

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q

(Mark one)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission File Number: 0-19961



ORTHOFIX MEDICAL INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

**3451 Plano Parkway,
Lewisville, Texas**

(Address of principal executive offices)

98-1340767

(I.R.S. Employer
Identification No.)

75056

(Zip Code)

(214) 937-2000

(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer ☐

Non-Accelerated filer ☐

Accelerated filer ☒

Smaller Reporting Company ☐

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of November 6, 2023, 36,756,607 shares of common stock were issued and outstanding.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.10 par value per share	OFIX	Nasdaq Global Select Market

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Forward-Looking Statements

This Quarterly Report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended ("the Exchange Act"), 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, expectations, estimates, forecasts, and projections. All statements, other than statements of historical fact, contained in this report, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "projects," "intends," "predicts," "potential," or "continue" or the negative version of those terms and other similar expressions. Forward-looking statements include, but are not limited to, statements about:

- our future operations, sales, expenses, and financial performance;
- the anticipated benefits of the merger with SeaSpine Holdings Corporation that was completed in January 2023, including the anticipated synergies and cost-savings from the merger, and our ability to successfully integrate SeaSpine's business with ours;
- our operating results;
- our plans for future products and enhancements of existing products;
- anticipated growth and trends in our business;
- the timing of and our ability to maintain and obtain regulatory clearances or approvals;
- our belief that our cash and cash equivalents, investments, and access to our revolving line of credit will be sufficient to satisfy our anticipated cash requirements;
- our relationships with customers and distributors;
- our manufacturing abilities and the performance of our suppliers;
- our ability to achieve market penetration and the success of our expansion efforts;
- anticipated trends and challenges in the markets in which we operate; and
- the impact of investigations, claims, and litigation.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties, estimates, and assumptions. Any or all forward-looking statements that we make may turn out to be wrong (due to inaccurate assumptions that we make or otherwise), and our actual outcomes and results may differ materially from those expressed in forward-looking statements. Potential risks and uncertainties that could cause actual results to differ materially include, but are not limited to, those set forth in Part I, Item 1A under the heading *Risk Factors* of our Annual Report on Form 10-K for the year ended December 31, 2022 ("2022 10-K"); Part II, Item 7 *Management's Discussion and Analysis of Financial Condition and Results of Operations* of the 2022 10-K; and elsewhere throughout the 2022 10-K, and in our reports filed with the U.S. Securities and Exchange Commission (the "SEC") subsequent to the date we filed the 2022 10-K with the SEC. You should not place undue reliance on any forward-looking statements. Further, any forward-looking statement in this report speaks only as of the date hereof, unless it is specifically otherwise stated to be made as of a different date. Except as required by law, we undertake no obligation to update, and expressly disclaim any duty to update, our forward-looking statements, whether as a result of circumstances or events that arise after the date hereof, new information, or otherwise.

Trademarks

Solely for convenience, our trademarks and trade names in this report are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that we will not assert, to the fullest extent under applicable law, our rights thereto.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ORTHOFIX MEDICAL INC.

Condensed Consolidated Balance Sheets

(U.S. Dollars, in thousands, except par value data)	September 30, 2023	December 31, 2022
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 33,663	\$ 50,700
Accounts receivable, net of allowances of \$7,090 and \$6,419, respectively	114,118	82,857
Inventories	221,745	100,150
Prepaid expenses and other current assets	24,170	22,283
Total current assets	393,696	255,990
Property, plant, and equipment, net	152,689	58,229
Intangible assets, net	121,021	47,388
Goodwill	194,767	71,317
Other long-term assets	43,479	25,705
Total assets	\$ 905,652	\$ 458,629
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	\$ 53,261	\$ 27,598
Current portion of finance lease liability	693	652
Other current liabilities	98,576	55,374
Total current liabilities	152,530	83,624
Long-term borrowings under credit facility	70,000	—
Long-term portion of finance lease liability	18,715	19,239
Other long-term liabilities	48,924	18,906
Total liabilities	290,169	121,769
Contingencies (Note 8)		
Shareholders' equity		
Common shares \$0.10 par value; 100,000 shares authorized; 36,750 and 20,162 issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	3,675	2,016
Additional paid-in capital	741,638	334,969
Retained earnings (accumulated deficit)	(127,970)	1,251
Accumulated other comprehensive loss	(1,860)	(1,376)
Total shareholders' equity	615,483	336,860
Total liabilities and shareholders' equity	\$ 905,652	\$ 458,629

The accompanying notes form an integral part of these condensed consolidated financial statements

ORTHOFIX MEDICAL INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss

(Unaudited, U.S. Dollars, in thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales	\$ 184,006	\$ 113,996	\$ 546,226	\$ 338,484
Cost of sales	64,243	30,573	196,583	90,491
Gross profit	119,763	83,423	349,643	247,993
Sales and marketing	94,947	55,461	287,987	169,486
General and administrative	27,136	19,322	110,124	54,496
Research and development	18,559	11,943	61,290	35,913
Acquisition-related amortization and remeasurement (Note 12)	3,570	2,484	11,037	(9,678)
Operating loss	(24,449)	(5,787)	(120,795)	(2,224)
Interest expense, net	(1,576)	(277)	(4,131)	(1,059)
Other expense, net	(2,360)	(3,308)	(1,704)	(7,436)
Loss before income taxes	(28,385)	(9,372)	(126,630)	(10,719)
Income tax expense	(472)	(1,344)	(2,591)	(1,968)
Net loss	\$ (28,857)	\$ (10,716)	\$ (129,221)	\$ (12,687)
Net loss per common share:				
Basic	\$ (0.77)	\$ (0.53)	\$ (3.53)	\$ (0.63)
Diluted	(0.77)	(0.53)	(3.53)	(0.63)
Weighted average number of common shares:				
Basic	37,249	20,091	36,588	20,007
Diluted	37,249	20,091	36,588	20,007
Other comprehensive loss, before tax				
Unrealized gain (loss) on debt securities	(310)	(236)	8	(749)
Currency translation adjustment	(1,442)	(2,105)	(492)	(4,413)
Other comprehensive loss, before tax	(1,752)	(2,341)	(484)	(5,162)
Income tax benefit (expense) related to other comprehensive loss	—	—	—	—
Other comprehensive loss, net of tax	(1,752)	(2,341)	(484)	(5,162)
Comprehensive loss	\$ (30,609)	\$ (13,057)	\$ (129,705)	\$ (17,849)

The accompanying notes form an integral part of these condensed consolidated financial statements

ORTHOFIX MEDICAL INC.
Condensed Consolidated Statements of Changes in Shareholders' Equity

(Unaudited, U.S. Dollars, in thousands)	Number of Common Shares Outstanding	Common Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
At December 31, 2022	20,162	\$ 2,016	\$ 334,969	\$ 1,251	\$ (1,376)	\$ 336,860
Net loss	—	—	—	(60,938)	—	(60,938)
Other comprehensive income, net of tax	—	—	—	—	430	430
Share-based compensation expense	—	—	13,020	—	—	13,020
Common shares issued in connection with SeaSpine merger	16,047	1,605	375,140	—	—	376,745
Common shares issued, net	254	26	(1,984)	—	—	(1,958)
At March 31, 2023	36,463	\$ 3,647	\$ 721,145	\$ (59,687)	\$ (946)	\$ 664,159
Net loss	—	—	—	(39,426)	—	(39,426)
Other comprehensive income, net of tax	—	—	—	—	838	838
Share-based compensation expense	—	—	13,246	—	—	13,246
Common shares issued, net	270	26	1,142	—	—	1,168
At June 30, 2023	36,733	\$ 3,673	\$ 735,533	\$ (99,113)	\$ (108)	\$ 639,985
Net loss	—	—	—	(28,857)	—	(28,857)
Other comprehensive loss, net of tax	—	—	—	—	(1,752)	(1,752)
Share-based compensation expense	—	—	6,274	—	—	6,274
Common shares issued, net	17	2	(169)	—	—	(167)
At September 30, 2023	36,750	\$ 3,675	\$ 741,638	\$ (127,970)	\$ (1,860)	\$ 615,483

(Unaudited, U.S. Dollars, in thousands)	Number of Common Shares Outstanding	Common Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
At December 31, 2021	19,837	\$ 1,983	\$ 313,951	\$ 21,000	—	\$ 336,934
Net loss	—	—	—	(4,460)	—	(4,460)
Other comprehensive loss, net of tax	—	—	—	—	(1,162)	(1,162)
Share-based compensation expense	—	—	4,332	—	—	4,332
Common shares issued, net	5	1	(70)	—	—	(69)
At March 31, 2022	19,842	\$ 1,984	\$ 318,213	\$ 16,540	\$ (1,162)	\$ 335,575
Net income	—	—	—	2,489	—	2,489
Other comprehensive loss, net of tax	—	—	—	—	(1,659)	(1,659)
Share-based compensation expense	—	—	4,460	—	—	4,460
Common shares issued, net	158	16	1,065	—	—	1,081
At June 30, 2022	20,000	\$ 2,000	\$ 323,738	\$ 19,029	\$ (2,821)	\$ 341,946
Net loss	—	—	—	(10,716)	—	(10,716)
Other comprehensive loss, net of tax	—	—	—	—	(2,341)	(2,341)
Share-based compensation expense	—	—	4,729	—	—	4,729
Common shares issued, net	7	1	(80)	—	—	(79)
At September 30, 2022	20,007	\$ 2,001	\$ 328,387	\$ 8,313	\$ (5,162)	\$ 333,539

The accompanying notes form an integral part of these condensed consolidated financial statements

ORTHOFIX MEDICAL INC.
Condensed Consolidated Statements of Cash Flows

(Unaudited, U.S. Dollars, in thousands)	Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities		
Net loss	\$ (129,221)	\$ (12,687)
Adjustments to reconcile net loss to net cash from operating activities		
Depreciation and amortization	39,094	21,598
Inventory reserve expenses	24,013	9,856
Amortization of inventory fair value step up	29,006	—
Amortization of operating lease assets, debt costs, and other assets	4,506	2,321
Provision for expected credit losses	905	1,713
Deferred income taxes	1,148	21
Share-based compensation expense	32,540	13,521
Change in valuation of investment securities	(82)	254
Change in fair value of contingent consideration	(2,100)	(17,200)
Other	673	1,124
Changes in operating assets and liabilities, net of effects of acquisitions		
Accounts receivable	2,912	51
Inventories	(48,164)	(29,875)
Prepaid expenses and other current assets	925	16
Accounts payable	4,244	3,955
Other current liabilities	(20)	(4,571)
Contract liability	—	(4,791)
Other long-term assets and liabilities	562	808
Net cash provided by (used in) operating activities	(39,059)	(13,886)
Cash flows from investing activities		
Capital expenditures for property, plant, and equipment	(45,695)	(16,159)
Capital expenditures for intangible assets	(1,302)	(1,101)
Contingent consideration payments related to asset acquisitions	—	(1,500)
Cash acquired in the SeaSpine merger	29,419	—
Other investing activities	(500)	126
Net cash provided by (used in) investing activities	(18,078)	(18,634)
Cash flows from financing activities		
Proceeds from issuance of common shares	2,377	2,400
Payments related to tax withholdings for share-based compensation	(3,334)	(1,467)
Payments related to finance lease obligation	(483)	(2,441)
Borrowings under credit facility	70,000	—
Payment of debt acquired from SeaSpine merger	(26,899)	—
Contingent consideration milestone payment	(920)	—
Other financing activities	(699)	(68)
Net cash provided by (used in) financing activities	40,042	(1,576)
Effect of exchange rate changes on cash	58	(2,091)
Net change in cash and cash equivalents	(17,037)	(36,187)
Cash and cash equivalents at the beginning of period	50,700	87,847
Cash and cash equivalents at the end of period	\$ 33,663	\$ 51,660
Noncash investing activities - Purchase of intangible assets	\$ —	\$ 2,000

The accompanying notes form an integral part of these condensed consolidated financial statements

ORTHOFIX MEDICAL INC.

Notes to the Unaudited Condensed Consolidated Financial Statements

1. Business and basis of presentation

Description of the Business

Orthofix Medical Inc. ("Orthofix") and its subsidiaries (the "Company"), following its merger with SeaSpine Holdings Corporation ("SeaSpine") that was completed in January 2023, is a leading global spine and orthopedics company with a comprehensive portfolio of biologics, innovative spinal hardware, bone growth therapies, specialized orthopedic solutions, and a leading surgical navigation system. The Company's products are distributed in approximately 68 countries worldwide.

The Company is headquartered in Lewisville, Texas, and has primary offices in Carlsbad, California, with a focus on spinal product innovation and surgeon education, and in Verona, Italy, with an emphasis on product innovation, production, and medical education for orthopedics. The combined Company's global research and development, commercial, and manufacturing footprint also includes facilities and offices in Irvine, California, Toronto, Canada, Sunnyvale, California, Wayne, Pennsylvania, Olive Branch, Mississippi, Maidenhead, United Kingdom, Munich, Germany, Paris, France, and Sao Paulo, Brazil.

The merger with SeaSpine was completed on January 5, 2023, with SeaSpine continuing as a wholly-owned subsidiary of Orthofix following the transaction. For additional discussion of the merger with SeaSpine, see Note 3. The shares of common stock of Orthofix, as the corporate parent entity in the combined company structure, continue to trade on NASDAQ under the symbol "OFIX". The combined company will be renamed at a later date and until then will continue to be known as Orthofix Medical Inc.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Pursuant to these rules and regulations, certain information and note disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. In the opinion of management, all adjustments (consisting of normal recurring items) considered necessary for a fair statement have been included. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes contained in the Company's Form 10-K for the year ended December 31, 2022. Operating results for the three and nine months ended September 30, 2023, are not necessarily indicative of the results that may be expected for other interim periods or the year ending December 31, 2023.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, the Company evaluates its estimates, including those related to revenue recognition; contractual allowances; allowances for expected credit losses; inventories; valuation of intangible assets; goodwill; fair value measurements, including contingent consideration; litigation and contingent liabilities; tax matters; and share-based compensation. Actual results could differ from these estimates.

Changes in Presentation of Consolidated Financial Statements

Certain prior year balances have been reclassified in the condensed consolidated financial statements to conform to current period presentation.

2. Recently adopted accounting standards, recently issued accounting pronouncements

Adoption of Accounting Standards Update ("ASU") 2021-08— Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

In October 2021, the Financial Accounting Standards Board ("FASB") issued ASU 2021-08, which aims to address diversity in practice and inconsistency related to the accounting for acquired revenue contracts with customers in a business combination. The amendments require that an entity recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606, *Revenue from Contracts with Customers*. The Company adopted this standard effective January 1, 2023, on a prospective basis. Adoption of this standard resulted in the recognition of \$2.2 million in contract liabilities associated with acquired revenue contracts as a result of the Company's merger with SeaSpine, which closed on January 5, 2023.

Recently Issued Accounting Pronouncements

Topic	Description of Guidance	Effective Date	Status of Company's Evaluation
<i>Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (ASU 2022-03)</i>	Clarifies the guidance in Topic 820, <i>Fair Value Measurement</i> , when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security and introduces new disclosure requirements for equity securities subject to contractual sale restrictions. Certain of the provisions are to be applied retrospectively with other provisions applied prospectively.	January 1, 2024	The Company is currently evaluating the impact this ASU may have on its consolidated financial statements.
<i>Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative (ASU 2023-06)</i>	Adds interim and annual disclosure requirements to a variety of subtopics in the Accounting Standards Codification, including those focusing on accounting changes, earnings per share, debt and repurchase agreements. The guidance will be applied prospectively. The effective date will be the date when the SEC's removal of the related disclosure requirement becomes effective, with early adoption prohibited.	Various	The Company is currently evaluating the impact this ASU may have on its consolidated financial statements.

Other recently issued ASUs, excluding those ASUs that have already been disclosed as adopted or described above, were assessed and determined not applicable, or are expected to have minimal impact on the Company's condensed consolidated financial statements.

3. Merger and acquisitions

Merger with SeaSpine

On January 5, 2023, the Company and SeaSpine completed an all-stock merger of equals (the "Merger") to create a leading global spine and orthopedics company with highly complementary portfolios of biologics, innovative spinal hardware, bone growth therapies, specialized orthopedic solutions, and a leading surgical navigation system. As a result of the Merger, each share of SeaSpine common stock issued and outstanding immediately prior to the closing of the Merger was converted into the right to receive 0.4163 shares of Orthofix common stock.

The Merger is being accounted for as an acquisition of SeaSpine by Orthofix under the acquisition method of accounting for business combinations in accordance with U.S. GAAP. Therefore, Orthofix is treated as the acquirer for accounting purposes. In identifying the acquirer, Orthofix and SeaSpine considered the structure of the transaction and other actions contemplated by the merger agreement (the "Merger Agreement"), relative outstanding share ownership, market values, the composition of the combined company's board of directors, and the relative size of Orthofix and SeaSpine. Under the acquisition method of accounting, the assets and liabilities of SeaSpine and its subsidiaries have been recorded at their respective fair values as of the acquisition date.

The total estimated fair value of consideration associated with the Merger as of the acquisition date was comprised of:

(Unaudited, U.S. Dollars, in thousands, except shares and price per share)

Share Consideration:

Orthofix common shares to be issued in exchange for SeaSpine common shares		16,047,315
Orthofix closing price per share as of January 4, 2023	\$	22.76
Estimated fair value of shares issued in exchange for SeaSpine common shares	\$	365,237
Estimated fair value of Orthofix stock options and RSUs issued in exchange for outstanding SeaSpine equity awards	\$	11,508
Total estimated fair value of consideration	\$	376,745

The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed at the acquisition date. Certain acquired assets and liabilities assumed were valued utilizing Level 3 inputs and assumptions. A final determination of the allocation of the purchase price to assets acquired and liabilities assumed has not been made and the following should be

considered preliminary. The final determination is subject to completion of the Company's valuation of the assets acquired and liabilities assumed, including contingent liabilities and deferred income taxes, which it expects to complete within one year of the acquisition date. Subsequent adjustments to the preliminary purchase price allocation could be material.

(Unaudited, U.S. Dollars, in thousands)	Previously Reported	Adjustments	As Revised	Assigned Useful Life
Assets acquired:				
Current assets				
Cash and cash equivalents	\$ 29,419	\$ —	\$ 29,419	
Accounts receivable, net	35,313	—	35,313	
Inventories	132,636	—	132,636	
Prepaid expenses and other current assets	4,590	—	4,590	
Total current assets	201,958	—	201,958	
Property, plant, and equipment, net	68,863	—	68,863	
Customer relationships	33,100	—	33,100	13 years
Developed technology	47,200	—	47,200	6 - 8 years
In-process research and development ("IPR&D")	5,750	—	5,750	Indefinite
Other long-term assets	20,501	—	20,501	
Total identifiable assets acquired	\$ 377,372	\$ —	\$ 377,372	
Liabilities assumed:				
Current liabilities				
Accounts payable	\$ 21,602	\$ —	\$ 21,602	
Other current liabilities	40,304	3,040	43,344	
Total current liabilities	61,906	3,040	64,946	
Long-term borrowings under SeaSpine credit facility	26,298	—	26,298	
Other long-term liabilities	32,833	—	32,833	
Total liabilities assumed	121,037	3,040	124,077	
Net identifiable assets acquired	\$ 256,335	\$ (3,040)	\$ 253,295	
Total fair value of consideration transferred	376,745	—	376,745	
Residual goodwill	\$ 120,410	\$ 3,040	\$ 123,450	

The purchase price exceeded the fair value of the net tangible and identifiable intangible assets acquired in the Merger. During the three months ended September 30, 2023, the Company identified a contingent liability that existed as of the merger date. As a result, the Company recorded a \$3.0 million adjustment to other current liabilities with a corresponding increase in goodwill. As of September 30, 2023, the Company recorded goodwill totaling \$123.5 million, which was assigned to the Global Spine reporting segment. Specifically, the goodwill includes the assembled workforce and synergies associated with the combined entity. The goodwill is not deductible for tax purposes.

The IPR&D intangible assets are considered an indefinite-lived asset until the completion or abandonment of the associated research and development efforts. Accordingly, during the development period after the acquisition, these assets are not amortized but, instead, are subject to impairment assessment. Upon completion of each IPR&D project, the Company will determine the useful life of the asset and begin amortization.

The Company recognized \$0.1 million and \$9.9 million in direct acquisition-related costs, which exclude integration-related activities, that were expensed during the three and nine months ended September 30, 2023, respectively. These costs are included in the condensed consolidated statements of operations and comprehensive income (loss), primarily within general and administrative expenses. The Company's results of operations included \$62.9 million and \$188.2 million of net sales from SeaSpine for the three and nine months ended September 30, 2023, respectively, and a net loss attributable to SeaSpine of \$19.2 million and \$72.1 million for the three and nine months ended September 30, 2023, respectively.

Pro Forma Financial Information

Due to the Merger closing on January 5, 2023, all SeaSpine financial results for fiscal year 2023, except for the first four days of January, are included in Orthofix's condensed consolidated statement of operations and comprehensive loss. The following unaudited pro forma financial information for the three and nine months ended September 30, 2023, and 2022, are based on the Company's historical condensed consolidated financial statements adjusted to reflect as if the Merger closed as of January 1, 2022.

The unaudited pro-forma information makes certain adjustments to depreciation and amortization expense to reflect the fair value recognized in the purchase price allocation and to remove one-time transaction-related costs. The unaudited pro forma financial information is presented for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the Merger closed as of January 1, 2022.

(Unaudited, U.S. Dollars, in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales	\$ 184.0	\$ 181.1	\$ 546.2	\$ 512.6
Net loss	\$ (21.2)	\$ (32.5)	\$ (96.5)	\$ (102.4)

Integration and Restructuring Activities

The Company has incurred significant integration and restructuring costs in connection with the Merger. The following table summarizes integration costs incurred for the three and nine months ended September 30, 2023, and 2022.

