | 3,615 | (12,078) | 3,812 | 3,668 | 4,066 | 3,857 | 15,403 |
| Litigation and investigation costs | 3,042 | 4,029 | 7,071 | 2,260 | (277) | 8,335 | 5,452 | 15,770 |
| Succession charges | — | — | — | 2,210 | 5,346 | 505 | 1,315 | 9,376 |
| Interest and (gain) loss on investments | — | (31) | (31) | (260) | 1,764 | 3,567 | — | 5,070 |
| Employee retention credit | — | (3,616) | (3,616) | — | — | — | — | — |
| Long-term income tax rate adjustment | 1,447 | (1,915) | (467) | 2,024 | (213) | (918) | (1,225) | (332) |
| **Adjusted net loss** | **$ (1,249)** | **$ 4,560** | **$ 3,311** | **$ (3,015)** | **$ 3,335** | **$ 4,289** | **$ 1,701** | **$ 6,310** |

| (Unaudited, U.S. Dollars, in thousands) | Three Months Ended March 31, 2025 | Three Months Ended June 30, 2025 | Six Months Ended June 30, 2025 | Three Months Ended March 31, 2024 | Three Months Ended June 30, 2024 | Three Months Ended September 30, 2024 | Three Months Ended December 31, 2024 | Year Ended December 31, 2024 |
|---|---|---|---|---|---|---|---|---|
| Gross profit | $ 131,633 | $ 140,683 | $ 272,316 | $ 124,360 | $ 131,819 | $ 132,862 | $ 145,563 | $ 534,604 |
| Share-Based Compensation Expense | 462 | 467 | 929 | 524 | 484 | 545 | 468 | 2,021 |
| SeaSpine Merger-Related Costs | 600 | 4,341 | 4,941 | 1,303 | 3,115 | 963 | 631 | 6,012 |
| Restructuring costs and impairments related to M6 product lines | (1) | 1 | — | — | — | — | — | — |
| Strategic investments | 13 | 43 | 56 | 65 | 63 | 32 | 32 | 192 |
| Acquisition-related fair value adjustments | — | — | — | 3,047 | 3,047 | 3,047 | 3,047 | 12,188 |
| Amortization/depreciation of acquired long-lived assets | 313 | 351 | 664 | 318 | 209 | 313 | 313 | 1,153 |
| **Adjusted gross profit** | **$ 133,020** | **$ 145,887** | **$ 278,907** | **$ 129,617** | **$ 138,738** | **$ 137,762** | **$ 150,054** | **$ 556,170** |
| *Adjusted gross margin as a percentage of net sales* | *70.3%* | *72.7%* | *71.5%* | *71.2%* | *72.0%* | *72.0%* | *71.5%* | *71.7%* |



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