(Unaudited, U.S. Dollars, in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Compensation-related integration costs	\$ 2.6	\$ —	\$ 16.5	\$ —
International spine restructuring	1.1	—	1.1	—
Fee paid to financial advisor to the Merger	—	—	5.5	—
Professional fees / consulting fees	0.2	—	5.2	—
Product rationalization charges	1.3	—	6.1	—
Other costs to complete	0.1	—	1.3	—
Total	\$ 5.3	\$ —	\$ 35.7	\$ —

In the first quarter of 2023, the Company approved and initiated certain restructuring activities to streamline costs and to better align talent with operational needs following the consummation of the Merger. This program was expanded in the third quarter of 2023 to include further restructuring activities related to the Company's international spine business. The Company expects to incur total pre-tax expense of approximately \$18.3 million associated with the restructuring activities, which will be recognized within operating expenses. The table below provides a summary of restructuring costs incurred during the period and the resulting liability as of September 30, 2023, which is recognized within other current liabilities:

(Unaudited, U.S. Dollars, in millions)	Balance as of December 31, 2022	Charges Incurred	Payments Made	Balance as of September 30, 2023
Severance costs	\$ —	\$ 12.2	\$ (5.2)	\$ 7.0
Retention costs	—	4.0	(0.4)	3.6
Payroll taxes	—	0.5	(0.1)	0.4
Total	\$ —	\$ 16.7	\$ (5.7)	\$ 11.0

4. Inventories

Inventories were as follows:

(Unaudited, U.S. Dollars, in thousands)	September 30, 2023	December 31, 2022
Raw materials	\$ 26,422	\$ 17,035
Work-in-process	54,631	19,243
Finished products	140,692	63,872
Inventories	\$ 221,745	\$ 100,150

5. Leases

A summary of the Company's lease portfolio as of September 30, 2023, and December 31, 2022, is presented in the table below:

(Unaudited, U.S. Dollars, in thousands)	Classification	September 30, 2023	December 31, 2022
Right-of-use assets ("ROU assets")			
Operating leases	Other long-term assets	\$ 19,765	\$ 6,788
Finance leases	Property, plant and equipment, net	16,599	17,360
Total ROU assets		\$ 36,364	\$ 24,148
Lease Liabilities			
Current			
Operating leases	Other current liabilities	\$ 3,259	\$ 1,638
Finance leases	Current portion of finance lease liability	693	652
Long-term			
Operating leases	Other long-term liabilities	17,171	5,376
Finance leases	Long-term portion of finance lease liability	18,715	19,239
Total lease liabilities		\$ 39,838	\$ 26,905

Supplemental cash flow information related to leases was as follows:

(Unaudited, U.S. Dollars, in thousands)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 5,538	\$ 3,001
Operating cash flows from finance leases	643	665
Financing cash flows from finance leases	483	2,441
ROU assets obtained in exchange for lease obligations		
Operating leases	15,771	5,429
Finance leases	—	—

6. Long-term debt

In connection with the closing of the Merger on January 5, 2023, the Company terminated SeaSpine's credit facility and all applicable commitments with Wells Fargo Bank, National Association and paid an aggregate amount of \$26.9 million reflecting all of the outstanding obligations in respect of principal, interest, and fees, including a \$0.6 million prepayment premium.

On January 3, 2023, the Company borrowed \$30.0 million for working capital purposes, including to fund certain Merger-related expenses, under its secured revolving credit facility under the Second Amended and Restated Credit Agreement with JPMorgan Chase Bank, N.A., dated as of October 25, 2019 (as amended by the First Amendment thereto dated March 1, 2023, the "Prior Credit Agreement"), which credit facility had a maturity date of October 25, 2024. Subsequently, the Company borrowed an additional \$40.0 million to fund working capital needs whereby, as of September 30, 2023, the Company had \$70.0 million in principal amount of borrowings outstanding under the secured revolving credit facility. The table below provides a summary of borrowing activities during the nine months ended September 30, 2023:

(Unaudited, U.S. Dollars, in thousands)	Balance as of December 31, 2022	Long-term Borrowings Assumed Under the SeaSpine Credit Facility	Additional Borrowings	Pre-payment Penalty Incurred to Interest Expense, Net	Repayments Made	Balance as of September 30, 2023
SeaSpine credit facility	\$ —	\$ 26,298	\$ —	\$ 601	\$ (26,899)	\$ —
Orthofix secured revolving credit facility	—	—	70,000	—	—	70,000
Long-term borrowings under credit facility	\$ —	\$ 26,298	\$ 70,000	\$ 601	\$ (26,899)	\$ 70,000

As of September 30, 2023, the Company was in compliance with all required financial covenants under the Prior Credit Agreement. The effective interest rate on amounts borrowed was 7.3%, with interest accrued of \$1.0 million as of September 30, 2023, within

other current liabilities. Subsequent to September 30, 2023, the Company borrowed an additional \$9.0 million under the Prior Credit Agreement to fund working capital needs.

On November 6, 2023, the Company, as borrower, and certain subsidiaries of the Company as guarantors, entered into a Financing Agreement (the “Financing Agreement”) with Blue Torch Finance LLC, as administrative agent and collateral agent (the “Agent”), and certain lenders party thereto. The Financing Agreement provides for a \$100 million senior secured term loan (the “Initial Term Loan”), a \$25 million senior secured delayed draw term loan facility (the “Delayed Draw Term Loan”), and a \$25 million senior secured revolving credit facility (the “Revolving Credit Facility,” and together with the Initial Term Loan and the Delayed Draw Term Loan, the “Credit Facilities”), each of which mature on November 6, 2027. In connection with entering into the Financing Agreement, the Company repaid in full amounts outstanding and terminated all commitments under the Prior Credit Agreement. The Initial Term Loan was fully funded on November 6, 2023. As of the date of this filing (November 8, 2023), the Company had not made any borrowings under the Delayed Draw Term Loan or the Revolving Credit Facility.

Borrowings under the Financing Agreement were and may be used for, among other things, the repayment in full of the Prior Credit Agreement, working capital, and other general corporate purposes of the Company. Borrowings under the Credit Facilities bear interest at a floating rate, which will be, at the Company’s option, either the three-month SOFR rate (subject to a floor of 3.00% and a credit spread adjustment of 0.26161%) (the “Adjusted Term SOFR Rate”) plus an applicable margin of 7.25%, or a base rate plus an applicable margin of 6.25%. A revolving unused line fee of 2.00% is payable monthly in arrears based on the average amount of the undrawn portion of each lender’s revolving credit commitments under the Revolving Credit Facility for the preceding month. A delayed draw unused fee equal to the Adjusted Term SOFR Rate plus a margin of 1.00% is payable monthly in arrears based on the average amount of the undrawn portion of each lender’s delayed draw term loan commitments in respect of the Delayed Draw Term Loan for the preceding month.

Certain of the Company’s existing and future material subsidiaries (collectively, the “Guarantors”) are required to guarantee the repayment of the Company’s obligations under the Financing Agreement. The obligations of the Company and each of the Guarantors with respect to the Financing Agreement are secured by a pledge of substantially all assets of the Company and each of the Guarantors, including, without limitation, accounts receivables, deposit accounts, intellectual property, investment property, inventory, equipment, and equity interests in their respective subsidiaries.

The Financing Agreement contains customary affirmative and negative covenants, including limitations on the Company’s and its subsidiaries ability to incur additional debt, grant or permit additional liens, make investments and acquisitions, merge or consolidate with others, dispose of assets, pay dividends and distributions, pay subordinated indebtedness, and enter into affiliate transactions. In addition, the Financing Agreement contains financial covenants requiring the Company to maintain a minimum level of liquidity at all times, a maximum consolidated leverage ratio (measured on a quarterly basis), and a minimum asset coverage ratio (measured on a monthly basis). The Financing Agreement also includes events of default customary for facilities of this type and upon the occurrence of such events of default, subject to customary cure rights, all outstanding loans under the Credit Facilities may be accelerated and/or the lenders’ commitments terminated.

The Company had no borrowings on its available lines of credit in Italy, which provide up to an aggregate amount of €5.5 million (\$5.8 million) as of September 30, 2023.

7. Fair value measurements and investments

The fair value measurements of the Company’s financial assets and liabilities measured on a recurring basis were as follows:

	September 30, 2023				December 31, 2022
(Unaudited, U.S. Dollars, in thousands)	Level 1	Level 2	Level 3	Total	Total
Assets					
Neo Medical convertible loan agreements	\$ —	\$ —	\$ 7,670	\$ 7,670	\$ 7,140
Neo Medical preferred equity securities	—	6,084	—	6,084	6,084
Bone Biologics equity securities	—	—	—	—	—
Other investments	—	—	1,286	1,286	1,726
Total	\$ —	\$ 6,084	\$ 8,956	\$ 15,040	\$ 14,950
Liabilities					
Lattus contingent consideration	\$ —	\$ —	(9,100)	\$ (9,100)	\$ —
Spinal Kinetics contingent consideration	—	—	—	—	—
Deferred compensation plan	—	(1,413)	—	(1,413)	(1,515)
Total	\$ —	\$ (1,413)	\$ (9,100)	\$ (10,513)	\$ (1,515)

Neo Medical Convertible Loan Agreements and Equity Investment

In October 2020, the Company purchased preferred equity securities of Neo Medical SA, a privately held Swiss-based company developing a new generation of products for spinal surgery ("Neo Medical"), for consideration of \$5.0 million. The Company also entered into a Convertible Loan Agreement pursuant to which the Company loaned Neo Medical CHF 4.6 million, or \$5.0 million at the date of issuance (the "Convertible Loan"). In October 2021, the Company entered into a second Convertible Loan Agreement (the "Second Convertible Loan" and together with the Convertible Loan, the "Neo Medical Convertible Loans"), pursuant to which the Company loaned Neo Medical an additional CHF 0.6 million, or \$0.7 million as of the date of issuance.

The preferred equity securities are recorded in other long-term assets and are considered an investment that does not have a readily determinable fair value. As such, the Company measures this investment at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer.

The table below presents a reconciliation of the beginning and ending balances of the Company's investment in Neo Medical preferred equity securities:

(Unaudited, U.S. Dollars, in thousands)	2023	2022
Fair value of Neo Medical preferred equity securities at January 1	\$ 6,084	\$ 5,413
Conversion of loan into preferred equity securities	—	671
Fair value of Neo Medical preferred equity securities at September 30	\$ 6,084	\$ 6,084
Cumulative unrealized gain on Neo Medical preferred equity securities	\$ 413	\$ 413

The Company elected to convert the Second Convertible Loan into shares of Neo Medical's preferred equity securities in January 2022. The Convertible Loan is recorded in other long-term assets as an available for sale debt security as of September 30, 2023. The fair value of the Convertible Loan is based upon significant unobservable inputs, including the use of option-pricing models, Monte Carlo simulations for certain periods, and a probability-weighted discounted cash flow model, requiring the Company to develop its own assumptions. Therefore, the Company categorized this investment as a Level 3 financial asset.

Some of the more significant unobservable inputs used in the fair value measurement of the Convertible Loan include applicable discount rates, implied volatility, the likelihood and projected timing of repayment or conversion, and projected cash flows in support of the estimated enterprise value of Neo Medical. Holding other inputs constant, changes in these assumptions could result in a significant change in the fair value of the Convertible Loan. If the amortized cost of the Convertible Loan exceeds its estimated fair value, the security is deemed to be impaired, and must be evaluated for the recognition of a credit loss. As of September 30, 2023, the Company has not recognized any credit loss related to the Convertible Loan.

The following table provides a reconciliation of the beginning and ending balances of the Convertible Loans, measured at fair value using significant unobservable inputs (Level 3):

(Unaudited, U.S. Dollars, in thousands)	2023	2022
Fair value of Neo Medical Convertible Loans at January 1	\$ 7,140	\$ 7,148
Interest recognized in interest income, net	367	326
Foreign currency remeasurement recognized in other expense, net	54	(437)
Unrealized gain (loss) recognized in other comprehensive loss	109	(766)
Conversion of Second Convertible Loan into preferred equity securities	—	(671)
Fair value of Neo Medical Convertible Loans at September 30	\$ 7,670	\$ 5,600
Amortized cost basis of Neo Medical Convertible Loans at September 30	\$ 6,328	\$ 5,425

The following table provides quantitative information related to certain key assumptions utilized within the valuation as of September 30, 2023:

(Unaudited, U.S. Dollars, in thousands)	Fair Value as of September 30, 2023	Unobservable inputs	Estimate
Neo Medical Convertible Loan	\$ 7,670	Cost of equity discount rate	19.4 %
		Estimated equity volatility	80.6 %

Bone Biologics Equity Securities

Until August 2022, the Company held an investment in common stock of Bone Biologics Inc. ("Bone Biologics", NASDAQ: BBLG), a developer of orthobiologic products. The Company disposed of its remaining holdings in Bone Biologics equity securities during the third quarter of 2022.

Other Investments

Other investments represent assets and investments recorded at fair value that are not deemed to be material for disclosure on an individual basis. The fair value of these assets is based upon significant unobservable inputs, such as probability-weighted discounted cash flow models, requiring the Company to develop its own assumptions. Therefore, the Company has categorized these assets as Level 3 financial assets. As of September 30, 2023, this balance was classified within other long-term assets.

Spinal Kinetics Contingent Consideration

The Company recognized a contingent consideration obligation in connection with the acquisition of Spinal Kinetics in 2018. The fair value of the remaining Spinal Kinetics contingent consideration, attributable to a revenue-based milestone, was concluded to be zero as of September 30, 2023, as the Company did not achieve the milestone prior to April 30, 2023, the end of the measurement period for achieving such milestone.

The following table provides a reconciliation of the beginning and ending balances for the Spinal Kinetics contingent consideration measured at estimated fair value using significant unobservable inputs (Level 3):

(Unaudited, U.S. Dollars, in thousands)	2023	2022
Spinal Kinetics contingent consideration estimated fair value at January 1	\$ —	\$ 17,200
Decrease in fair value recognized in acquisition-related amortization and remeasurement	—	(17,200)
Spinal Kinetics contingent consideration estimated fair value at September 30	\$ —	\$ —

Lattus Contingent Consideration

In connection with the Merger, the Company assumed a contingent consideration obligation under a purchase agreement between SeaSpine and Lattus Spine LLC ("Lattus") executed in December 2022. Under the terms of the agreement, the Company may be required to make installment payments at certain dates based on future net sales of certain products (the "Lateral Products").

The estimated fair value of the Lattus contingent consideration as of the closing of the Merger, January 5, 2023, was \$11.2 million. The estimated fair value of the Lattus contingent consideration is determined using a Monte Carlo simulation and a discounted cash flow model requiring significant inputs which are not observable in the market. The significant inputs include assumptions related to the timing and probability of certain product launch dates, estimated future sales of the products, revenue risk-adjusted discount rate, revenue volatility, and discount rates matched to the timing of payments. The following table provides a reconciliation of the beginning and ending balances for the Lattus contingent consideration measured at estimated fair value using significant unobservable inputs (Level 3):

(Unaudited, U.S. Dollars, in thousands)	2023	2022
Lattus contingent consideration estimated fair value at January 5	\$ 11,200	\$ —
Decrease in fair value recognized in acquisition-related amortization and remeasurement	(2,100)	—
Lattus contingent consideration estimated fair value at September 30	\$ 9,100	\$ —

The following table provides quantitative information related to certain key assumptions utilized within the valuation as of September 30, 2023:

(Unaudited, U.S. Dollars, in thousands)	Fair Value as of September 30, 2023	Unobservable inputs	Estimate
Lattus Contingent Consideration	\$ 9,100	Counterparty discount rate	9.5 %
		Revenue risk-adjusted discount rate	7.0 %

8. Commitments and Contingencies

Commitments

As a result of the Merger, the Company became party to agreements with certain distributor partners that provide the Company with an option to purchase, and an option for those partners to require the Company to purchase, the distribution business of those

partners at specified future dates. At such time, the Company or distributor may (in certain cases, subject to satisfying certain conditions) submit written notice to the other of its intention to exercise its rights and initiate or require the purchase. Upon receipt of the written notice, the Company and the distributor will work in good faith to consummate the purchase. Under these agreements, the purchase price would be paid in shares of the Company's common stock. Based on the closing price of the Company's common stock as of September 30, 2023, assuming the options under all the relevant agreements were exercised, the estimated total number of shares the Company would issue under these agreements was approximately 1.7 million shares. The Company has received notification from one such distributor, who has notified the Company of its decision to exercise its buyout option. The Company is currently in negotiations with this distributor in regard to the consummation of the potential acquisition.

Contingencies

In addition to the matters described below, in the normal course of its business, the Company is involved in various lawsuits from time to time and may be subject to certain other contingencies. The Company believes any losses related to these matters are individually and collectively immaterial as to a possible loss and range of loss.

Italian Medical Device Payback ("IMDP")

In 2015, the Italian Parliament introduced rules for entities that supply goods and services to the Italian National Healthcare System. A key provision of the law is a 'payback' measure, requiring medical device companies in Italy to make payments to the Italian government if medical device expenditures exceed regional maximum ceilings. Companies are required to make payments equal to a percentage of expenditures exceeding maximum regional caps.

In the third quarter of 2022, the Italian Ministry of Health provided guidelines to the Italian regions and provinces on seeking payback of expenditure overruns relating to the years ended December 31, 2015, through December 31, 2018. Since receiving the guidelines, several regions and provinces have requested payment from affected medical device companies, including the Company. The Company has taken legal action to dispute the legality of such measures.

The Company accounts for the estimated cost of the IMDP as sales and marketing expense and periodically reassesses the liability based upon current facts and circumstances. As a result, the Company recorded an expense of \$0.2 million and \$0.8 million for the three and nine months ended September 30, 2023, respectively, and an expense of \$0.3 million and \$0.9 million for the three and nine months ended September 30, 2022, respectively. As of September 30, 2023, the Company has accrued \$7.0 million related to the IMDP, which it has classified within other long-term liabilities; however, the actual liability could be higher or lower than the amount accrued once all legal proceedings are resolved and upon further clarification of the IMDP by the Italian authorities for more recent fiscal years.

9. Accumulated other comprehensive loss

The components of and changes in accumulated other comprehensive loss were as follows:

(Unaudited, U.S. Dollars, in thousands)	Currency Translation Adjustments	Neo Medical Convertible Loans	Other Investments	Accumulated Other Comprehensive Loss
Balance at December 31, 2022	\$ (2,482)	\$ 1,005	\$ 101	\$ (1,376)
Other comprehensive income (loss)	(492)	109	(101)	(484)
Income taxes	—	—	—	—
Balance at September 30, 2023	\$ (2,974)	\$ 1,114	\$ —	\$ (1,860)

10. Revenue recognition and accounts receivable

Revenue Recognition

The Company has two reporting segments: Global Spine and Global Orthopedics. Within the Global Spine reporting segment, there are two product categories: (i) Bone Growth Therapies, and (ii) Spinal Implants, Biologics, and Enabling Technologies.

The table below presents net sales by major product category by reporting segment:

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		
	2023	2022	Change
Bone Growth Therapies	\$ 53,359	\$ 46,531	14.7 %
Spinal Implants, Biologics, and Enabling Technologies	100,993	39,655	154.7 %
Global Spine	154,352	86,186	79.1 %
Global Orthopedics	29,654	27,810	6.6 %

Net sales	\$	184,006	\$	113,996	61.4 %
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Nine Months Ended September 30,					
(Unaudited, U.S. Dollars, in thousands)	2023		2022		Change
Bone Growth Therapies	\$	153,735	\$	136,244	12.8 %
Spinal Implants, Biologics, and Enabling Technologies		307,799		123,379	149.5 %
Global Spine		461,534		259,623	77.8 %
Global Orthopedics		84,692		78,861	7.4 %
Net sales	\$	546,226	\$	338,484	61.4 %

Product Sales and Marketing Service Fees

The table below presents product sales and marketing service fees, which are both components of net sales:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Unaudited, U.S. Dollars, in thousands)	2023	2022	2023	2022
Product sales	\$ 170,666	\$ 100,485	\$ 506,992	\$ 296,652
Marketing service fees	13,340	13,511	39,234	41,832
Net sales	\$ 184,006	\$ 113,996	\$ 546,226	\$ 338,484

Product sales primarily consist of the sale of bone growth therapies devices, spinal implants, certain biologics, enabling technologies, and orthopedics products. Marketing service fees are received from MTF Biologics based on total sales of biologics tissues sourced from MTF Biologics and relate solely to the Global Spine reporting segment. The Company partners with MTF Biologics to provide certain allograft solutions (HCT/Ps) for various spine, orthopedic and other bone repair needs, with this partnership allowing us to exclusively market certain biologic offerings.

Accounts receivable and related allowances

The following table provides a detail of changes in the Company's allowance for expected credit losses for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Unaudited, U.S. Dollars, in thousands)	2023	2022	2023	2022
Allowance for expected credit losses beginning balance	\$ 7,015	\$ 5,589	\$ 6,419	\$ 4,944
Addition resulting from the Merger with SeaSpine	—	—	137	—
Current period provision for expected credit losses	415	574	905	1,713
Write-offs charged against the allowance and other	(214)	10	(334)	(236)
Effect of changes in foreign exchange rates	(126)	(225)	(37)	(473)
Allowance for expected credit losses ending balance	\$ 7,090	\$ 5,948	\$ 7,090	\$ 5,948

11. Business segment information

The Company has two reporting segments: Global Spine and Global Orthopedics. The primary metric used in managing the Company is adjusted earnings before interest, tax, depreciation, and amortization ("adjusted EBITDA," a non-GAAP financial measure). Adjusted EBITDA represents earnings before interest income (expense), income taxes, depreciation, and amortization and excludes the impact of share-based compensation, gains and losses related to changes in foreign exchange rates, charges related to the SeaSpine merger and other strategic investments, acquisition-related fair value adjustments, legal judgments and settlements, charges related to initial compliance with regulations set forth by the European Union Medical Device Regulation, and certain other activities. Corporate activities are comprised of operating expenses not directly identifiable within the two reporting segments, such as human resources, finance, legal, and information technology functions. The table below presents adjusted EBITDA by reporting segment:

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Adjusted EBITDA by reporting segment				
Global Spine	\$ 22,593	\$ 16,601	\$ 58,832	\$ 45,244
Global Orthopedics	477	2,648	386	2,624
Corporate	(9,549)	(4,994)	(32,574)	(15,081)
Consolidated adjusted EBITDA	\$ 13,521	\$ 14,255	\$ 26,644	\$ 32,787
Reconciling items:				
Interest expense, net	\$ 1,576	\$ 277	\$ 4,131	\$ 1,059
Depreciation and amortization	13,097	7,570	39,094	21,598
Share-based compensation expense	6,274	4,729	32,540	13,521
Foreign exchange impact	1,909	3,253	1,057	7,486
SeaSpine merger-related costs	5,416	—	34,362	—
Strategic investments	913	3,390	1,883	6,184
Acquisition-related fair value adjustments	7,122	419	26,907	(15,795)
Legal judgments/settlements	3,851	125	5,611	466
Medical device regulation	1,840	2,590	7,519	6,883
Business interruption - COVID-19	—	1,215	—	1,874
All other	(92)	59	170	230
Loss before income taxes	\$ (28,385)	\$ (9,372)	\$ (126,630)	\$ (10,719)

Geographical information

The table below presents net sales by geographic destination for each reporting segment and for the consolidated Company:

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Global Spine				
U.S.	\$ 145,764	\$ 81,414	\$ 432,581	\$ 244,379
International	8,588	4,772	28,953	15,244
Total Global Spine	154,352	86,186	461,534	259,623
Global Orthopedics				
U.S.	7,482	6,588	21,341	18,818
International	22,172	21,222	63,351	60,043
Total Global Orthopedics	29,654	27,810	84,692	78,861
Consolidated				
U.S.	153,246	88,002	453,922	263,197
International	30,760	25,994	92,304	75,287
Net sales	\$ 184,006	\$ 113,996	\$ 546,226	\$ 338,484

12. Acquisition-related amortization and remeasurement

Acquisition-related amortization and remeasurement consists of (i) amortization related to intangible assets acquired through business combinations or asset acquisitions, (ii) remeasurement of any related contingent consideration arrangements, and (iii) recognized costs associated with acquired IPR&D assets, which are recognized immediately upon acquisition. Components of acquisition-related amortization and remeasurement are as follows:

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Amortization of acquired intangibles	\$ 4,370	\$ 2,070	\$ 13,137	\$ 6,122
Changes in fair value of contingent consideration	(800)	(986)	(2,100)	(17,200)
Acquired IPR&D	—	1,400	—	1,400
Total	\$ 3,570	\$ 2,484	\$ 11,037	\$ (9,678)

13. Share-based compensation

Components of share-based compensation expense are as follows:

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cost of sales	\$ 463	\$ 195	\$ 1,416	\$ 611
Sales and marketing	2,092	948	6,892	2,929
General and administrative	2,832	3,285	21,103	9,461
Research and development	887	301	3,129	520
Total	\$ 6,274	\$ 4,729	\$ 32,540	\$ 13,521

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Stock options	\$ 1,429	\$ 294	\$ 6,582	\$ 858
Time-based restricted stock awards and units	4,263	2,467	24,344	7,047
Market-based / performance-based restricted stock units	54	1,626	167	4,567
Stock purchase plan	528	342	1,447	1,049
Total	\$ 6,274	\$ 4,729	\$ 32,540	\$ 13,521

Pursuant to the Merger Agreement, the equity awards of SeaSpine (including stock options and restricted stock units) outstanding as of immediately prior to the closing of the Merger were converted into equity awards denominated in shares of Orthofix common stock. The Company issued options to purchase 1.9 million shares of Orthofix common stock and 0.5 million shares of time-based vesting restricted stock in connection with the conversion of such awards. The estimated fair value of the portion of the SeaSpine equity awards for which the required service period had been completed at the time of the closing of the Merger was treated as purchase consideration. The remaining estimated fair value is recorded as compensation expense over the remainder of the service period associated with the awards.

During the three months ended September 30, 2023, and 2022, the Company issued 16,411 and 7,057 shares, respectively, of common stock related to stock purchase plan issuances, stock option exercises, and the vesting of restricted stock awards and units. During the nine months ended September 30, 2023, and 2022, the Company issued 0.5 million and 0.2 million shares, respectively, of common stock related to stock purchase plan issuances, stock option exercises, and the vesting of restricted stock awards and units.

On September 12, 2023, the Company announced the termination of the Company's former Chief Executive Officer, former Chief Financial Officer, and former Chief Legal Officer. This change in leadership resulted in a recognized benefit of \$1.1 million and \$0.1 million for the three and nine months ended September 30, 2023, related to the forfeiture of outstanding equity grants, net of any incremental share-based compensation expense related to interim leaders appointed to these roles.

14. Income taxes

Generally, income tax provisions for interim periods are based on an estimated annual income tax rate, adjusted for discrete tax items, with any changes affecting the estimated annual effective tax rate recorded in the interim period in which the change occurs. Due to the impact of losses not benefited by the Company's U.S. and Italian operations, the Company determined the estimated annual effective tax rate method would not provide a reliable estimate of the Company's overall annual effective tax rate. As such, the Company has calculated the tax provision using the actual effective rate for the three and nine months ended September 30, 2023. Due to the impact of temporary differences on the U.S. current tax liability without any deferred tax benefit, the actual effective rate may vary in future quarters.

For the three months ended September 30, 2023, and 2022, the effective tax rate was (1.7%) and (14.3%), respectively. For the nine months ended September 30, 2023, and 2022, the effective tax rate was (2.0%) and (18.4%), respectively. The primary factors affecting the Company's effective tax rate for the three and nine months ended September 30, 2023, were certain losses not benefited and tax amortization on certain acquired intangibles.

15. Earnings per share ("EPS")

For the three and nine months ended September 30, 2023, no adjustments were made to net income for purposes of calculating basic and diluted EPS. The following is a reconciliation of the weighted average shares used in diluted EPS computations.

(Unaudited, In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Weighted average common shares-basic	37,249	20,091	36,588	20,007
Effect of dilutive securities				
Unexercised stock options and stock purchase plan	—	—	—	—
Unvested restricted stock units	—	—	—	—
Weighted average common shares-diluted	37,249	20,091	36,588	20,007

There were 6.3 million and 2.4 million weighted average outstanding stock options and restricted stock units not included in the diluted EPS computation for the three months ended September 30, 2023, and 2022, respectively, and 6.8 million and 2.2 million weighted average outstanding stock options and restricted stock units not included in the diluted EPS computation for the nine months ended September 30, 2023, and 2022, respectively, because inclusion of these awards was anti-dilutive.

16. Goodwill

The Company tests goodwill at least annually for impairment. The Company tests more frequently if indicators are present or changes in circumstances suggest that impairment may exist. These indicators include, among others, declines in sales, earnings or cash flows, or the development of a material adverse change in the business climate. The Company assesses goodwill for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment.

In the third quarter of 2023, the Company announced the termination of the former President and Chief Executive Officer, former Chief Financial Officer, and former Chief Legal Officer, from their respective roles. Immediately following the announcement, the Company's market capitalization decreased by approximately 30%, indicating that an impairment may exist. As a result, the Company performed an interim quantitative assessment of its goodwill as of September 30, 2023.

The Company estimated the fair value of each reporting unit using a weighted average of the fair value derived from both an income approach and a market approach (all Level 3 fair value measurements). Upon performing its assessment, the Company determined its Global Spine reporting unit's fair value exceed its carrying value of net assets as of September 30, 2023.

The following table presents the net carrying value of goodwill as of September 30, 2023, and any activity recognized during the year-to-date period, including accumulated goodwill impairment losses by reportable segment:

(Unaudited, U.S. Dollars, in thousands)	Balance as of December 31, 2022	Goodwill Acquired in the Merger with SeaSpine	Impairment Recognized within Acquisition-related Amortization and Remeasurement	Balance as of September 30, 2023
Global Spine - Gross	\$ 71,317	\$ 123,450	\$ —	\$ 194,767
Global Spine - Accumulated Impairment Loss	—	—	—	\$ —
Global Spine - Net	\$ 71,317	\$ 123,450	\$ —	\$ 194,767
Global Orthopedics - Gross	\$ 11,822	\$ —	\$ —	\$ 11,822
Global Orthopedics - Accumulated Impairment Loss	(11,822)	—	—	\$ (11,822)
Global Orthopedics - Net	\$ —	\$ —	\$ —	\$ —
Goodwill, net of accumulated impairment losses	\$ 71,317	\$ 123,450	\$ —	\$ 194,767

17. Subsequent Events

As further described above in Note 6, on November 6, 2023, the Company, as borrower, and certain subsidiaries of the Company as guarantors, entered into a Financing Agreement (the "Financing Agreement") with Blue Torch Finance LLC, as administrative agent

and collateral agent (the “Agent”), and certain lenders party thereto. The Financing Agreement provides for a \$100 million senior secured term loan (the “Initial Term Loan”), a \$25 million senior secured delayed draw term loan facility (the “Delayed Draw Term Loan”), and a \$25 million senior secured revolving credit facility (the “Revolving Credit Facility,” and together with the Initial Term Loan and the Delayed Draw Term Loan, the “Credit Facilities”), each of which mature on November 6, 2027. In connection with entering into the Financing Agreement, the Company repaid in full amounts outstanding and terminated all commitments under the Prior Credit Agreement. The Initial Term Loan was fully funded on November 6, 2023. As of the date of this filing (November 8, 2023), the Company had not made any borrowings under the Delayed Draw Term Loan or the Revolving Credit Facility.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of Orthofix Medical Inc.'s (sometimes referred to as "we," "us" or "our") financial condition and results of operations should be read in conjunction with the discussion under the heading "Forward-Looking Statements" and our condensed consolidated financial statements and related notes thereto appearing elsewhere in this Form 10-Q.

Executive Summary

Following our merger (the "Merger") with SeaSpine Holdings Corporation ("SeaSpine"), which was completed in January 2023, the newly merged Orthofix-SeaSpine organization is a leading global spine and orthopedics company with a comprehensive portfolio of biologics, innovative spinal hardware, bone growth therapies, specialized orthopedic solutions, and a leading surgical navigation system. Headquartered in Lewisville, Texas, our spine and orthopedic products are distributed in approximately 68 countries via our sales representatives and distributors. For more information, please visit www.Orthofix.com. Information included on our website is not incorporated into, or otherwise creates a part of, this report.

Notable financial metrics in the third quarter of 2023 and recent achievements include the following:

- Net sales of \$184.0 million, an increase of 61% on a reported and 60% on a constant currency basis over prior year, largely as a result of the Merger
- Bone Growth Therapies growth of 15%, marking three consecutive quarters with double-digit net sales increases, with growth coming from both spine and fracture portfolios
- Spinal Implants, Biologics, and Enabling Technologies sales growth of 155% on a reported basis over prior year
- Global Orthopedics net sales increase of 7% on a reported basis over prior year

Results of Operations

The following table provides certain items in our condensed consolidated statements of operations as a percent of net sales:

(Unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023 (%)	2022 (%)	2023 (%)	2022 (%)
Net sales	100.0	100.0	100.0	100.0
Cost of sales	34.9	26.8	36.0	26.7
Gross profit	65.1	73.2	64.0	73.3
Sales and marketing	51.7	48.7	52.7	50.1
General and administrative	14.7	16.9	20.2	16.1
Research and development	10.1	10.5	11.2	10.6
Acquisition-related amortization and remeasurement	1.9	2.2	2.0	(2.8)
Operating loss	(13.3)	(5.1)	(22.1)	(0.7)
Net loss	(15.7)	(9.4)	(23.7)	(3.7)

Net Sales by Product Category and Reporting Segment

The following tables provide net sales by major product category by reporting segment:

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		Percentage Change	
	2023	2022	Reported	Constant Currency
Bone Growth Therapies	\$ 53,359	\$ 46,531	14.7 %	14.7 %
Spinal Implants, Biologics, and Enabling Technologies	100,993	39,655	154.7 %	154.5 %
Global Spine	154,352	86,186	79.1 %	79.0 %
Global Orthopedics	29,654	27,810	6.6 %	0.7 %
Net sales	\$ 184,006	\$ 113,996	61.4 %	59.9 %

(Unaudited, U.S. Dollars, in thousands)	Nine Months Ended September 30,		Percentage Change	
	2023	2022	Reported	Constant Currency
Bone Growth Therapies	\$ 153,735	\$ 136,244	12.8 %	12.8 %
Spinal Implants, Biologics, and Enabling Technologies	307,799	123,379	149.5 %	149.5 %
Global Spine	461,534	259,623	77.8 %	77.8 %
Global Orthopedics	84,692	78,861	7.4 %	6.1 %
Net sales	\$ 546,226	\$ 338,484	61.4 %	61.1 %

Global Spine

Global Spine offers the following product categories:

- Bone Growth Therapies, which manufactures, distributes, sells, and provides support services for market leading devices used adjunctively in high-risk spinal fusion procedures and to treat both non-union and acute fractures in the orthopedic space. Bone Growth Therapies uses distributors and a direct sales channel to sell its devices and provide associated support services to hospitals, healthcare providers, and patients in the U.S.
- Spinal Implants, Biologics, and Enabling Technologies is comprised of a broad portfolio of spine fixation and motion preservation implant products used in surgical procedures of the spine, one of the most comprehensive biologics portfolios in both the demineralized bone matrix and cellular allograft market segments, and image-guided surgical solutions to facilitate degenerative, minimally invasive, and complex surgical procedures. Spinal Implants, Biologics, and Enabling Technologies products are sold through a network of distributors and sales representatives to hospitals and healthcare providers on a global basis for Spinal Implants and Enabling Technologies, and primarily within the U.S. for Biologics.

Three months ended September 30, 2023 compared to 2022

Net sales of \$154.4 million, an increase of \$68.2 million or 79.1%

- Bone Growth Therapies net sales increased \$6.8 million or 14.7%, largely driven by (i) an increase in complex spine procedures, which are typically paired within our CervicalStim and SpinalStim devices, (ii) increased reimbursement rates that were approved by Medicare for 2023, (iii) growth in our spine and fracture sales channels as a result of investments made in the commercial channel in the prior year, and (iv) the launch of AccelStim for the healing of fresh and non-union fractures
- Spinal Implants, Biologics, and Enabling Technologies net sales increased \$61.3 million or 154.7%, primarily due to the contribution of SeaSpine net sales in the third quarter of 2023 in addition to growth driven by the onboarding of new, high-volume distribution partners along with multiple recent product launches

Nine months ended September 30, 2023 compared to 2022

Net sales of \$461.5 million, an increase of \$201.9 million or 77.8%

- Bone Growth Therapies net sales increased \$17.5 million or 12.8%, largely driven by (i) a continued increase in complex spine procedures, (ii) increased reimbursement rates that were approved by Medicare for 2023, (iii) growth in our spine and fracture sales channels as a result of investments made in the prior year, and (iv) the launch of AccelStim
- Spinal Implants, Biologics, and Enabling Technologies net sales increased \$184.4 million or 149.5%, primarily due to the contribution of SeaSpine net sales and growth driven by the onboarding of new, high-volume distribution partners along with multiple recent product launches

Global Orthopedics

Global Orthopedics offers products and solutions that allow physicians to successfully treat a variety of orthopedic conditions specifically related to limb reconstruction and deformity correction unrelated to the spine. Global Orthopedics distributes its products globally through a network of distributors and sales representatives to sell orthopedic products to hospitals and healthcare providers.

Three months ended September 30, 2023 compared to 2022

Net sales of \$29.7 million, an increase of \$1.8 million or 6.6%

- Growth of 13.6% in the U.S., primarily due to recent product launches and commercial execution within our U.S. sales channel
- International growth of 4.5% on a reported basis, largely due to favorable movements in foreign exchange rates, which had a favorable impact on net sales of \$1.6 million in the quarter, partially offset by a small decrease in stocking distributor orders and in certain direct international markets as a result of macroeconomic headwinds

Nine months ended September 30, 2023 compared to 2022

Net sales of \$84.7 million, an increase of \$5.8 million or 7.4%

- Growth of 13.4% in the U.S. largely as a result of investments made in recent product launches and commercial execution within our sales channel
- International growth of 3.8% on a constant currency basis, largely due to an increase in stocking distributor orders and as a result of recent product launches
- Increase of \$1.0 million due to movement in foreign current exchange rates, which had a favorable impact on net sales in 2023

Gross Profit

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
Net sales	\$ 184,006	\$ 113,996	61.4 %	\$ 546,226	\$ 338,484	61.4 %
Cost of sales	64,243	30,573	110.1 %	196,583	90,491	117.2 %
Gross profit	\$ 119,763	\$ 83,423	43.6 %	\$ 349,643	\$ 247,993	41.0 %
Gross margin	65.1 %	73.2 %	(8.1 %)	64.0 %	73.3 %	-9.3 %

Three months ended September 30, 2023 compared to 2022

Gross profit increased \$36.3 million

- Gross profit largely increased due to the contribution of SeaSpine results in the third quarter of 2023, as SeaSpine contributed approximately \$62.9 million in net sales
- Partially offset by \$7.9 million in amortization of the inventory fair value step up at acquisition, which is being recognized over the expected sales cycles of the acquired inventory
- Further offset by approximately \$1.4 million in inventory-related charges as a result of product rationalization decisions that have been made related to the Merger

Nine months ended September 30, 2023 compared to 2022

Gross profit increased \$101.7 million

- Gross profit largely increased due to the contribution of SeaSpine results in the third quarter of 2023, as SeaSpine contributed approximately \$188.2 million in net sales
- Partially offset by \$29.0 million in amortization of the inventory fair value step up at acquisition, which is being recognized over the expected sales cycles of the acquired inventory

- Further offset by approximately \$5.7 million in inventory-related charges as a result of product rationalization decisions that have been made related to the Merger

Sales and Marketing Expense

(U.S. Dollars, in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
Sales and marketing	\$ 94,947	\$ 55,461	71.2 %	\$ 287,987	\$ 169,486	69.9 %
As a percentage of net sales	51.5 %	48.7 %	2.8 %	52.7 %	50.1 %	2.6 %

Three months ended September 30, 2023 compared to 2022

Sales and marketing expense increased \$39.5 million

- Increase largely due to the contribution of SeaSpine results in the third quarter of 2023 and the overall increase in net sales as compared to the prior year period, which resulted in increased variable expenses, such as commissions and bonus expenses associated with the achievement of sales objectives
- Included within sales and marketing expenses for the third quarter of 2023 are integration-related expenses of \$1.3 million, which are mainly severance and retention costs

Nine months ended September 30, 2023 compared to 2022

Sales and marketing expense increased \$118.5 million

- Increase largely due to the contribution of SeaSpine results in the third quarter of 2023 and the overall increase in net sales as compared to the prior year period, which resulted in increased variable expenses, such as commissions and bonus expenses associated with the achievement of sales objectives
- Included within sales and marketing expenses for 2023 are integration-related expenses of \$4.3 million, which are mainly related to severance and retention costs

General and Administrative Expense

(U.S. Dollars, in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
General and administrative	\$ 27,136	\$ 19,322	40.4 %	\$ 110,124	\$ 54,496	102.1 %
As a percentage of net sales	14.7 %	16.9 %	(2.2 %)	20.2 %	16.1 %	4.1 %

Three months ended September 30, 2023 compared to 2022

General and administrative expense increased \$7.8 million

- Increase largely due to the contribution of SeaSpine results in the third quarter of 2023 and resulting integration costs incurred as a result of the Merger
- Increase also driven by approximately \$3.4 million in costs associated with the Board of Directors' independent investigation conducted by independent outside legal counsel, which resulted in the termination of three former executives
- Partially offset by a decrease of \$2.9 million associated with due diligence efforts and transaction costs incurred in 2022 prior to the closing of the Merger
- Further offset by a \$0.5 million decrease in share-based compensation expense resulting from (i) a \$1.1 million recognized benefit related to the forfeiture of outstanding equity grants due to executive leadership changes, partially offset by increases from (ii) a larger employee base post-Merger, and (iii) accelerated vesting of certain equity-based awards as a result of the Merger

Nine months ended September 30, 2023 compared to 2022

General and administrative expense increased \$55.6 million

- Increase largely due to the contribution of SeaSpine results in 2023 and resulting integration costs incurred as a result of the Merger, partially offset by a reduction in due diligence and transaction costs incurred prior to the closing of the Merger

- Included within general and administrative expenses for 2023 are merger and integration related expense of \$21.4 million, which are mainly comprised of (i) professional fees totaling \$10.8 million, inclusive of a \$5.5 million payment to Orthofix's financial advisor for the Merger upon closing of the transaction, and (ii) severance and retention costs totaling \$9.9 million
- Increase of \$11.6 million in share-based compensation expense as a result of (i) a larger employee base post-Merger and (ii) from accelerated vesting of certain equity-based awards as a result of the Merger, partially offset by a recognized benefit related to the forfeiture of outstanding equity grants due to executive leadership changes
- Increases of approximately \$3.4 million in costs associated with the Board of Directors' independent investigation conducted by independent outside legal counsel, which resulted in the termination of three former executives

Research and Development Expense

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
Research and development	\$ 18,559	\$ 11,943	55.4 %	\$ 61,290	\$ 35,913	70.7 %
As a percentage of net sales	10.1 %	10.5 %	(0.4 %)	11.2 %	10.6 %	0.6 %

Three months ended September 30, 2023 compared to 2022

Research and development expense increased \$6.6 million

- Increase largely due to the contribution of SeaSpine results in the third quarter of 2023 and resulting integration costs incurred as a result of the Merger
- Included within research and development expenses for the third quarter of 2023 are merger and integration-related expenses of \$0.4 million, which are mainly comprised of severance and retention costs
- Partially offset by a decrease of \$0.9 million in costs to comply with the European Union Medical Device Regulations

Nine months ended September 30, 2023 compared to 2022

Research and development expense increased \$25.4 million

- Increase largely due to the contribution of SeaSpine results in 2023 and resulting integration costs incurred as a result of the Merger
- Included within research and development expenses for 2023 are merger and integration-related expenses of \$2.4 million, which are mainly comprised of severance and retention costs
- Increase of \$0.8 million related to the attainment of a development milestone with MTF Biologics achieved in the first quarter of 2023
- Partially offset by a decrease of \$0.7 million in costs to comply with the European Union Medical Device Regulations

Acquisition-related Amortization and Remeasurement

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
Acquisition-related amortization and remeasurement	\$ 3,570	\$ 2,484	43.7 %	\$ 11,037	\$ (9,678)	(214.0 %)
As a percentage of net sales	1.9 %	2.2 %	(0.3 %)	2.0 %	(3.0 %)	5.0 %

Acquisition-related amortization and remeasurement consists of (i) amortization related to intangible assets acquired through business combinations or asset acquisitions, (ii) remeasurement of any related contingent consideration arrangements, and (iii) recognized costs associated with IPR&D assets, which are recognized immediately upon acquisition.

Three months ended September 30, 2023 compared to 2022

Acquisition-related amortization and remeasurement increased \$1.1 million

- Increase in amortization expense of \$2.4 million during the third quarter of 2023 associated with intangible assets recognized as a result of the Merger

- Partially offset by \$1.4 million in costs recognized in the third quarter of 2022 associated with the acquisition of in-process research and development assets, recognized immediately upon acquisition, related to our License and Distribution Agreement with CGBio Co., Ltd.

Nine months ended September 30, 2023 compared to 2022

Acquisition-related amortization and remeasurement increased \$20.7 million

- Increase of \$17.2 million related to a benefit recognized in 2022 from the remeasurement of potential revenue-based milestone payments associated with the Spinal Kinetics acquisitions; we did not achieve the remaining milestone prior to April 30, 2023, the end of the measurement period for achieving such milestone
- Increase in amortization expense of \$7.1 million during 2023 associated with intangible assets recognized as a result of the Merger
- Partially offset by a benefit of \$2.1 million recognized in 2023 associated with the remeasurement of a contingent consideration obligation with Lattus Spine LLC assumed in the Merger

Non-operating Income and Expense

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
Interest expense, net	\$ (1,576)	\$ (277)	469.0%	\$ (4,131)	\$ (1,059)	290.1%
Other income (expense), net	(2,360)	(3,308)	(28.7%)	(1,704)	(7,436)	(77.1%)

Three months ended September 30, 2023 compared to 2022

Interest expense, net increased \$1.3 million

- Increase of \$1.3 million attributable to an increase in secured revolving credit facility borrowings outstanding in the third quarter of 2023 as no such balance was outstanding in the prior year

Nine months ended September 30, 2023 compared to 2022

Interest expense, net increased \$3.1 million

- Increase of \$2.6 million attributable to an increase in secured revolving credit facility borrowings outstanding in 2023 as no such balance was outstanding in the prior year
- Increase of \$0.6 million attributable to an early termination prepayment penalty associated with the payoff of the assumed indebtedness of SeaSpine as of the close of the Merger

Three months ended September 30, 2023 compared to 2022

Other income (expense), net increased \$0.9 million

- Increase of \$1.3 million associated with changes in foreign currency exchange rates, as we recorded a non-cash remeasurement loss of \$1.9 million in the third quarter of 2023 compared to a loss of \$3.3 million in the third quarter of 2022
- Partially offset by the recognition of a \$0.4 million impairment loss on a held-for-sale investment security in the third quarter of 2023

Nine months ended September 30, 2023 compared to 2022

Other income (expense), net increased \$5.7 million

- Increase of \$6.4 million associated with changes in foreign currency exchange rates, as we recorded a non-cash remeasurement loss of \$1.1 million in 2023 compared to a loss of \$7.5 million in 2022
- Partially offset by the recognition of a \$0.4 million impairment loss on a held-for-sale investment security in the third quarter of 2023

Income Taxes

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
Income tax expense	\$ 472	\$ 1,344	(64.9%)	\$ 2,591	\$ 1,968	31.7%
Effective tax rate	(1.7%)	(14.3%)	12.6%	(2.0%)	(18.4%)	16.4%

Three months ended September 30, 2023 compared to 2022

- Decrease in tax expense compared to the prior year period is attributable to lower cash taxes in the US of \$1.3 million partially offset by increased amortization expense on long lived intangible assets of \$0.4 million.

Nine months ended September 30, 2023 compared to 2022

- Increase in tax expense compared to the prior year period is attributable to increased amortization expense on long lived intangible assets of \$1.2 million and higher taxes on foreign earnings of \$0.4 million, offset by lower cash taxes in the US of \$0.9 million.

Segment Review

Our business is managed through two reporting segments: Global Spine and Global Orthopedics. The primary metric used in managing the business by segment is adjusted earnings before interest, tax, depreciation, and amortization ("adjusted EBITDA," a non-GAAP financial measure) (which is described further in Note 11 to the Notes to the Unaudited Condensed Consolidated Financial Statements contained herein). The following table presents adjusted EBITDA by segment and reconciles consolidated adjusted EBITDA to loss before income taxes:

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Adjusted EBITDA by reporting segment				
Global Spine	\$ 22,593	\$ 16,601	\$ 58,832	\$ 45,244
Global Orthopedics	477	2,648	386	2,624
Corporate	(9,549)	(4,994)	(32,574)	(15,081)
Consolidated adjusted EBITDA	\$ 13,521	\$ 14,255	\$ 26,644	\$ 32,787
Reconciling items:				
Interest expense, net	\$ 1,576	\$ 277	\$ 4,131	\$ 1,059
Depreciation and amortization	13,097	7,570	39,094	21,598
Share-based compensation expense	6,274	4,729	32,540	13,521
Foreign exchange impact	1,909	3,253	1,057	7,486
SeaSpine merger-related costs	5,416	—	34,362	—
Strategic investments	913	3,390	1,883	6,184
Acquisition-related fair value adjustments	7,122	419	26,907	(15,795)
Legal judgments/settlements	3,851	125	5,611	466
Medical device regulation	1,840	2,590	7,519	6,883
Business interruption - COVID-19	—	1,215	—	1,874
All other	(92)	59	170	230
Loss before income taxes	\$ (28,385)	\$ (9,372)	\$ (126,630)	\$ (10,719)

Liquidity and Capital Resources

Cash and cash equivalents at September 30, 2023, totaled \$33.7 million compared to \$50.7 million at December 31, 2022. The following table presents the net change in cash and cash equivalents for the nine months ended September 30, 2023, and 2022, respectively:

(Unaudited, U.S. Dollars, in thousands)	Nine Months Ended September 30,		
	2023	2022	Change
Net cash provided by (used in) operating activities	\$ (39,059)	\$ (13,886)	\$ (25,173)
Net cash provided by (used in) investing activities	(18,078)	(18,634)	556
Net cash provided by (used in) financing activities	40,042	(1,576)	41,618
Effect of exchange rate changes on cash	58	(2,091)	2,149
Net change in cash and cash equivalents	\$ (17,037)	\$ (36,187)	\$ 19,150

The following table presents free cash flow, a non-GAAP financial measure, which is calculated by subtracting capital expenditures from net cash from operating activities:

(Unaudited, U.S. Dollars, in thousands)	Nine Months Ended September 30,		
	2023	2022	Change
Net cash provided by (used in) operating activities	\$ (39,059)	\$ (13,886)	\$ (25,173)
Capital expenditures	(46,997)	(17,260)	(29,737)
Free cash flow	\$ (86,056)	\$ (31,146)	\$ (54,910)

Operating Activities

Cash flows from operating activities decreased \$25.2 million

- Unfavorable change in net loss of \$116.9 million
- Favorable change of \$96.5 million associated with non-cash gains and losses, largely related to the amortization of the inventory fair value step up at acquisition, share-based compensation expense, changes in fair value of contingent consideration, depreciation and amortization, and inventory reserve expenses
- Unfavorable change of \$4.8 million relating to changes in working capital accounts, primarily attributable to changes in inventory levels, partially offset by recoupment activities associated with the CMS Accelerated and Advance Payment Program in prior year and favorable changes in other current liabilities, prepaid expenses and other current assets, and accounts receivable

Two of our primary working capital accounts are accounts receivable and inventory. Days sales in receivables were 57 days at September 30, 2023, compared to 61 days at September 30, 2022. Inventory turns decreased to 1.0 times as of September 30, 2023 compared to 1.2 times as of September 30, 2022.

Investing Activities

Cash flows from investing activities increased \$0.6 million

- Increase of \$29.4 million attributable to cash acquired as a result of the Merger
- Increase of \$0.9 million associated with the payment of a contingent consideration milestone achieved in 2022 related to a previous asset acquisition
- Partially offset by an increase of \$29.5 million in capital expenditures, largely due to the inclusion of SeaSpine's financial results within the 2023 financial results

Financing Activities

Cash flows from financing activities increased \$41.6 million

- Increase of \$70.0 million associated with our secured revolving credit facility borrowings for working capital purposes, including to fund certain Merger-related expenses, during 2023

- Increase of \$2.0 million related to the conclusion of the FITBONE Contract Manufacturing and Supply Agreement with Wittenstein, resulting in a \$2.0 million payment in the first quarter of 2022
- Partially offset by a decrease of \$26.9 million associated with the termination and repayment of SeaSpine's credit facility
- Further offset by a decrease in net proceeds of \$1.9 million from the issuance of common shares and a decrease in other financing activities of \$1.6 million

Credit Facilities

On January 3, 2023, we borrowed \$30.0 million for working capital purposes, including to fund certain Merger-related expenses under our secured revolving credit facility under the Second Amended and Restated Credit Agreement with JPMorgan Chase Bank, N.A., dated as of October 25, 2019 (as amended by the First Amendment thereto dated March 1, 2023, the "Prior Credit Agreement"), which credit facility had a maturity date of October 25, 2024. Following the completion of the Merger, we terminated SeaSpine's credit facility and all applicable commitments with Wells Fargo Bank, National Association and repaid all outstanding obligations in respect to principal, interest, and fees on January 5, 2023.

Additional borrowings were made under the Prior Credit Agreement subsequent to the closing of the Merger and as of September 30, 2023, we had \$70.0 million borrowings outstanding under the Prior Credit Agreement. We borrowed an additional \$9.0 million on October 10, 2023.

On November 6, 2023, we, as borrower, and certain of our subsidiaries, as guarantors, entered into a Financing Agreement (the "Financing Agreement") with Blue Torch Finance LLC, as administrative agent and collateral agent (the "Agent"), and certain lenders party thereto. The Financing Agreement provides for a \$100 million senior secured term loan (the "Initial Term Loan"), a \$25 million senior secured delayed draw term loan facility (the "Delayed Draw Term Loan"), and a \$25 million senior secured revolving credit facility (the "Revolving Credit Facility," and together with the Initial Term Loan and the Delayed Draw Term Loan, the "Credit Facilities"), each of which mature on November 6, 2027. In connection with entering into the Financing Agreement, we repaid in full amounts outstanding and terminated all commitments under the Prior Credit Agreement. The Initial Term Loan was fully funded on November 6, 2023. As of the date of this filing (November 8, 2023), we had not made any borrowings under the Delayed Draw Term Loan or the Revolving Credit Facility.

Borrowings under the Financing Agreement were and may be used for, among other things, the repayment in full of the Prior Credit Agreement, working capital, and other general corporate purposes. Borrowings under the Credit Facilities bear interest at a floating rate, which will be, at our option, either the three-month SOFR rate (subject to a floor of 3.00% and a credit spread adjustment of 0.26161%) (the "Adjusted Term SOFR Rate") plus an applicable margin of 7.25%, or a base rate plus an applicable margin of 6.25%. A revolving unused line fee of 2.00% is payable monthly in arrears based on the average amount of the undrawn portion of each lender's revolving credit commitments under the Revolving Credit Facility for the preceding month. A delayed draw unused fee equal to the Adjusted Term SOFR Rate plus a margin of 1.00% is payable monthly in arrears based on the average amount of the undrawn portion of each lender's delayed draw term loan commitments in respect of the Delayed Draw Term Loan for the preceding month.

Certain of our existing and future material subsidiaries (collectively, the "Guarantors") are required to guarantee the repayment of our obligations under the Financing Agreement. Our obligations and each of the Guarantors with respect to the Financing Agreement are secured by a pledge of substantially all of our assets and the assets of each of the Guarantors, including, without limitation, accounts receivables, deposit accounts, intellectual property, investment property, inventory, equipment, and equity interests in their respective subsidiaries.

The Financing Agreement contains customary affirmative and negative covenants, including limitations on our and our subsidiaries' ability to incur additional debt, grant or permit additional liens, make investments and acquisitions, merge or consolidate with others, dispose of assets, pay dividends and distributions, pay subordinated indebtedness, and enter into affiliate transactions. In addition, the Financing Agreement contains financial covenants requiring us to maintain a minimum level of liquidity at all times, a maximum consolidated leverage ratio (measured on a quarterly basis), and a minimum asset coverage ratio (measured on a monthly basis). The Financing Agreement also includes events of default customary for facilities of this type and upon the occurrence of such events of default, subject to customary cure rights, all outstanding loans under the Credit Facilities may be accelerated and/or the lenders' commitments terminated.

As of September 30, 2023, we had no borrowings outstanding under our available lines of credit in Italy, which provide up to an aggregate amount of €5.5 million (\$5.8 million). We were in compliance with all required financial covenants of our credit facilities as of September 30, 2023.

Other

For information regarding contingencies, see Note 8 to the Notes to the Unaudited Condensed Consolidated Financial Statements contained herein.

IGEA S.p.A Exclusive License and Distribution Agreement

In April 2021, we entered into an Exclusive License and Distribution Agreement (the "License Agreement") with IGEA S.p.A ("IGEA"), an Italian manufacturer and distributor of bone and cartilage stimulation systems. Per the terms of the License Agreement, we have the exclusive right to sell IGEA products in the U.S. and Canada. As consideration for the License Agreement, we agreed to pay up to \$4.0 million, with certain payments contingent upon achieving an FDA milestone. As of September 30, 2023, we have a remaining liability under this agreement of \$1.0 million which is accrued within other current liabilities.

CGBio Co., Ltd. Exclusive License and Distribution Agreement

On July 30, 2022, we entered into a long-term strategic License and Distribution Agreement (the "Agreement") with CGBio Co., Ltd. ("CGBio"), a developer of innovative, synthetic bone grafts. The agreement grants us the exclusive right to conduct pre-clinical and clinical studies, commercialize, promote, market, and sell the Novosis recombinant human bone morphogenetic protein-2 (rhBMP-2) bone growth materials and other future tissue regenerative solutions in the U.S. and Canada. As consideration, we paid CGBio an upfront payment of \$1.4 million with additional payments contingent upon the achievement of specified development milestones. This agreement was terminated in the third quarter of 2023. No additional milestones were achieved and/or paid per this agreement.

Lattus Spine LLC ("Lattus") Contingent Consideration

In connection with the Merger, we assumed a contingent consideration obligation under a purchase agreement between SeaSpine and Lattus executed in December 2022. Under the terms of the agreement, we may be required to make installment payments at certain dates based on future net sales of certain products (the "Lateral Products"). The estimated fair value of the contingent consideration arrangement as of September 30, 2023, was \$9.1 million; however, the actual amount ultimately paid could be higher or lower than the estimated fair value of the contingent consideration. As of September 30, 2023, we classified the remaining contingent consideration liability within other long-term liabilities. For additional discussion of this matter, see Note 7 of the Notes to the Unaudited Condensed Consolidated Financial Statements.

Off-balance Sheet Arrangements

As of September 30, 2023, we did not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, cash flows, liquidity, capital expenditures or capital resources that are material to investors.

Contractual Obligations

There have been no material changes in any of our material contractual obligations as disclosed in our Form 10-K for the year ended December 31, 2022.

Critical Accounting Estimates

Our discussion of operating results is based upon the condensed consolidated financial statements and accompanying notes. The preparation of these statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Our critical accounting estimates are described in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no significant changes to our critical accounting estimates during the quarter covered by this report.

Recently Issued Accounting Pronouncements

See Note 2 of the Notes to the Unaudited Condensed Consolidated Financial Statements for detailed information regarding the status of recently issued or adopted accounting pronouncements.

Non-GAAP Financial Measures

We believe that providing non-GAAP financial measures that exclude certain items provides investors with greater transparency to the information used by senior management in its financial and operational decision-making. We believe it is important to provide investors with the same non-GAAP financial measures used to supplement information regarding the performance and underlying trends of our business operations to facilitate comparisons to historical operating results and internally evaluate the effectiveness of our operating strategies. Disclosure of these non-GAAP financial measures also facilitates comparisons of our underlying operating performance with other companies in the industry that also supplement their GAAP results with non-GAAP financial measures.

The non-GAAP financial measures used in this filing may have limitations as analytical tools and should not be considered in isolation or as a replacement for GAAP financial measures. Some of the limitations associated with the use of these non-GAAP financial measures are that they exclude items that reflect an economic cost that can have a material effect on cash flows.

Constant Currency

Constant currency is calculated by using foreign currency rates from the comparable, prior-year period to present net sales at comparable rates. Constant currency can be presented for numerous GAAP measures, but is most commonly used by management to analyze net sales without the impact of changes in foreign currency rates.

Adjusted EBITDA

EBITDA is a non-GAAP financial measure defined as earnings before interest income (expense), income taxes, depreciation, and amortization. Adjusted EBITDA is the primary metric used by our Chief Operating Decision Maker in managing the business. Adjusted EBITDA represents earnings before interest income (expense), income taxes, depreciation, and amortization and excludes the impact of: share-based compensation, gains and losses related to changes in foreign exchange rates, SeaSpine Merger-related costs, strategic investments, acquisition-related fair value adjustments, legal judgments and settlements, charges related to initial compliance with regulations set forth by the European Union Medical Device Regulation, and certain other items.

Free Cash Flow

Free cash flow is calculated by subtracting capital expenditures from net cash from operating activities. Management uses free cash flow as an important indicator of how much cash is generated or used by our normal business operations, including capital expenditures. Management uses free cash flow as a measure of progress on its capital efficiency and cash flow initiatives.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to our market risks as disclosed in our Form 10-K for the year ended December 31, 2022.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) designed to provide reasonable assurance that the information required to be disclosed in reports filed or submitted under the Exchange Act are recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. These include controls and procedures designed to ensure that this information is accumulated and communicated to management, including our Interim Chief Executive Officer and our Interim Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Management, with the participation of the Interim Chief Executive Officer and the Interim Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2023. Based on this evaluation, our Interim Chief Executive Officer and our Interim Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of September 30, 2023.

On January 5, 2023, the Company completed a merger of equals with SeaSpine, whose financial statements reflect total assets and revenues constituting 52% and 35%, respectively, of the condensed consolidated financial statement amounts as of and for the nine months ended September 30, 2023. As permitted by the rules of the SEC, the Company will exclude SeaSpine from its annual assessment of the effectiveness on internal control over financial reporting for the year ending December 31, 2023, the year of acquisition. Management continues to monitor SeaSpine's internal controls over financial reporting.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarterly period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal proceedings, see Note 8 to the Notes to the Unaudited Condensed Consolidated Financial Statements contained herein, which is incorporated by reference into this Part II, Item 1.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in "Part I, Item 1A. Risk Factors" in our Form 10-K for the year ended December 31, 2022, or in "Part II, Item 1A. "Risk Factors" in our Form 10-Qs filed for the three months ended March 31, 2023, and six months ended June 30, 2023, except as follows.

We maintain a \$150 million secured revolving credit facility secured by a pledge of substantially all of our property.

On November 6, 2023, we, as borrower, and certain of our subsidiaries, as guarantors, entered into a Financing Agreement (the "Financing Agreement") with Blue Torch Finance LLC, as administrative agent and collateral agent (the "Agent"), and certain lenders party thereto. The Financing Agreement provides for a \$100 million senior secured term loan (the "Initial Term Loan"), a \$25 million senior secured delayed draw term loan facility (the "Delayed Draw Term Loan"), and a \$25 million senior secured revolving credit facility (the "Revolving Credit Facility," and together with the Initial Term Loan and the Delayed Draw Term Loan, the "Credit Facilities"), each of which mature on November 6, 2027. In connection with entering into the Financing Agreement, we repaid in full amounts outstanding and terminated all commitments under our prior credit agreement (which had a maturity date of October 25, 2024). The Initial Term Loan was fully funded on November 6, 2023. As of the date of this filing (November 8, 2023), we had not made any borrowings under the Delayed Draw Term Loan or the Revolving Credit Facility.

Borrowings under the Financing Agreement were and may be used for, among other things, (i) the repayment in full of amount that we had outstanding under our prior credit agreement, (ii) working capital and (iii) other general corporate purposes. Borrowings under the Credit Facilities bear interest at a floating rate, which will be, at our option, either the three-month SOFR rate (subject to a floor of 3.00% and a credit spread adjustment of 0.26161%) (the "Adjusted Term SOFR Rate") plus an applicable margin of 7.25%, or a base rate plus an applicable margin of 6.25%. A revolving unused line fee of 2.00% is payable monthly in arrears based on the average amount of the undrawn portion of each lender's revolving credit commitments under the Revolving Credit Facility for the preceding month. A delayed draw unused fee equal to the Adjusted Term SOFR Rate plus a margin of 1.00% is payable monthly in arrears based on the average amount of the undrawn portion of each lender's delayed draw term loan commitments in respect of the Delayed Draw Term Loan for the preceding month.

Certain of our existing and future material subsidiaries (collectively, the "Guarantors") are required to guarantee the repayment of our obligations under the Financing Agreement. Our obligations and each of the Guarantors with respect to the Financing Agreement are secured by a pledge of substantially all of our assets and the assets of each of the Guarantors, including, without limitation, accounts receivables, deposit accounts, intellectual property, investment property, inventory, equipment, and equity interests in their respective subsidiaries.

The Financing Agreement contains customary affirmative and negative covenants, including limitations on our and our subsidiaries' ability to incur additional debt, grant or permit additional liens, make investments and acquisitions, merge or consolidate with others, dispose of assets, pay dividends and distributions, pay subordinated indebtedness, and enter into affiliate transactions. In addition, the Financing Agreement contains financial covenants requiring us to maintain a minimum level of liquidity at all times, a maximum consolidated leverage ratio (measured on a quarterly basis), and a minimum asset coverage ratio (measured on a monthly basis). The Financing Agreement also includes events of default customary for facilities of this type and upon the occurrence of such events of default, subject to customary cure rights, all outstanding loans under the Credit Facilities may be accelerated and/or the lenders' commitments terminated.

We believe that we will be in compliance with the covenants in future fiscal quarters. However, there can be no assurance that we will be in such compliance, and if we are not, the failure to do so could result in an event of default, which could have a material adverse effect on our financial position in the event that we continue to have significant amounts drawn under the facility at such time.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We have not made any repurchases of our common stock during the third quarter of 2023.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the last fiscal quarter, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified or terminated any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits

- 10.1* [Form of Time-Based Vesting Employee Restricted Stock Unit Grant Agreement \(October 2023 grant\) under the Orthofix Medical Inc. Amended and Restated 2012 Long-Term Incentive Plan.](#)
- 10.2* [Form of Time-Based Vesting Employee Restricted Stock Unit Grant Agreement \(October 2023 Cathy Burzik grant\) under the Orthofix Medical Inc. Amended and Restated 2012 Long-Term Incentive Plan.](#)
- 10.3* [Change in Control and Severance Agreement, dated October 2, 2023, between Orthofix Medical Inc. and Geoffrey Gillespie.](#)
- 10.4* [Change in Control and Severance Agreement, dated June 21, 2023, between Orthofix Medical Inc. and Puja Leekha.](#)
- 31.1* [Rule 13a-14\(a\)/15d-14\(a\) Certification of Chief Executive Officer.](#)
- 31.2* [Rule 13a-14\(a\)/15d-14\(a\) Certification of Chief Financial Officer.](#)
- 32.1# [Section 1350 Certifications of each of the Chief Executive Officer and Chief Financial Officer.](#)
- 101.INS* Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
- 101.SCH* Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document.
- 101.LAB* Inline XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document.
- 104* Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed herewith.

Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ORTHOFIX MEDICAL INC.

Date: November 8, 2023

By: /s/ CATHERINE BURZIK
Name: Catherine Burzik
Title: Interim Chief Executive Officer, Director

Date: November 8, 2023

By: /s/ GEOFFREY GILLESPIE
Name: Geoffrey Gillespie
Title: Interim Chief Financial Officer and VP, Corporate Controller

**ORTHOFIX MEDICAL INC.
AMENDED AND RESTATED 2012 LONG-TERM INCENTIVE PLAN**

**Stock Unit Grant Agreement
COVER SHEET**

Orthofix Medical Inc., a Delaware corporation (the “**Company**”), hereby grants to the Award Recipient named below, on the Grant Date set forth below, the specified number of Stock Units relating to shares of the Company’s common stock, par value \$0.10 per share (the “**Stock**”) under the Plan, subject to the vesting schedule and terms and conditions set forth below (the “**Award**”). Additional terms and conditions of the Stock Units are set forth on this cover sheet, in the attached Stock Unit Grant Agreement (together, the “**Agreement**”), and in the Company’s Amended and Restated 2012 Long-Term Incentive Plan (as amended from time to time, the “**Plan**”). Capitalized terms used and not otherwise defined herein shall have the meanings attributed thereto in the Plan.

Grant Date:

[_____]

Name of Award Recipient:

[_____]

Employee ID Number:

[_____]

Number of Shares of Stock Underlying Stock Units:

[_____]

You agree to all of the terms and conditions described in this Agreement and in the Plan, unless you deliver a notice in writing within thirty (30) days of receipt of this Agreement to the Company stating that you do not accept the terms and conditions described in this Agreement and in the Plan. You acknowledge that you have carefully reviewed the Plan and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent.

Attachment

This is not a stock certificate or a negotiable instrument.

ORTHOFIX MEDICAL INC.
AMENDED AND RESTATED 2012 LONG-TERM INCENTIVE PLAN

Stock Unit Grant Agreement
Attachment

1. Grant of Stock Units.

(a) Vesting. Subject to earlier termination in accordance with the Plan or this Agreement and the terms and conditions herein, Stock Units granted under this Agreement shall vest in full on the second anniversary of the Grant Date (the “**Vesting Date**”) provided that Award Recipient continues in Service and has not had a Separation from Service on such date; provided further, however, for the avoidance of doubt, that there shall be no proportionate or partial vesting in the period prior to the Vesting Date; provided further, that for the avoidance of doubt, following Award Recipient’s Separation from Service, no additional Stock Units shall vest.

(b) Additional Documents. The Award Recipient agrees to execute such additional documents and complete and execute such forms as the Company may require for purposes of this Agreement.

(c) Issuance of Stock. The shares of Stock underlying the Award Recipient’s vested Stock Units will be issued as soon as practicable following the earlier of (i) the date that the Stock Units vest pursuant to the vesting schedule, or (ii) the date of the Award Recipient’s termination of Service, but in no event later than March 15 of the calendar year that immediately follows the first of such events (the date or dates such shares of Stock are delivered, the “**Settlement Date**”). The issuance of shares of Stock under this grant shall be evidenced in such a manner as the Company, in its discretion, will deem appropriate, including, without limitation, book-entry registration or issuance of one or more stock certificates. On the Settlement Date, the Company shall also deliver to the Award Recipient the number of additional shares of Stock, the number of any other securities of the Company and the amount of any other property (in the case of cash dividends, assuming such dividends had been reinvested in shares of Stock as of the ex-dividend date thereof), in each case that the Company distributed per share of Stock to holders generally during the period commencing on the Grant Date and ending on the Settlement Date, multiplied by the number of shares of Stock that are being delivered to the Award Recipient under this paragraph, without interest, and less any tax withholding amount applicable to such distribution. To the extent that the Stock Units are forfeited prior to vesting, the right to receive such distributions shall also be forfeited.

(d) Shareholder Rights. The Award Recipient has no rights as a shareholder with respect to the shares of Stock underlying the Stock Units unless and until the Stock relating to the Stock Units has been delivered. No adjustments are made for dividends, distributions, or other rights if the applicable record date occurs before the certificate is issued (or appropriate book entry is made), except as described above.

2. Incorporation of Plan. The Award Recipient acknowledges receipt of the Plan, a copy of which is annexed hereto, and represents that he is familiar with its terms and provisions and hereby accepts this grant of Stock Units subject to all of the terms and provisions of the Plan and all interpretations, amendments, rules and regulations which may, from time to time, be promulgated and adopted pursuant to the Plan. The Plan is incorporated herein by reference. In the event of any conflict or inconsistency between the Plan and this Agreement, the Plan shall govern and this Agreement shall be interpreted to minimize or eliminate any such conflict or inconsistency.

3. Restrictions on Transfer. To the extent not yet vested, the Stock Units may not be sold, transferred, assigned, transferred, pledged, hypothecated, or otherwise encumbered or disposed of, whether by operation of law or otherwise, nor may the Stock Units be made subject to execution, attachment, or similar process. If the Award Recipient attempts to do any of these things, he will immediately and automatically forfeit the Stock Units.

4. Termination of Service; Corporate Transaction.

(a) Certain Terminations of Service. If, prior to vesting, the Award Recipient's Service is terminated for any reason other than (i) death, (ii) Disability, or (iii) a circumstance providing for accelerated vesting pursuant Section 4(c) hereof, the Stock Units shall be forfeited by the Award Recipient and cancelled by the Company as of the date of the Award Recipient's termination of Service, and the Award Recipient shall have no further right or interest therein unless the Committee in its sole discretion shall determine otherwise.

(b) Termination of Service for Death or Disability. If the Award Recipient's Service terminates by reason of death or Disability, the Stock Units shall automatically vest in full as of the date of the Award Recipient's termination of Service.

(c) Certain Additional Corporate Transaction Circumstances. In the event that this Award is assumed or continued, or substituted for new restricted stock units or another equity-based Award of a successor entity, or parent or subsidiary thereof (with appropriate adjustments as to the number of shares), in each case upon the occurrence of any Corporate Transaction (or in the case of an Award Recipient who is party to a Change in Control and Severance Agreement, upon the consummation of any Change in Control (as defined in the Change in Control and Severance Agreement)), and the employment of the Award Recipient with the Company or an Affiliate is terminated within 24 months following the occurrence of such Corporate Transaction (or in the case of an Award Recipient who is party to a Change in Control and Severance Agreement, upon the consummation of such Change in Control (as defined in the Change in Control and Severance Agreement)) by the employer without Cause or by the Award Recipient for Good Reason, the Stock Units shall be fully vested on the date of such termination of employment with the Company. In the event a Corporate Transaction occurs (or in the case of an Award Recipient who is party to a Change in Control and Severance Agreement, in the event that a Change in Control (as defined in the Change in Control and Severance Agreement) occurs) in which this Award is not being assumed, continued or substituted (as contemplated by the preceding sentence), the Award shall be treated in accordance with the default rules applicable under Section 17.3 of the Plan.

5. Effect of Section 6 of Change in Control and Severance Agreements. The Company and the Award Recipient agree that this Agreement and the Stock Units granted hereunder are not subject to Section 6 of the Change in Control and Severance Agreement, and the Stock Units granted hereunder do not constitute Time-Based Restricted Stock as defined in such Change in Control and Severance Agreement.

6. Withholding.

The Company shall have the right to require the Award Recipient to remit to the Company any and all amounts sufficient to satisfy any withholding or other taxes that may be due as a result of the issuance of shares of Stock subject to the Stock Units. At the time of the Settlement Date (or, in the event that tax withholding is required as of an earlier date, then such earlier date), the Award Recipient shall pay in cash to the Company any amount that the Company may reasonably determine to be necessary to satisfy such withholding or other tax obligation. The Company shall have the right, but not the obligation, to permit or require the Award Recipient to satisfy, in whole or in part, such obligation to remit withholding or other taxes, (a) by directing the Company to withhold shares of Stock that would otherwise become vested, or (b) by entering into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "*FINRA Dealer*") whereby Award Recipient irrevocably elects to sell a portion of the shares of Stock to be delivered in connection with the Stock Units to satisfy withholding obligations and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the withholding obligations directly to the Company or any Affiliate in each case pursuant to such rules as the Committee may establish from time to time. The Company, in its sole discretion, may also permit, the Award Recipient to satisfy, in whole or in part, such obligation to remit withholding or other taxes, by delivering to the Company shares of Stock already owned by the Award Recipient and not then subject to any repurchase, forfeiture, unfulfilled vesting, or similar requirements. The Company shall also have the right to deduct from all cash payments made pursuant to, or in connection with, the Stock Units, the federal, state, or local taxes required to be withheld with respect to such payments. The maximum number of shares of Stock that may be withheld to satisfy any federal, state, or local tax requirements may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount required by the Company to be withheld and paid to any such federal, state, or local taxing authority with respect to such vesting or payment; *provided, however*, for so long as Accounting Standards Update 2016-09 or a similar rule remains in effect, the Committee has full discretion to choose, or to allow the Award Recipient to elect, to withhold a number of shares of Stock having an

aggregate Fair Market Value that is greater than the applicable minimum required statutory withholding obligation (but such withholding may in no event be in excess of the maximum required statutory withholding obligation in such Award Recipient's relevant tax jurisdiction).

7. No Employment or Other Rights. This Award does not confer upon the Award Recipient any right to be continued in the employment of, or otherwise provide Services to, the Company or any Subsidiary or other affiliate thereof, or interfere with or limit in any way the right of the Company or any Subsidiary or other affiliate thereof to terminate such Award Recipient's employment or other service relationship at any time. For purposes of this Agreement only, the term "employment" shall include circumstances under which Award Recipient provides consulting or other Services to the Company or any of its Subsidiaries as an independent contractor, but such Award Recipient is not, nor shall be considered, an employee; provided, however, nothing in this Section 7 or this Agreement shall create an employment relationship between such person and the Company or its applicable Subsidiary, as the usages described in this Section are for convenience only.

8. Adjustment of and Changes in Shares of Stock. In the event of any merger, consolidation, recapitalization, reclassification, stock dividend, extraordinary dividend, or other event or change in corporate structure affecting the shares of Stock, the Committee shall make such adjustments, if any, as it deems appropriate in the number and class of shares subject to the Stock Units. The foregoing adjustments shall be determined by the Committee in its sole discretion.

9. Discretionary Nature of Plan. The Plan is discretionary in nature, and the Company may suspend, modify, amend or terminate the Plan in its sole discretion at any time, subject to the terms of the Plan and any applicable limitations imposed by law. This Stock Unit grant under the Plan is a one-time benefit and does not create any contractual or other right to receive additional Stock Units or other benefits in lieu of Stock Units in the future. Future grants, if any, will be at the sole discretion of the Committee, including, but not limited to, the timing of any grant, the number of Stock Units granted, and the vesting provisions.

10. Section 409A. The grant of Stock Units under this Agreement is intended to comply with Code Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement will be interpreted and administered to be in compliance with Code Section 409A. Notwithstanding anything to the contrary in the Plan or this Agreement, neither the Company, its Affiliates, the Board, nor the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on Award Recipient under Code Section 409A, and neither the Company, its Affiliates, the Board, nor the Committee will have any liability to Award Recipient for such tax or penalty. For purposes of this Agreement, a termination of Service occurs only upon an event that would be a Separation from Service within the meaning of Section 409A. If, at the time of Award Recipient's Separation from Service, (1) Award Recipient is a "specified employee" within the meaning of Code Section 409A, and (2) the Company makes a good faith determination that an amount payable on account of Award Recipient's Separation from Service constitutes deferred compensation (within the meaning of Code Section 409A), the payment of which is required to be delayed pursuant to the six (6)-month delay rule set forth in Code Section 409A to avoid taxes or penalties under Code Section 409A (the "**Delay Period**"), then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it in a lump sum on the first business day after the Delay Period (or upon Award Recipient's death, if earlier), without interest. Each installment of Stock Units that vest under this Agreement (if there is more than one installment) will be considered one of a series of separate payments for purposes of Code Section 409A.

11. Miscellaneous Provisions.

(a) Applicable Law. The validity, construction, interpretation and effect of this instrument will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflicts of law provisions thereof.

(b) Notice. Any notice required by the terms of this Agreement shall be delivered or made electronically, over the Internet or otherwise (with request for assurance of recipient in a manner typical with respect to communications of that type), or given in writing. Any notice given in writing shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, and shall be addressed to the Company at its principal executive office and to the Award Recipient

at the address that he or she has most recently provided to the Company. Any notice given electronically shall be deemed effective on the date of transmission.

(c) Headings. The headings of sections and subsections are included solely for convenience of reference and shall not affect the meaning of the provisions of this Agreement.

(d) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

(e) Amendments. The Board and the Committee shall have the power to alter or amend the terms of the grant of Stock Units as set forth herein from time to time, in any manner consistent with the provisions of the Plan, and any alteration or amendment of the terms of this grant of Stock Units by the Board or the Committee shall, upon adoption, become and be binding on all persons affected thereby without requirement for consent or other action with respect thereto by any such person. The Committee shall give notice to the Award Recipient of any such alteration or amendment as promptly as practicable after the adoption thereof. The foregoing shall not restrict the ability of the Award Recipient and the Board or the Committee by mutual written consent to alter or amend the terms of this grant of Stock Units in any manner which is consistent with the Plan.

(f) Binding Effect. This Agreement shall be binding upon the heirs, executors, administrators and successors of the Award Recipient and the Company.

(g) Entire Agreement. This Agreement and the Plan constitute the entire agreement between the Award Recipient and the Company regarding the grant of Stock Units and supersede all prior arrangements or understandings (whether oral or written and whether express or implied) with respect thereto.

12. Definitions. For purposes of this Agreement, the following capitalized words shall have the meanings set forth below.

“**Cause**” shall mean (i) if the Award Recipient is party to a Change in Control and Severance Agreement that defines “Cause,” the definition of “Cause” contained in such Change in Control and Severance Agreement, and (ii) if the Award Recipient is not party to a Change in Control and Severance Agreement that defines “Cause,” the definition of “Cause” contained in the Plan.

“**Change in Control and Severance Agreement**” shall mean a written change in control and severance agreement between the Award Recipient and the Company.

“**Good Reason**” shall mean (i) if the Award Recipient is party to a Change in Control and Severance Agreement that defines “Good Reason,” the definition of “Good Reason” contained in such Change in Control and Severance Agreement, and (ii) if the Award Recipient is not party to a Change in Control and Severance Agreement that defines “Good Reason,” the Award Recipient voluntarily terminating his employment, following a Corporate Transaction, after the occurrence of any of the following circumstances (in each case, after notice by the Award Recipient to employer of the circumstance, and failure by the employer to cure and eliminate such circumstance within 15 calendar days of such notice): (x) a requirement that the Award Recipient work principally from a location that is more than fifty (50) miles from his principal place of employment immediately prior to such Corporate Transaction, or (y) a ten percent or greater reduction in Award Recipient’s Total Compensation from the amount of such Total Compensation immediately prior to such Corporate Transaction.

“**Separation from Service**” shall have the meaning given such term in Code Section 409A.

“**Total Compensation**” shall mean aggregate of base salary, target bonus opportunity, employee benefits (retirement plan, welfare plans, and fringe benefits), and grant date fair value of equity-based compensation, but excluding for the avoidance of doubt any reductions caused by the failure to achieve performance targets) taken as a whole.

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**ORTHOFIX MEDICAL INC.
AMENDED AND RESTATED 2012 LONG-TERM INCENTIVE PLAN**

**Stock Unit Grant Agreement
COVER SHEET**

Orthofix Medical Inc., a Delaware corporation (the “**Company**”), hereby grants to the Award Recipient named below, on the Grant Date set forth below, the specified number of Stock Units relating to shares of the Company’s common stock, par value \$0.10 per share (the “**Stock**”) under the Plan, subject to the vesting schedule and terms and conditions set forth below (the “**Award**”). Additional terms and conditions of the Stock Units are set forth on this cover sheet, in the attached Stock Unit Grant Agreement (together, the “**Agreement**”), and in the Company’s Amended and Restated 2012 Long-Term Incentive Plan (as amended from time to time, the “**Plan**”). Capitalized terms used and not otherwise defined herein shall have the meanings attributed thereto in the Plan.

Grant Date: _____

Name of Award Recipient: _____

Employee ID Number: _____

Number of Shares of Stock Underlying Stock Units: _____

You agree to all of the terms and conditions described in this Agreement and in the Plan, unless you deliver a notice in writing within thirty (30) days of receipt of this Agreement to the Company stating that you do not accept the terms and conditions described in this Agreement and in the Plan. You acknowledge that you have carefully reviewed the Plan and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent.

Attachment

This is not a stock certificate or a negotiable instrument.

ORTHOFIX MEDICAL INC.
AMENDED AND RESTATED 2012 LONG-TERM INCENTIVE PLAN

Stock Unit Grant Agreement
Attachment

1. Grant of Stock Units.

(a) Vesting. Subject to earlier termination in accordance with the Plan or this Agreement and the terms and conditions herein, Stock Units granted under this Agreement shall vest in full ninety (90) calendar days following the date that a successor Chief Executive Officer assumes office following the Award Recipient's discontinuation of service as Interim Chief Executive Officer (the "***Vesting Date***") provided that Award Recipient continues in Service and has not had a Separation from Service on such date; provided further, however, for the avoidance of doubt, that there shall be no proportionate or partial vesting in the period prior to the Vesting Date; provided further, that for the avoidance of doubt, following Award Recipient's Separation from Service, no additional Stock Units shall vest.

(b) Additional Documents. The Award Recipient agrees to execute such additional documents and complete and execute such forms as the Company may require for purposes of this Agreement.

(c) Issuance of Stock. The shares of Stock underlying the Award Recipient's vested Stock Units will be issued as soon as practicable following the earlier of (i) the date that the Stock Units vest pursuant to the vesting schedule, or (ii) the date of the Award Recipient's termination of Service, but in no event later than March 15 of the calendar year that immediately follows the first of such events (the date or dates such shares of Stock are delivered, the "***Settlement Date***"). The issuance of shares of Stock under this grant shall be evidenced in such a manner as the Company, in its discretion, will deem appropriate, including, without limitation, book-entry registration or issuance of one or more stock certificates. On the Settlement Date, the Company shall also deliver to the Award Recipient the number of additional shares of Stock, the number of any other securities of the Company and the amount of any other property (in the case of cash dividends, assuming such dividends had been reinvested in shares of Stock as of the ex-dividend date thereof), in each case that the Company distributed per share of Stock to holders generally during the period commencing on the Grant Date and ending on the Settlement Date, multiplied by the number of shares of Stock that are being delivered to the Award Recipient under this paragraph, without interest, and less any tax withholding amount applicable to such distribution. To the extent that the Stock Units are forfeited prior to vesting, the right to receive such distributions shall also be forfeited.

(d) Shareholder Rights. The Award Recipient has no rights as a shareholder with respect to the shares of Stock underlying the Stock Units unless and until the Stock relating to the Stock Units has been delivered. No adjustments are made for dividends, distributions, or other rights if the applicable record date occurs before the certificate is issued (or appropriate book entry is made), except as described above.

2. Incorporation of Plan. The Award Recipient acknowledges receipt of the Plan, a copy of which is annexed hereto, and represents that he is familiar with its terms and provisions and hereby accepts this grant of Stock Units subject to all of the terms and provisions of the Plan and all interpretations, amendments, rules and regulations which may, from time to time, be promulgated and adopted pursuant to the Plan. The Plan is incorporated herein by reference. In the event of any conflict or inconsistency between the Plan and this Agreement, the Plan shall govern and this Agreement shall be interpreted to minimize or eliminate any such conflict or inconsistency.

3. Restrictions on Transfer. To the extent not yet vested, the Stock Units may not be sold, transferred, assigned, transferred, pledged, hypothecated, or otherwise encumbered or disposed of, whether by operation of law or otherwise, nor may the Stock Units be made subject to execution, attachment, or similar process. If the Award Recipient attempts to do any of these things, he will immediately and automatically forfeit the Stock Units.

4. Termination of Service; Corporate Transaction.

(a) Certain Terminations of Service. If, prior to vesting, the Award Recipient's Service is terminated for any reason other than (i) death, (ii) Disability, or (iii) a circumstance providing for accelerated vesting pursuant Section 4(c) hereof, the Stock Units shall be forfeited by the Award Recipient and cancelled by the Company as of the date of the Award Recipient's termination of Service, and the Award Recipient shall have no further right or interest therein unless the Committee in its sole discretion shall determine otherwise.

(b) Termination of Service for Death or Disability. If the Award Recipient's Service terminates by reason of death or Disability, the Stock Units shall automatically vest in full as of the date of the Award Recipient's termination of Service.

(c) Certain Additional Corporate Transaction Circumstances. In the event that this Award is assumed or continued, or substituted for new restricted stock units or another equity-based Award of a successor entity, or parent or subsidiary thereof (with appropriate adjustments as to the number of shares), in each case upon the occurrence of any Corporate Transaction (or in the case of an Award Recipient who is party to a Change in Control and Severance Agreement, upon the consummation of any Change in Control (as defined in the Change in Control and Severance Agreement)), and the employment of the Award Recipient with the Company or an Affiliate is terminated within 24 months following the occurrence of such Corporate Transaction (or in the case of an Award Recipient who is party to a Change in Control and Severance Agreement, upon the consummation of such Change in Control (as defined in the Change in Control and Severance Agreement)) by the employer without Cause or by the Award Recipient for Good Reason, the Stock Units shall be fully vested on the date of such termination of employment with the Company. In the event a Corporate Transaction occurs (or in the case of an Award Recipient who is party to a Change in Control and Severance Agreement, in the event that a Change in Control (as defined in the Change in Control and Severance Agreement) occurs) in which this Award is not being assumed, continued or substituted (as contemplated by the preceding sentence), the Award shall be treated in accordance with the default rules applicable under Section 17.3 of the Plan.

5. Effect of Section 6 of Change in Control and Severance Agreements. The Company and the Award Recipient agree that this Agreement and the Stock Units granted hereunder are not subject to Section 6 of the Change in Control and Severance Agreement, and the Stock Units granted hereunder do not constitute Time-Based Restricted Stock as defined in such Change in Control and Severance Agreement.

6. Withholding.

The Company shall have the right to require the Award Recipient to remit to the Company any and all amounts sufficient to satisfy any withholding or other taxes that may be due as a result of the issuance of shares of Stock subject to the Stock Units. At the time of the Settlement Date (or, in the event that tax withholding is required as of an earlier date, then such earlier date), the Award Recipient shall pay in cash to the Company any amount that the Company may reasonably determine to be necessary to satisfy such withholding or other tax obligation. The Company shall have the right, but not the obligation, to permit or require the Award Recipient to satisfy, in whole or in part, such obligation to remit withholding or other taxes, (a) by directing the Company to withhold shares of Stock that would otherwise become vested, or (b) by entering into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "*FINRA Dealer*") whereby Award Recipient irrevocably elects to sell a portion of the shares of Stock to be delivered in connection with the Stock Units to satisfy withholding obligations and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the withholding obligations directly to the Company or any Affiliate in each case pursuant to such rules as the Committee may establish from time to time. The Company, in its sole discretion, may also permit, the Award Recipient to satisfy, in whole or in part, such obligation to remit withholding or other taxes, by delivering to the Company shares of Stock already owned by the Award Recipient and not then subject to any repurchase, forfeiture, unfulfilled vesting, or similar requirements. The Company shall also have the right to deduct from all cash payments made pursuant to, or in connection with, the Stock Units, the federal, state, or local taxes required to be withheld with respect to such payments. The maximum number of shares of Stock that may be withheld to satisfy any federal, state, or local tax requirements may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount required by the Company to be withheld and paid to any such federal, state, or local taxing authority with respect to such vesting or payment; *provided, however,*

for so long as Accounting Standards Update 2016-09 or a similar rule remains in effect, the Committee has full discretion to choose, or to allow the Award Recipient to elect, to withhold a number of shares of Stock having an aggregate Fair Market Value that is greater than the applicable minimum required statutory withholding obligation (but such withholding may in no event be in excess of the maximum required statutory withholding obligation in such Award Recipient's relevant tax jurisdiction).

7. No Employment or Other Rights. This Award does not confer upon the Award Recipient any right to be continued in the employment of, or otherwise provide Services to, the Company or any Subsidiary or other affiliate thereof, or interfere with or limit in any way the right of the Company or any Subsidiary or other affiliate thereof to terminate such Award Recipient's employment or other service relationship at any time. For purposes of this Agreement only, the term "employment" shall include circumstances under which Award Recipient provides consulting or other Services to the Company or any of its Subsidiaries as an independent contractor, but such Award Recipient is not, nor shall be considered, an employee; provided, however, nothing in this Section 7 or this Agreement shall create an employment relationship between such person and the Company or its applicable Subsidiary, as the usages described in this Section are for convenience only.

8. Adjustment of and Changes in Shares of Stock. In the event of any merger, consolidation, recapitalization, reclassification, stock dividend, extraordinary dividend, or other event or change in corporate structure affecting the shares of Stock, the Committee shall make such adjustments, if any, as it deems appropriate in the number and class of shares subject to the Stock Units. The foregoing adjustments shall be determined by the Committee in its sole discretion.

9. Discretionary Nature of Plan. The Plan is discretionary in nature, and the Company may suspend, modify, amend or terminate the Plan in its sole discretion at any time, subject to the terms of the Plan and any applicable limitations imposed by law. This Stock Unit grant under the Plan is a one-time benefit and does not create any contractual or other right to receive additional Stock Units or other benefits in lieu of Stock Units in the future. Future grants, if any, will be at the sole discretion of the Committee, including, but not limited to, the timing of any grant, the number of Stock Units granted, and the vesting provisions.

10. Section 409A. The grant of Stock Units under this Agreement is intended to comply with Code Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement will be interpreted and administered to be in compliance with Code Section 409A. Notwithstanding anything to the contrary in the Plan or this Agreement, neither the Company, its Affiliates, the Board, nor the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on Award Recipient under Code Section 409A, and neither the Company, its Affiliates, the Board, nor the Committee will have any liability to Award Recipient for such tax or penalty. For purposes of this Agreement, a termination of Service occurs only upon an event that would be a Separation from Service within the meaning of Section 409A. If, at the time of Award Recipient's Separation from Service, (1) Award Recipient is a "specified employee" within the meaning of Code Section 409A, and (2) the Company makes a good faith determination that an amount payable on account of Award Recipient's Separation from Service constitutes deferred compensation (within the meaning of Code Section 409A), the payment of which is required to be delayed pursuant to the six (6)-month delay rule set forth in Code Section 409A to avoid taxes or penalties under Code Section 409A (the "**Delay Period**"), then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it in a lump sum on the first business day after the Delay Period (or upon Award Recipient's death, if earlier), without interest. Each installment of Stock Units that vest under this Agreement (if there is more than one installment) will be considered one of a series of separate payments for purposes of Code Section 409A.

11. Miscellaneous Provisions.

(a) Applicable Law. The validity, construction, interpretation and effect of this instrument will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflicts of law provisions thereof.

(b) Notice. Any notice required by the terms of this Agreement shall be delivered or made electronically, over the Internet or otherwise (with request for assurance of recipient in a manner typical with respect to communications of that type), or given in writing. Any notice given in writing shall be deemed effective upon

personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, and shall be addressed to the Company at its principal executive office and to the Award Recipient at the address that he or she has most recently provided to the Company. Any notice given electronically shall be deemed effective on the date of transmission.

(c) Headings. The headings of sections and subsections are included solely for convenience of reference and shall not affect the meaning of the provisions of this Agreement.

(d) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

(e) Amendments. The Board and the Committee shall have the power to alter or amend the terms of the grant of Stock Units as set forth herein from time to time, in any manner consistent with the provisions of the Plan, and any alteration or amendment of the terms of this grant of Stock Units by the Board or the Committee shall, upon adoption, become and be binding on all persons affected thereby without requirement for consent or other action with respect thereto by any such person. The Committee shall give notice to the Award Recipient of any such alteration or amendment as promptly as practicable after the adoption thereof. The foregoing shall not restrict the ability of the Award Recipient and the Board or the Committee by mutual written consent to alter or amend the terms of this grant of Stock Units in any manner which is consistent with the Plan.

(f) Binding Effect. This Agreement shall be binding upon the heirs, executors, administrators and successors of the Award Recipient and the Company.

(g) Entire Agreement. This Agreement and the Plan constitute the entire agreement between the Award Recipient and the Company regarding the grant of Stock Units and supersede all prior arrangements or understandings (whether oral or written and whether express or implied) with respect thereto.

12. Definitions. For purposes of this Agreement, the following capitalized words shall have the meanings set forth below.

“**Cause**” shall mean (i) if the Award Recipient is party to a Change in Control and Severance Agreement that defines “Cause,” the definition of “Cause” contained in such Change in Control and Severance Agreement, and (ii) if the Award Recipient is not party to a Change in Control and Severance Agreement that defines “Cause,” the definition of “Cause” contained in the Plan.

“**Change in Control and Severance Agreement**” shall mean a written change in control and severance agreement between the Award Recipient and the Company.

“**Good Reason**” shall mean (i) if the Award Recipient is party to a Change in Control and Severance Agreement that defines “Good Reason,” the definition of “Good Reason” contained in such Change in Control and Severance Agreement, and (ii) if the Award Recipient is not party to a Change in Control and Severance Agreement that defines “Good Reason,” the Award Recipient voluntarily terminating his employment, following a Corporate Transaction, after the occurrence of any of the following circumstances (in each case, after notice by the Award Recipient to employer of the circumstance, and failure by the employer to cure and eliminate such circumstance within 15 calendar days of such notice): (x) a requirement that the Award Recipient work principally from a location that is more than fifty (50) miles from his principal place of employment immediately prior to such Corporate Transaction, or (y) a ten percent or greater reduction in Award Recipient’s Total Compensation from the amount of such Total Compensation immediately prior to such Corporate Transaction.

“**Separation from Service**” shall have the meaning given such term in Code Section 409A.

“**Total Compensation**” shall mean aggregate of base salary, target bonus opportunity, employee benefits (retirement plan, welfare plans, and fringe benefits), and grant date fair value of equity-based compensation, but excluding for the avoidance of doubt any reductions caused by the failure to achieve performance targets) taken as a whole.

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ORTHOFIX MEDICAL INC.

SEVERANCE AGREEMENT

This AGREEMENT (the “Agreement”) is made and entered into as of October 2, 2023 (the “Effective Date”), by and between Orthofix Medical Inc., a Delaware corporation (together with its direct and indirect subsidiaries, the “Company”), and Geoffrey C. Gillespie (the “Executive”).

RECITALS

WHEREAS, the Executive is expected to make significant contributions to the profitability, growth and financial strength of the Company;

WHEREAS, the Company believes that it is important to provide the Executive, during the period that he serves as the Company’s Interim Chief Financial Officer and for one year thereafter, with severance benefits upon certain terminations of employment to provide the Executive with enhanced financial security and incentive and encouragement to remain with the Company; and

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, the following terms have the following meanings, which are equally applicable to both the singular and plural forms of the terms defined:

(a) “2012 LTIP” shall mean the Company’s 2012 Long-Term Incentive Plan, as amended and/or restated from time-to-time (including after the Effective Date).

(b) “Board” shall mean the Board of Directors of Parent.

(c) “Cause” shall mean (i) willful and intentional commission by the Executive of one or more material acts of (A) fraud, misappropriation or embezzlement related to the business or property of the Company or (B) moral turpitude; (ii) conviction for, or guilty plea to, or plea of nolo contendere to, a felony; or (iii) fraud or willful misconduct committed by the Executive that caused or otherwise materially contributed to the requirement for an accounting restatement of the Company’s financial statements due to noncompliance with any financial reporting requirement (other than a restatement due to a change in accounting rules). No act or omission shall be deemed willful, intentional or material for purposes of this definition if taken or omitted to be taken by the Executive in a good faith belief that such act or omission to act was in the best interests of the Company or if done at the direction of the Board or the board of directors or principal executive officer of any acquirer of the Company.

(d) “CIAA” shall mean that certain Confidentiality, Invention Assignment and Restrictive Covenants Agreement entered into by Parent (or one of its current direct or indirect subsidiaries) and the Executive on October 2, 2023, as such agreement may be amended from time-to-time.

(e) “CIAA Covenants” shall mean the covenants set forth in the CIAA, including but not limited to the covenants contained therein related to fiduciary duties, confidential information, inventions, non-competition and non-solicitation, if and as applicable.

(f) “Compensation Committee” shall mean the Compensation & Talent Development Committee of the Board or any successor committee.

(g) “Disability” as used in this Agreement shall have the meaning given to that term by any disability insurance the Company carries at the time of termination that would apply to the Executive. Otherwise, the term “Disability” shall mean the inability of the Executive to perform each of the essential duties of the Executive’s position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than twelve (12) months. Any dispute as to whether or not the Executive has a “Disability” for purposes of this Agreement shall be resolved by a physician reasonably satisfactory to the Board and the Executive (or his legal representative, if applicable). If the Board and the Executive (or his legal representative, if applicable) are unable to agree on a physician, then each shall select one physician and those two physicians shall pick a third physician and the determination of such third physician shall be binding on the parties.

(h) “Dispute Resolution Agreement” shall mean that certain Dispute Resolution Agreement entered into by Parent (or one of its current direct or indirect subsidiaries) and the Executive on October 2, 2023, as such agreement may be amended from time-to-time.

(i) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

(j) “Good Reason” shall mean the occurrence of any of the following without the written consent of the Executive: (i) a requirement that the Executive work principally from a location that is more than fifty (50) miles from his or her then-current principal place of employment (which, for the avoidance of doubt, shall not preclude the Executive from being required by the Company to travel to Company office locations more than fifty (50) miles from his or her then-current principal place of employment), (ii) any 10% or greater reduction in the sum of the Executive’s base salary and target annual bonus opportunity, (iii) any 20% or greater reduction in the grant date fair value of annual equity-based compensation awarded to the Executive relative to the prior year or the calendar year during which the Effective Date occurs, whichever is greater (other than any reduction of the Executive’s equity-based compensation occurring solely as a result of across-the-board reductions to equity-based compensation levels that apply the applicable reduction percentage substantially similarly to similarly situated Parent executives), or (iv) any material breach of this Agreement or any other material agreement with the Executive by the Company or any successor entity. The Executive shall only have Good Reason if (A) the Executive has provided notice of termination to the Company of any of the foregoing conditions within ninety (90) days of the Executive’s initial awareness of the existence of the condition, (B) the Company does not cure such condition within thirty (30) days following receipt of such notice of termination, and (C) if such condition is not cured within such thirty (30) day period, the Executive actually terminates employment within sixty (60) days after the notice of termination. The Executive’s mental or physical incapacity following the occurrence of an event described above in clauses (i), (ii), (iii), or (iv) shall not affect the Executive’s ability to terminate employment for Good Reason, and the Executive’s death following delivery of a notice of termination for Good Reason shall not affect the Executive’s estate’s entitlement to the severance benefits provided hereunder upon a termination of employment for Good Reason.

(k) “Parent” shall mean Orthofix Medical Inc. and its successors.

(l) “Person” shall include individuals or entities such as corporations, partnerships, companies, firms, business organizations or enterprises, and governmental or quasi-governmental bodies.

(m) “Service” shall have the meaning ascribed to such term in the 2012 LTIP.

2. Term of Agreement. The term of this Agreement (the “Term”) shall commence on the Effective Date and shall continue in effect until the earlier of (i) the parties’ satisfaction of their respective obligations under this Agreement, (ii) the execution of a written agreement between the Company and the Executive terminating this Agreement, or (iii) one year following the Company’s appointment of a Chief Financial Officer to succeed Mr. Gillespie as Interim Chief Financial Officer.

3. Certain Terminations of Employment. If the Executive’s employment with the Company terminates during the Term as a result of death, the Executive terminates his or her employment as a result of Disability or for Good Reason, or the Company terminates the Executive’s employment without Cause, the Company shall pay or provide to the Executive (i) the Executive’s outstanding base salary due through the Executive’s date of termination, (ii) any amounts or benefits owing to the Executive as of the Executive’s date of termination under the then applicable benefit plans of the Company, at the time such amounts or benefits are due (including any accrued vacation payable), (iii) any amounts owing to the Executive for reimbursement of expenses properly incurred by the Executive prior to the Executive’s date of termination, which shall be subject to and paid in accordance with the Company’s expense reimbursement policy, (iv) if, for the calendar year prior to the Executive’s termination, the Company and/or the Executive has achieved performance goals (whether or not such achievement has been determined formally) such that the Executive has earned (or would have earned, had the Executive been employed in good standing by the Company on the date on which a bonus otherwise would have been paid) a bonus under any annual cash incentive program of the Company (an “Annual Cash Incentive Program”) and such Annual Cash Incentive Program bonus with respect to such prior calendar year has not yet been paid, the amount of such bonus, payable at the same time as payments are made to other participants under such Annual Cash Incentive Program, and (v) a *pro rata* amount of any Annual Cash Incentive Program bonus with respect to the year of termination (based on the number of days the Executive was employed by the Company during such year of termination) assuming achievement at 100% of Executive’s current annual target cash bonus amount under the Annual Cash Incentive Program, payable at the same time as payments are made to Executive as set forth in this Section 3, other than with respect to the bonus paid under the Annual Cash Incentive Program as contemplated by Section 3(iv) (collectively, the “Accrued Amounts”). Subject to the Executive’s compliance with the covenants in Section 9 (including but not limited to the CIAA Covenants, as defined in Section 9) and the Executive’s execution and non-revocation of the release described in Section 5 hereof, the Company shall also pay to the Executive, in a cash lump sum within ten (10) days following the Release Effective Date (as defined below) (subject to the additional payment delays that may be required pursuant to Sections 8(b) and 8(c) below), an amount equal to 1.0 times the sum of (A) the Executive’s annual base salary in effect as of the Executive’s date of termination (without giving effect to any reduction of base salary that has occurred within the 12-month period preceding such date of termination), (B) the Executive’s current annual target cash bonus amount under the Annual Cash Incentive Program (without giving effect to any reduction of such annual target amount that has occurred within the 12-month period preceding such date of termination) and (C) \$12,500 to be used by the Executive for outplacement services (the amount provided for by such sum, the “Severance Base”).

Amount,” and the amount provided for by such product, “Severance Amount”). Notwithstanding the foregoing, if the Severance Amount could be paid to the Executive during the subsequent taxable year of the Executive rather than the Executive’s taxable year in which the Executive’s date of termination occurs based on when the Executive executes and delivers the release described in Section 5 hereof to the Company, then, to the extent that the Severance Amount constitutes nonqualified deferred compensation subject to Section 409A of Internal Revenue Code of 1986, as amended (the “Code”), the Severance Amount shall not be paid earlier than the first business day of the later of such taxable years. In addition, subject to the Executive’s compliance with the covenants in Section 9 (including but not limited to the CIAA Covenants) and the Executive’s execution and non-revocation of the release described in Section 5 hereof, the Company shall reimburse the Executive on a monthly basis for the Executive’s monthly premium payments for health care coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”) for the Executive and the Executive’s eligible dependents for a period of 12 months, provided that the Executive and, if applicable, the Executive’s eligible dependents are currently enrolled in the applicable plan(s) of the Company at the time of the Executive’s termination and that the Executive timely elects to continue the Executive’s coverage under COBRA; provided, however, that the Company’s obligation to reimburse the Executive for such premiums shall cease on the date the Executive is no longer eligible to receive COBRA coverage. The Executive must advise the Company as soon as the Executive becomes eligible for health care coverage from a third party (e.g., spouse’s employer, the Executive’s subsequent employer, or any other party with a relationship with the Executive).

4. [Intentionally Omitted].

5. Payments Contingent Upon Release Agreement, Compliance with Covenants. As a condition to receiving the Severance Amount and the reimbursement of COBRA premiums pursuant to Section 3 hereof, the Executive will execute a general release of claims, which will also confirm any post-termination obligations and/or restrictions applicable to the Executive, in form and substance consistent with then-current practices for companies similarly situated to Parent (the “Release”). Within ten (10) days of the Executive’s date of termination, the Company shall deliver to the Executive the Release for the Executive to execute. The Executive will forfeit all rights to receive the Severance Amount and the reimbursement of COBRA premiums pursuant to Section 3 hereof unless, within forty-five (45) days of delivery of the Release by the Company to the Executive, the Executive executes and delivers the Release to the Company and such Release has become irrevocable by virtue of the expiration of the revocation period specified therein without the Release having been revoked (the first such date, the “Release Effective Date”). The Company’s obligation to pay the Severance Amount or to reimburse COBRA premiums pursuant to Section 3 hereof, is subject to the occurrence of the Release Effective Date, and if the Release Effective Date does not occur, then the Company shall have no obligation to make such payments or reimbursements. Any reimbursements of COBRA premiums pursuant to Section 3 hereof that would otherwise have become due prior to the Release Effective Date shall be paid in a cash lump sum within ten (10) days following the Release Effective Date; provided, that if any reimbursements of COBRA premiums pursuant to Section 3 hereof could be paid to the Executive during a different taxable year of the Executive than the Executive’s taxable year in which the Executive’s date of termination occurs based on when the Executive executes and delivers the Release to the Company, then, to the extent that the reimbursements constitute nonqualified deferred compensation subject to Section 409A of the Code, the reimbursement amounts shall not be paid earlier than the first business day of the later of such taxable years. In the event the Company reasonably believes that the Executive has breached one or more of the covenants in Section 9 (including but not limited to the CIAA Covenants), the Company shall notify the Executive and provide reasonably detailed

information supporting its belief and the Company and the Executive shall discuss in good faith the resolution thereof. Subject to Section 10(d), if it is determined that the Executive has breached one or more covenants in Section 9 (including but not limited to the CIAA Covenants), the Executive shall forfeit the Executive's right to receive the Severance Amount and the reimbursement of COBRA premiums pursuant to Section 3 hereof, and, to the extent such amounts have been paid to the Executive, shall repay to the Company the after-tax amount of any such previously paid amounts.

6. [Intentionally Omitted].

7. Section 280G. In the event that any of the severance payments and other benefits provided by this Agreement or otherwise payable to the Executive (a) constitute "parachute payments" within the meaning of Section 280G of the Code, and (b) but for this Section 7, would be subject to the excise tax imposed by Section 4999 of the Code ("Excise Tax"), then the Executive's severance payments and benefits under this Agreement or otherwise shall be payable either in full or in such lesser amount which would result in no portion of such severance payments or benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the Excise Tax, results in the receipt by the Executive, on an after-tax basis, of the greatest amount of severance payments and benefits under this Agreement or otherwise, notwithstanding that all or some portion of such severance payments or benefits may be taxable under Section 4999 of the Code. Any reduction in the severance payments and benefits required by this Section 7 shall be made in the following order: (i) reduction of cash payments; (ii) reduction of accelerated vesting of equity awards other than stock options; (iii) reduction of accelerated vesting of stock options; and (iv) reduction of other benefits paid or provided to the Executive. The calculations and establishment of assumptions in this Section 7 will be performed by a professional tax firm engaged by the Company prior to the occurrence of the applicable change in control. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company shall appoint a nationally recognized tax firm to make the determinations required by this Section 7. The Company shall bear all expenses with respect to the determinations by such firm required to be made by this Section 7. The Company and the Executive shall furnish such tax firm such information and documents as the tax firm may reasonably request in order to make its required determination. The tax firm will provide its calculations, together with detailed supporting documentation, to the Company and the Executive as soon as practicable following its engagement. Any good faith determinations of the tax firm made hereunder shall be final, binding and conclusive upon the Company and the Executive. However, the Executive shall have the final authority to make any good faith determination(s) associated with the assumptions used by the tax firm in providing its calculations, and such good faith determination by the Executive shall be binding on the Company. As a result of the uncertainty in the application of Sections 409A, 280G or 4999 of the Code at the time of the initial determination by the professional tax firm described in this Section 7, it is possible that the Internal Revenue Service (the "IRS") or other agency will claim that an Excise Tax greater than that amount, if any, determined by such professional firm for the purposes of this Section 7 is due (the "Additional Excise Tax"). The Executive shall notify the Company in writing of any claim by the IRS or other agency that, if successful, would require payment of Additional Excise Tax. The Executive and the Company shall each reasonably cooperate with the other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Excise Tax with respect to payments made or due to the Executive. The Company shall pay all reasonable fees, expenses and penalties of the Executive relating to a claim by the IRS or other agency. In the event it is finally determined that a further reduction would have

been required under this Section 7 to place the Executive in a better after-tax position, the Executive shall repay the Company such amount within 30 days thereof in order to effect such result.

8. Section 409A.

(a) For purposes of Section 409A of the Code ("Section 409A") (i) each "payment" (as defined by Section 409A) made under this Agreement shall be considered a "separate payment," and (ii) payments shall be deemed exempt from the definition of deferred compensation under Section 409A to the fullest extent possible under (x) the "short-term deferral" exemption of Treasury Regulation § 1.409A-1(b)(4), and (y) with respect to amounts paid as separation pay (as defined under Treasury Regulation § 1.409A-1(m)) no later than the second calendar year following the calendar year containing the Executive's "separation from service" (as defined for purposes of Section 409A), the "two years/two-times" separation pay exemption of Treasury Regulation § 1.409A-1(b)(9)(iii), which exemptions are hereby incorporated by reference.

(b) Any payments otherwise payable under this Agreement shall not commence until the Executive has a "separation from service" (as defined in Section 409A).

(c) If the Executive is a "specified employee" as defined in Section 409A (and as applied according to procedures of the Company and its affiliates) as of the Executive's separation from service, to the extent any payment under this Agreement constitutes deferred compensation (after taking into account any applicable exemptions from Section 409A) that is payable upon a separation from service, and to the extent required in order to avoid the imposition of an excise tax under Section 409A, no payments due under this Agreement may be made until the earlier of: (1) the date of the Executive's death and (2) the first day of the seventh month following the Executive's separation from service, provided, however, that any payments delayed during this six-month period shall be paid in the aggregate in a lump sum on the first day of the seventh month following the Executive's separation from service (or upon the date of the Executive's death, if earlier).

(d) Any expense reimbursements or in kind benefits under this Agreement that constitute deferred compensation within the meaning of Section 409A shall be made or provided in accordance with the requirements of Section 409A, including, without limitation, that: (i) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(e) If this Agreement fails to meet the requirements of Section 409A, neither the Company nor any of its affiliates shall have any liability for any tax, penalty or interest imposed on the Executive by Section 409A, and the Executive shall have no recourse against the Company or any of its affiliates for payment of any such tax, penalty, or interest imposed by Section 409A.

9. Additional Covenants.

(a) Confidentiality, Inventions Assignment and Other Matters. The parties hereby

incorporate by reference the CIAA into this Agreement. The Executive acknowledges and agrees that the CIAA Covenants are material provisions of this Agreement and that a material breach of the CIAA Covenants shall be a material breach of this Agreement, and that the payment rights set forth in Sections 3 and 4 of this Agreement are subject to compliance with the CIAA Covenants, as further described in such respective sections.

(b) Non-Disparagement. The Executive agrees that the Company's reputation and goodwill in the marketplace is of utmost importance and value to the Company. The Executive further agrees that during, and for 18 months after, the term of the Executive's employment with the Company, the Executive will not purposefully make or publish, directly or indirectly, any public statement disparaging the Company or any of its directors or officers who held such offices at the time of Executive's termination. A disparaging statement is any written communication (including via an online, digital, or social media platform) that attacks the Company's products, services, or business policies and/or is intended to undermine the Company's reputation. The Executive further understands and agrees that this Section 9(b) is a material provision of this Agreement and that any material breach of this Section 9(b) shall be a material breach of this Agreement. Notwithstanding the foregoing and anything in this Agreement to the contrary, nothing in this Agreement shall prevent the Executive from (i) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Executive has reason to believe is unlawful, or (ii) cooperating in any investigation or providing testimony in legal proceedings (whether administrative or judicial). Further, and consistent with Section 10(b), this Section 9(b) is not intended to prevent Executive from exercising any other rights protected by law, including the right to communicate with former coworkers and/or third parties about terms and conditions of employment or labor disputes, unrelated to the amount of severance pay under this Agreement, when the communication is not so disloyal, reckless, or maliciously untrue as to lose the protection of the law.

(c) Cooperation. The Executive agrees that, for 18 months after the Executive's date of termination, the Executive shall make himself of herself available at reasonable times, intervals and places for interviews, consultations, internal investigations and/or testimony during which the Executive shall provide to the Company, or its designated attorneys or agents, any and all information known to the Executive regarding or relating to the Company or the Executive's activities on behalf of the Company pertaining to the subject matter on which the Executive's cooperation is sought.

10. Miscellaneous.

(a) Employment At-Will. The Executive agrees and understands that nothing in this Agreement shall change the Executive's "at-will" employment status or confer any right with respect to continuation of employment with the Company, nor shall it interfere in any way with the Executive's right or the Company's right to terminate the Executive's employment at any time, with or without cause, either at the Executive's or the Company's option, with or without notice.

(b) Permitted Disclosures. The Executive understands that nothing contained in this Agreement restricts or limits the Executive's right to discuss the Executive's employment or report possible violations of law or regulation with the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the Securities and Exchange Commission, or other federal government agency or similar state or local agency or to discuss the terms and conditions of the Executive's employment with others to the extent permitted by Section 7 of the National Labor

Relations Act or to the extent that such disclosure is protected under the applicable provisions of law or regulation, including but not limited to “whistleblower” statutes or other similar provisions that protect such disclosure. Additionally, the Executive understands that, pursuant to 18 U.S.C. Section 1833(b), the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose such trade secret to the Executive’s attorney and use the trade secret information in related court proceedings, provided that Employee files any document containing the trade secret information under seal and does not further disclose the trade secret, except pursuant to court order.

(c) Governing Law. This Agreement will be governed by, construed, interpreted, and its validity determined under the laws of the state in which the Executive resides (the “Governing Law State”), as applied to agreements entered into and to be fully performed by residents of such Governing Law State. Such law of the Governing Law State shall govern regardless of the forum in which a dispute may be adjudicated. Subject to Section 10(d) hereof, all actions or proceedings for injunctive relief arising out of this Agreement shall exclusively be heard and determined in state or federal courts in the Governing Law State having appropriate jurisdiction. The parties expressly consent to the exclusive jurisdiction of such courts in any such action or proceeding and waive any objection to venue therein and any defense of forum non conveniens.

(d) Dispute Resolution. The parties hereby incorporate by reference the Dispute Resolution Agreement into this Agreement and agree that any and all disputes arising under this Agreement are subject to and governed by the Dispute Resolution Agreement; provided, however, that the parties reserve the right to seek temporary or preliminary injunctive relief in court, in which case the parties agree that such injunctive relief shall be granted in court to preserve the status quo pending a resolution on the merits in arbitration. The Executive agrees that in connection with any application for injunctive relief, discovery shall be conducted on an expedited basis. The Executive further agrees that, in any proceeding alleging breach of this Agreement, the Company shall have the right to conduct forensic examinations of any computers and/or electronic devices in the Executive’s possession or control, if the Company reasonably believes such devices contain Confidential Information (as defined in the Dispute Resolution Agreement).

(e) Remedies. The Executive acknowledges that any breach or threatened breach of this Agreement will cause immediate and irreparable injury and unquantifiable damage to the Company. If the Executive breaches, or the Company reasonably believes the Executive is about to breach, this Agreement, the Executive agrees that the Company is entitled to immediate injunctive relief enforcing the terms of this Agreement without the necessity of posting a bond, in addition to any other remedies at law or in equity. The Executive and the Company agree that in any legal proceeding to enforce this Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys’ fees and costs.

(f) Assignment. The Executive agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all

rights to enforce the terms of this Agreement as if it were the Company itself enforcing the Agreement. Notwithstanding the foregoing, the Executive may not assign this Agreement or any part hereof. Any purported assignment by the Executive shall be null and void from the initial date of purported assignment.

(g) Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect, then the Agreement will be deemed amended to the extent necessary to render the invalid, illegal, or unenforceable provision, and the rest of the Agreement, valid and enforceable. If a court or other adjudicator declines to amend the Agreement, the invalidity, illegality, or unenforceability of any provision will not affect the validity or enforceability of the remaining provisions, which shall be enforced as if the invalid, illegal, or unenforceable provision had not been included in this Agreement.

(h) Waiver. A waiver by the Company of a breach of any provisions of this Agreement shall not be deemed a waiver of any subsequent breach, nor shall recourse to any remedy hereunder be a waiver of any other or further relief or remedy. No waiver will be effective unless made in writing and signed by an officer of the Company.

(i) Entire Agreement. Except as otherwise stated herein, this Agreement, together with the CIAA and the Dispute Resolution Agreement, set forth the entire agreement and understanding between the Company and the Executive with respect to the subject matter of this Agreement (including but not limited to severance payments and benefits), and supersedes and replaces all prior understandings and agreements regarding the same, whether written or oral. This Agreement can only be amended or modified in a writing signed by both parties. Any subsequent change(s) in the Executive's duties, salary, compensation, or benefits will not affect the validity or scope of this Agreement, including the at-will nature of employment as described in Section 10(a). The Company's and the Executive's obligations under this Agreement shall survive the termination of Employee's employment regardless of the manner of such termination. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest.

(j) Counterparts. This Agreement may be executed in any number of counterparts, each of which, when executed by both parties to this Agreement shall be deemed to be an original, and all of which counterparts together shall constitute one and the same instrument.

(k) Notices. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid or when sent by express U.S. mail or overnight delivery through a national delivery service (or an international delivery service in the case of an address outside the U.S.) with signature required. Notice to the Company shall be directed to the attention of the Chief Legal Officer of the Company at the address of the Company's headquarters, and notice to the Executive shall be directed to the Executive at the Executive's most recent personal residence on file with the Company.

(l) Taxes and Withholdings. The Company shall deduct from the amounts payable to the Executive pursuant to this Agreement all required withholding amounts and deductions, including but not limited to federal, state and local withholding amounts in accordance all applicable laws and regulations and deductions authorized by the Executive. The Executive shall be solely responsible for and shall pay all taxes associated with the amounts payable under this Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first above written.

ORTHOFIX MEDICAL INC.

By: /s/ CATHERINE BURZIK

Catherine M. Burzik

Interim Chief Executive Officer, Director

EXECUTIVE

/s/ GEOFFREY GILLESPIE

Geoffrey C. Gillespie

Interim Chief Financial Officer and VP, Corporate Controller

ORTHOFIX MEDICAL INC.

CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This AGREEMENT (the “Agreement”) is made and entered into as of June 21, 2023 (the “Effective Date”), by and between Orthofix Medical Inc., a Delaware corporation (together with its direct and indirect subsidiaries, the “Company”), and Puja Leekha (the “Executive”).

RECITALS

WHEREAS, the Executive is expected to make significant contributions to the profitability, growth and financial strength of the Company;

WHEREAS, the Company believes that it is important to provide the Executive with severance benefits upon certain terminations of employment to provide the Executive with enhanced financial security and incentive and encouragement to remain with the Company;

WHEREAS, the Company recognizes that the possibility of a Change in Control (as hereinafter defined) and the uncertainty that it would cause could result in the departure or distraction of the Executive, to the detriment of the Company and its stockholders;

WHEREAS, the Company desires to encourage the continued employment of the Executive by the Company and wants assurance that it shall have the continued dedication, loyalty and service of, and the availability of objective advice and counsel from, the Executive notwithstanding the possibility, threat or occurrence of a Change in Control; and

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, the following terms have the following meanings, which are equally applicable to both the singular and plural forms of the terms defined:

(a) “2012 LTIP” shall mean the Company’s 2012 Long-Term Incentive Plan, as amended and/or restated from time-to-time (including after the Effective Date).

(b) “Board” shall mean the Board of Directors of Parent.

(c) “Cause” shall mean (i) willful and intentional commission by the Executive of one or more material acts of (A) fraud, misappropriation or embezzlement related to the business or property of the Company or (B) moral turpitude; (ii) conviction for, or guilty plea to, or plea of nolo contendere to, a felony; or (iii) fraud or willful misconduct committed by the Executive that caused or otherwise materially contributed to the requirement for an accounting restatement of the Company’s financial statements due to noncompliance with any financial reporting requirement (other than a restatement due to a change in accounting rules). No act or omission shall be deemed willful, intentional or material for purposes of this definition if taken or omitted to be taken by the Executive in a good faith belief that such act or omission to act was in the best interests of the Company or if done at the direction of the Board or the board of directors or principal executive officer of any acquirer of the Company.

(d) “Change in Control” shall mean the occurrence of any of the following events:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act), in any individual transaction or series of related transactions, of 50% or more of either (A) the then outstanding shares of common stock of Parent (the “Outstanding Common Stock”) or (B) the combined voting power of the then outstanding voting securities of Parent entitled to vote generally in the election of directors (the “Outstanding Voting Securities”); excluding, however, the following: (1) any acquisition directly from Parent, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from Parent; (2) any acquisition by Parent; (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Parent or any entity controlled by Parent; or (4) any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this definition of Change in Control;

(ii) a change in the composition of the Board such that the individuals who as of the Effective Date constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this paragraph, that any individual who becomes a member of the Board subsequent to the Effective Date, whose appointment, election, or nomination for election by Parent’s stockholders was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; but provided further that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board;

(iii) consummation of a reorganization, merger, consolidation or other business combination or the sale or other disposition of all or substantially all of the assets of Parent (including assets that are shares held by Parent in its subsidiaries) (any such transaction, a “Business Combination”); expressly excluding, however, any such Business Combination pursuant to which all of the following conditions are met: (A) all or substantially all of the Person(s) who are the beneficial owners of the Outstanding Common Stock and Outstanding Voting Securities, respectively, immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns Parent or all or substantially all of Parent’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Common Stock and Outstanding Voting Securities, as the case may be, (B) no Person (other than Parent, any employee benefit plan (or related trust) of Parent or such entity resulting from such Business Combination) will beneficially own, directly or indirectly, 50% or more of, respectively, the outstanding shares of common stock of the entity resulting from such Business Combination or the combined voting power of the outstanding voting securities of such entity entitled to vote generally in the election of directors except to the extent that such ownership existed prior to the Business Combination, and (C) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the entity resulting from such Business Combination;

(iv) the approval by the stockholders of Parent of a complete liquidation or dissolution of Parent;

(v) the Company shall sell or dispose of, in a single transaction or series of related transactions, business operations that generated two-thirds of the consolidated revenues of the Company (determined on the basis of Company's four most recently completed fiscal quarters for which reports have been filed under the Exchange Act) and such disposal shall not be exempted pursuant to clause (iii) of this definition of Change in Control;

(vi) Parent files a report or proxy statement with the Securities and Exchange Commission pursuant to the Exchange Act disclosing in response to Form 8-K or Schedule 14A (or any successor schedule, form or report or item therein) that a change in control of Parent has or may have occurred or will or may occur in the future pursuant to any then-existing agreement or transaction; notwithstanding the foregoing, unless determined in a specific case by the Board, a "Change in Control" shall not be deemed to have occurred solely because: (A) an entity in which Parent directly or indirectly beneficially owns 50% or more of the voting securities, or any Parent-sponsored employee stock ownership plan, or any other employee plan of the Company, either files or becomes obligated to file a report or a proxy statement under or in response to Schedule 13D, Schedule 14D-1, Form 8-K or Schedule 14A (or any successor schedule, form or report or item therein) under the Exchange Act, disclosing beneficial ownership by form or report or item therein, disclosing beneficial ownership by it of shares of stock of Parent, or because Parent reports that a change in control of Parent has or may have occurred or will or may occur in the future by reason of such beneficial ownership or (B) any Company-sponsored employee stock ownership plan, or any other employee plan of the Company, either files or becomes obligated to file a report or a proxy statement under or in response to Schedule 13D, Schedule 14D-1, Form 8-K or Schedule 14A (or any successor schedule, form or report or item therein) under the Exchange Act, disclosing beneficial ownership by form or report or item therein, disclosing beneficial ownership by it of shares of stock of Parent, or because Parent reports that a change in control of Parent has or may have occurred or will or may occur in the future by reason of such beneficial ownership; or

(vii) any other transaction or series of related transactions occur that have substantially the effect of the transactions specified in any of the preceding clauses in this definition.

Notwithstanding this definition of "Change in Control," the Board, in its sole discretion, may determine that a Change in Control has occurred for purposes of this Agreement, even if the events giving rise to such Change in Control are not expressly described in the above definition.

(e) "CIAA" shall mean that certain Confidentiality, Invention Assignment and Restrictive Covenants Agreement entered into by Parent (or one of its current direct or indirect subsidiaries) and the Executive on June 21, 2023, as such agreement may be amended from time-to-time.

(f) "CIAA Covenants" shall mean the covenants set forth in the CIAA, including but not limited to the covenants contained therein related to fiduciary duties, confidential information, inventions, non-competition and non-solicitation, if and as applicable.

(g) "CiC Date" shall mean the date on which a Change in Control occurs.

(h) "CiC Period" shall mean the twenty four (24)-month period commencing on any CiC Date; provided, however, if the Company terminates the Executive's employment with the Company prior

to such CiC Date but on or after a Potential CiC Date, and it is reasonably demonstrated that the Executive's (i) employment was terminated at the request of an unaffiliated third party who has taken steps reasonably calculated to effect a Change in Control or (ii) termination of employment otherwise arose in connection with or in anticipation of the Change in Control, then the "CiC Period" shall mean the twenty four (24)-month period beginning on the date immediately prior to the date of the Executive's termination of employment with the Company.

(i) "CiC Period Good Reason" shall mean the occurrence of any of the following without the written consent of the Executive: (i) a requirement that the Executive work principally from a location that is more than thirty (30) miles from his or her then-current principal place of employment (which, for the avoidance of doubt, shall not preclude the Executive from being required by the Company to travel to Company office locations more than thirty (30) miles from his or her then-current principal place of employment during CiC Periods), (ii) any reduction in the Executive's Total Compensation (other than any reduction of the Executive's equity-based compensation occurring on or prior to January 4, 2025 solely as a result of across-the-board reductions to equity-based compensation levels that apply the applicable reduction percentage substantially similarly to similarly situated Parent executives), (iii) any material breach of this Agreement, any written communication offering employment to the Executive (the "Offer Letter") or any other material agreement with the Executive by the Company or any successor entity, or (iv) any diminution after the Effective Date in the Executive's employment position, authority, duties, responsibilities or line of reporting structure, or the assignment to the Executive of any duties materially inconsistent with the Executive's position and title immediately prior to consummation of the Change in Control (including, for example, if the Executive was the Chief Financial Officer of the Company immediately prior to consummation of a Change in Control and is not the Chief Financial Officer of the Company immediately following consummation of the Change in Control, then a diminution in the Executive's responsibilities will have occurred), in each case excluding for this purpose an isolated, insubstantial and inadvertent action taken in good faith and which is promptly remedied by employer. The Executive shall only have CiC Period Good Reason if (A) the Executive has provided notice of termination to the Company of any of the foregoing conditions within ninety (90) days of the Executive's initial awareness of the existence of the condition, (B) the Company does not cure such condition within thirty (30) days following receipt of such notice of termination, and (C) if such condition is not cured within such thirty (30) day period, the Executive actually terminates employment within sixty (60) days after the notice of termination. The Executive's mental or physical incapacity following the occurrence of an event described above in clauses (i), (ii), (iii) or (iv) shall not affect the Executive's ability to terminate employment for CiC Period Good Reason, and the Executive's death following delivery of a notice of termination for CiC Period Good Reason shall not affect the Executive's estate's entitlement to the severance benefits provided hereunder upon a termination of employment for CiC Period Good Reason.

(j) "Compensation Committee" shall mean the Compensation & Talent Development Committee of the Board or any successor committee.

(k) "Disability" as used in this Agreement shall have the meaning given to that term by any disability insurance the Company carries at the time of termination that would apply to the Executive. Otherwise, the term "Disability" shall mean the inability of the Executive to perform each of the essential duties of the Executive's position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than twelve (12) months. Any dispute as to whether or not the Executive has a "Disability" for purposes of this Agreement shall be resolved by a physician reasonably satisfactory to the Board and the Executive (or his legal representative, if applicable). If the Board and the Executive (or his legal representative, if

applicable) are unable to agree on a physician, then each shall select one physician and those two physicians shall pick a third physician and the determination of such third physician shall be binding on the parties.

(l) “Dispute Resolution Agreement” shall mean that certain Dispute Resolution Agreement entered into by Parent (or one of its current direct or indirect subsidiaries) and the Executive on June 21, 2023, as such agreement may be amended from time-to-time.

(m) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

(n) “Good Reason” shall mean: (i) during a CiC Period, (A) CiC Period Good Reason; or (B) if in the notice of termination Executive indicates Executive is relying on Non-CiC Period Good Reason, Non-CiC Period Good Reason; and (ii) during a Non-CiC Period, Non-CiC Period Good Reason. For clarity, Executive shall be entitled to the benefits set forth in Section 4 if Good Reason is based on the definition set forth in Section 1(n)(i)(B).

(o) “Non-CiC Period” shall mean any period of time that is not a CiC Period.

(p) “Non-CiC Period Good Reason” shall mean the occurrence of any of the following without the written consent of the Executive: (i) a requirement that the Executive work principally from a location that is more than fifty (50) miles from his or her then-current principal place of employment (which, for the avoidance of doubt, shall not preclude the Executive from being required by the Company to travel to Company office locations more than fifty (50) miles from his or her then-current principal place of employment during Non-CiC Periods), (ii) any 10% or greater reduction in the sum of the Executive’s base salary and target annual bonus opportunity, (iii) any 20% or greater reduction in the grant date fair value of annual equity-based compensation awarded to the Executive relative to the prior year or the calendar year during which the Effective Date occurs, whichever is greater (other than any reduction of the Executive’s equity-based compensation occurring solely as a result of across-the-board reductions to equity-based compensation levels that apply the applicable reduction percentage substantially similarly to similarly situated Parent executives), or (iv) any material breach of this Agreement, the Offer Letter or any other material agreement with the Executive by the Company or any successor entity. The Executive shall only have Non-CiC Period Good Reason if (A) the Executive has provided notice of termination to the Company of any of the foregoing conditions within ninety (90) days of the Executive’s initial awareness of the existence of the condition, (B) the Company does not cure such condition within thirty (30) days following receipt of such notice of termination, and (C) if such condition is not cured within such thirty (30) day period, the Executive actually terminates employment within sixty (60) days after the notice of termination. The Executive’s mental or physical incapacity following the occurrence of an event described above in clauses (i), (ii), (iii), or (iv) shall not affect the Executive’s ability to terminate employment for Non-CiC Period Good Reason, and the Executive’s death following delivery of a notice of termination for Non-CiC Period Good Reason shall not affect the Executive’s estate’s entitlement to the severance benefits provided hereunder upon a termination of employment for Non-CiC Period Good Reason.

(q) “Parent” shall mean Orthofix Medical Inc. and its successors.

(r) “Partially Accelerating Portion” shall mean, with respect to the applicable Options, TBRS or TBRSUs, as applicable, the portion of such award that would have vested during the 12 months following the date of termination of Service (e.g., (i) for any awards with an annual vesting schedule, the lesser of the remaining unvested portion of such award or 1 times the amount (i.e. 100% of such amount) that would have vested at the next annual vesting date following the date of termination of Service, (ii) for

any awards with a quarterly vesting schedule, the lesser of the remaining unvested portion of such award or 4 times the amount (i.e. 400% of such amount) that would have vested at the next quarterly vesting date following the date of termination of Service, and (iii) for any awards with a monthly vesting schedule, the lesser of the remaining unvested portion of such award or 12 times the amount (i.e. 1,200% of such amount) that would have vested at the next monthly vesting date following the date of termination of Service).

(s) “Person” shall include individuals or entities such as corporations, partnerships, companies, firms, business organizations or enterprises, and governmental or quasi-governmental bodies.

(t) “Potential CiC Date” shall mean the earliest to occur of: (i) the date on which Parent executes an agreement or letter of intent, the consummation of the transactions described in which would result in the occurrence of a Change in Control or (ii) the date on which the Board approves a transaction or series of transactions, the consummation of which would result in a Change in Control; provided, however, that such date shall become null and void when, in the opinion of the Board, Parent or the respective third party has abandoned or terminated such transaction or series of transactions without consummation.

(u) “Service” shall have the meaning ascribed to such term in the 2012 LTIP.

(v) “Total Compensation” shall mean the aggregate of base salary, annual cash-based target bonus opportunity, employee benefits (retirement plan, welfare plans, and fringe benefits), and annual grant date fair value of equity-based compensation, but excluding for the avoidance of doubt any reductions caused by the failure to achieve performance targets.

2. Term of Agreement. The term of this Agreement (the “Term”) shall commence on the Effective Date and shall continue in effect until the earlier of (i) the parties’ satisfaction of their respective obligations under this Agreement or (ii) the execution of a written agreement between the Company and the Executive terminating this Agreement.

3. Certain Terminations of Employment During a Non-CiC Period. If, during a Non-CiC Period, the Executive’s employment with the Company terminates as a result of death, the Executive terminates his or her employment as a result of Disability or for Good Reason, or the Company terminates the Executive’s employment without Cause, the Company shall pay or provide to the Executive (i) the Executive’s outstanding base salary due through the Executive’s date of termination, (ii) any amounts or benefits owing to the Executive as of the Executive’s date of termination under the then applicable benefit plans of the Company, at the time such amounts or benefits are due (including any accrued vacation payable), (iii) any amounts owing to the Executive for reimbursement of expenses properly incurred by the Executive prior to the Executive’s date of termination, which shall be subject to and paid in accordance with the Company’s expense reimbursement policy, (iv) if, for the calendar year prior to the Executive’s termination, the Company and/or the Executive has achieved performance goals (whether or not such achievement has been determined formally) such that the Executive has earned (or would have earned, had the Executive been employed in good standing by the Company on the date on which a bonus otherwise would have been paid) a bonus under any annual cash incentive program of the Company (an “Annual Cash Incentive Program”) and such Annual Cash Incentive Program bonus with respect to such prior calendar year has not yet been paid, the amount of such bonus, payable at the same time as payments are made to other participants under such Annual Cash Incentive Program, and (v) a *pro rata* amount of any Annual Cash Incentive Program bonus with respect to the year of termination (based on the number of days the Executive was employed by the Company during such year of termination) assuming achievement at 100%

of Executive's current annual target cash bonus amount under the Annual Cash Incentive Program, payable at the same time as payments are made to Executive as set forth in this Section 3, other than with respect to the bonus paid under the Annual Cash Incentive Program as contemplated by Section 3(iv) (collectively, the "Accrued Amounts"). Subject to the Executive's compliance with the covenants in Section 9 (including but not limited to the CIAA Covenants, as defined in Section 9) and the Executive's execution and non-revocation of the release described in Section 5 hereof, the Company shall also pay to the Executive, in a cash lump sum within ten (10) days following the Release Effective Date (as defined below) (subject to the additional payment delays that may be required pursuant to Sections 8(b) and 8(c) below), an amount equal to 1.0 times the sum of (A) the Executive's annual base salary in effect as of the Executive's date of termination (without giving effect to any reduction of base salary that has occurred within the 12-month period preceding such date of termination), (B) the Executive's current annual target cash bonus amount under the Annual Cash Incentive Program (without giving effect to any reduction of such annual target amount that has occurred within the 12-month period preceding such date of termination) and (C) \$12,500 to be used by the Executive for outplacement services (the amount provided for by such sum, the "Severance Base Amount," and the amount provided for by such product, "Non-CiC Severance Amount"). Notwithstanding the foregoing, if the Non-CiC Severance Amount could be paid to the Executive during the subsequent taxable year of the Executive rather than the Executive's taxable year in which the Executive's date of termination occurs based on when the Executive executes and delivers the release described in Section 5 hereof to the Company, then, to the extent that the Non-CiC Severance Amount constitutes nonqualified deferred compensation subject to Section 409A of Internal Revenue Code of 1986, as amended (the "Code"), the Non-CiC Severance Amount shall not be paid earlier than the first business day of the later of such taxable years. In addition, subject to the Executive's compliance with the covenants in Section 9 (including but not limited to the CIAA Covenants) and the Executive's execution and non-revocation of the release described in Section 5 hereof, the Company shall reimburse the Executive on a monthly basis for the Executive's monthly premium payments for health care coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for the Executive and the Executive's eligible dependents for a period of 12 months, provided that the Executive and, if applicable, the Executive's eligible dependents are currently enrolled in the applicable plan(s) of the Company at the time of the Executive's termination and that the Executive timely elects to continue the Executive's coverage under COBRA; provided, however, that the Company's obligation to reimburse the Executive for such premiums shall cease on the date the Executive is no longer eligible to receive COBRA coverage. The Executive must advise the Company as soon as the Executive becomes eligible for health care coverage from a third party (e.g., spouse's employer, the Executive's subsequent employer, or any other party with a relationship with the Executive).

4. Termination of Employment During a CiC Period. If, during a CiC Period, the Executive's employment with the Company terminates as a result of death, the Executive terminates his or her employment as a result of Disability or for Good Reason, or the Company terminates the Executive's employment without Cause, the Company shall: (A) pay or provide to the Executive the Accrued Amounts, and (B) subject to the Executive's compliance with the covenants in Section 9 (including but not limited to the CIAA Covenants) and the Executive's execution and non-revocation of the release described in Section 5 hereof, (i) pay to the Executive, in a cash lump sum within ten (10) days following the Release Effective Date (subject to the additional payment delays that may be required pursuant to Sections 8(b) and 8(c) below), an amount equal to 1.5 times the Severance Base Amount (the amount provided for by such product, the "CiC Severance Amount"); provided, however, that if the CiC Severance Amount could be paid to the Executive during the subsequent taxable year of the Executive rather than the Executive's taxable year in which the Executive's date of termination occurs based on when the Executive executes and delivers the release described in Section 5 hereof to the Company, then, to the extent that the CiC Severance Amount

constitutes nonqualified deferred compensation subject to Section 409A of the Code, the CiC Severance Amount shall not be paid earlier than the first business day of the later of such taxable years; and (ii) reimburse the Executive on a monthly basis for the Executive's monthly premium payments for health care coverage under COBRA for the Executive and the Executive's eligible dependents for a period of 12 months, provided that the Executive and, if applicable, the Executive's eligible dependents are currently enrolled in the applicable plan(s) of the Company at the time of the Executive's termination and that the Executive timely elects to continue the Executive's coverage under COBRA; provided, however, that the Company's obligation to reimburse the Executive for such premiums shall cease on the date the Executive is no longer eligible to receive COBRA coverage. The Executive must advise the Company as soon as the Executive becomes eligible for health care coverage from a third party (e.g., spouse's employer, the Executive's subsequent employer, or any other party with a relationship with the Executive).

5. Payments Contingent Upon Release Agreement, Compliance with Covenants. As a condition to receiving the Non-CiC Severance Amount or the CiC Severance Amount, as applicable, and the reimbursement of COBRA premiums pursuant to Sections 3 or 4 hereof, the Executive will execute a general release of claims, which will also confirm any post-termination obligations and/or restrictions applicable to the Executive, in form and substance consistent with then-current practices for companies similarly situated to Parent (the "Release"). Within ten (10) days of the Executive's date of termination, the Company shall deliver to the Executive the Release for the Executive to execute. The Executive will forfeit all rights to receive the Non-CiC Severance Amount or the CiC Severance Amount, as applicable, and the reimbursement of COBRA premiums pursuant to Sections 3 or 4 hereof unless, within forty-five (45) days of delivery of the Release by the Company to the Executive, the Executive executes and delivers the Release to the Company and such Release has become irrevocable by virtue of the expiration of the revocation period specified therein without the Release having been revoked (the first such date, the "Release Effective Date"). The Company's obligation to pay the Non-CiC Severance Amount or the CiC Severance Amount, as applicable, or to reimburse COBRA premiums pursuant to Sections 3 or 4 hereof, is subject to the occurrence of the Release Effective Date, and if the Release Effective Date does not occur, then the Company shall have no obligation to make such payments or reimbursements. Any reimbursements of COBRA premiums pursuant to Sections 3 or 4 hereof that would otherwise have become due prior to the Release Effective Date shall be paid in a cash lump sum within ten (10) days following the Release Effective Date; provided, that if any reimbursements of COBRA premiums pursuant to Sections 3 or 4 hereof could be paid to the Executive during a different taxable year of the Executive than the Executive's taxable year in which the Executive's date of termination occurs based on when the Executive executes and delivers the Release to the Company, then, to the extent that the reimbursements constitute nonqualified deferred compensation subject to Section 409A of the Code, the reimbursement amounts shall not be paid earlier than the first business day of the later of such taxable years. In the event the Company reasonably believes that the Executive has breached one or more of the covenants in Section 9 (including but not limited to the CIAA Covenants), the Company shall notify the Executive and provide reasonably detailed information supporting its belief and the Company and the Executive shall discuss in good faith the resolution thereof. Subject to Section 10(d), if it is determined that the Executive has breached one or more covenants in Section 9 (including but not limited to the CIAA Covenants), the Executive shall forfeit the Executive's right to receive the Non-CiC Severance Amount or the CiC Severance Amount, as applicable, and the reimbursement of COBRA premiums pursuant to Sections 3 or 4 hereof, and, to the extent such amounts have been paid to the Executive, shall repay to the Company the after-tax amount of any such previously paid amounts.

6. Time-Based Stock Options, Time-Based Restricted Stock and Time-Based Restricted Stock Unit Vesting and Exercisability. The provisions set forth in Sections 6(a), (b), (c) and (d) below shall apply

with respect to (a) all time-based vesting stock options of the Company (“Time-Based Stock Options” or “Options”) granted to the Executive, (b) all time-based vesting shares of restricted stock of the Company (“Time-Based Restricted Stock” or “TBRS”) granted to the Executive, and (c) all time-based vesting restricted stock units of the Company (“Time-Based RSU” or “TBRSU”) granted to the Executive, in each case, whether the applicable Options, TBRS and/or TBRSU are issued under (i) the 2012 LTIP, (ii) any other Company plan or award approved pursuant to Nasdaq Marketplace Rule 5635(c)(4), or (v) any other future or successor Company plan or standalone award agreements. Such provisions shall supersede and override any conflicting provisions set forth in applicable award agreements of the Company governing applicable grants, and shall be incorporated by reference into the terms of such award agreements.

(a) Termination of Service in Non-Acceleration Circumstances. If, prior to vesting, the Executive’s Service is terminated for any reason other than a circumstance providing for accelerated vesting pursuant to any of Sections 6(b)-(f) below, the unvested portion of the applicable Option, TBRS, or TBRSU shall be cancelled and revert back to the Company as of the date of such termination of Service, and the Executive shall have no further right or interest therein unless the Compensation Committee in its sole discretion shall determine otherwise. In such event, the Executive shall have the right, subject to the other terms and conditions set forth in this Agreement and the applicable plan, to exercise such Option, to the extent it has vested as of the date of such termination of Service, at any time within three (3) months after the date of such termination of Service, subject to the earlier expiration of the Option on the ten (10)-year anniversary of grant or such other term as is provided in the applicable equity award agreement otherwise governing such grant (the “Expiration Date”). To the extent the vested portion of the Option is not exercised within such three (3)-month period, such Option shall be cancelled and revert back to the Company, and the Executive or any permitted transferee pursuant to the terms of the applicable award agreement, as applicable, shall have no further right or interest therein.

(b) Termination of Service for Death or Disability. If the Executive’s Service terminates by reason of death or the Executive terminates his or her employment as a result of Disability, as of the date of such termination of Service (i) the unvested portion of any Option shall automatically vest and become immediately exercisable in full and (ii) any TBRS and any TBRSU shall automatically vest in full. The full portion of any unexercised Option shall remain exercisable by the Executive (or any person entitled to do so) at any time within eighteen (18) months after the date of such termination of Service, subject to the earlier expiration of such Option on the Expiration Date. To the extent such Option is not exercised within such period, such Option shall be cancelled and revert back to the Company, and the Executive or any permitted transferee pursuant to the terms of the applicable award agreement, as applicable, shall have no further right or interest therein. The shares subject to any such TBRSU shall be delivered no later than sixty (60) days following such termination of Service.

(c) Intentionally Omitted.

(d) Termination of Service by Company without Cause or by Executive with Good Reason. If the Executive’s Service terminates by reason of the Executive terminating his or her employment for Good Reason or the Company terminating the Executive’s employment without Cause, (i) the Partially Accelerating Portion of any Option shall automatically vest and become immediately exercisable, and the Partially Accelerating Portion of any TBRS and any TBRSU shall automatically vest, in each case, as of the date of such termination of Service. The non-vested portion of the Option shall be cancelled and revert back to the Company. The vested portion of the applicable Option (which, for the avoidance of doubt, shall include the Partially Accelerating Portion) shall remain exercisable by the Executive (or any person entitled to do so) at any time within eighteen (18) months after the date of such termination of Service, subject to

the earlier expiration of the Option on the Expiration Date, and to the extent such vested portion of the Option is not exercised within such eighteen (18)-month period, such portion of the Option shall be cancelled and revert back to the Company, and the Executive or any permitted transferee pursuant to the terms of the applicable award agreement, as applicable, shall have no further right or interest therein, and (ii) the shares subject to any such TBRSU shall be delivered no later than sixty (60) days following such termination of Service.

(e) Intentionally Omitted.

(f) Certain Additional Change in Control Circumstances. In the event that any Option is assumed or continued, or substituted for new common stock options or another equity-based award of a successor entity, or parent or subsidiary thereof (with appropriate adjustments as to the number of shares and option exercise prices), or any unvested portion of the TBRS or the TBRSU is assumed or continued, or substituted for new restricted common stock, new restricted stock unit, or another equity-based award of a successor entity, or parent or subsidiary thereof (with appropriate adjustments as to the number of shares), in each case upon the consummation of any Change in Control, and the employment of the Executive with the Company is terminated by the Company without Cause or by the Executive for CiC Period Good Reason, in each case during a CiC Period (including, for the avoidance of doubt, following a Potential CiC Date but before the applicable Change in Control has been consummated), (i) such Option shall be fully vested and may be exercised in full, to the extent applicable, beginning on the date of such termination and for the thirty six (36)-month period immediately following such termination (subject to the earlier expiration of the Option on the Expiration Date) or for such longer period as the Compensation Committee shall determine and (ii) the unvested portion of such TBRS and such TBRSU shall be fully vested (and the shares subject to any such TBRSU shall be delivered no later than sixty (60) days following such termination of Service). In the event that a Change in Control occurs in which outstanding Options, shares of TBRS, and/or TBRSUs are not being assumed, continued or substituted (as contemplated by the preceding sentence), any Option and the unvested portion of any TBRS and any TBRSU shall be treated in accordance with the default rules applicable under Section 17.3 of the 2012 LTIP (or if made pursuant to a successor long-term incentive plan or inducement plan, the default rules contained in such plan), provided, that if the termination of Service occurs following a Potential CiC Date but before the applicable Change in Control has been consummated, the applicable unvested portion of such Options, TBRS and/or TBRSUs shall remain outstanding through the consummation of such Change in Control, and shall become vested in accordance with the terms of Sections 17.3(a) and 17.3(b) of the 2012 LTIP in connection with the consummation of such Change in Control.

(g) Survival. All of the provisions in this Section 6 shall survive any expiration or termination of this Agreement for any reason (unless such termination is as a result of a future novation of such provisions entered into by each of the parties).

7. Section 280G. In the event that any of the severance payments and other benefits provided by this Agreement or otherwise payable to the Executive (a) constitute “parachute payments” within the meaning of Section 280G of the Code, and (b) but for this Section 7, would be subject to the excise tax imposed by Section 4999 of the Code (“Excise Tax”), then the Executive’s severance payments and benefits under this Agreement or otherwise shall be payable either in full or in such lesser amount which would result in no portion of such severance payments or benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the Excise Tax, results in the receipt by the Executive, on an after-tax basis, of the greatest amount of severance payments and benefits under this Agreement or otherwise, notwithstanding that all or some

portion of such severance payments or benefits may be taxable under Section 4999 of the Code. Any reduction in the severance payments and benefits required by this Section 7 shall be made in the following order: (i) reduction of cash payments; (ii) reduction of accelerated vesting of equity awards other than stock options; (iii) reduction of accelerated vesting of stock options; and (iv) reduction of other benefits paid or provided to the Executive. The calculations and establishment of assumptions in this Section 7 will be performed by a professional tax firm engaged by the Company as of the day prior to the applicable CiC Date. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company shall appoint a nationally recognized tax firm to make the determinations required by this Section 7. The Company shall bear all expenses with respect to the determinations by such firm required to be made by this Section 7. The Company and the Executive shall furnish such tax firm such information and documents as the tax firm may reasonably request in order to make its required determination. The tax firm will provide its calculations, together with detailed supporting documentation, to the Company and the Executive as soon as practicable following its engagement. Any good faith determinations of the tax firm made hereunder shall be final, binding and conclusive upon the Company and the Executive. However, the Executive shall have the final authority to make any good faith determination(s) associated with the assumptions used by the tax firm in providing its calculations, and such good faith determination by the Executive shall be binding on the Company. As a result of the uncertainty in the application of Sections 409A, 280G or 4999 of the Code at the time of the initial determination by the professional tax firm described in this Section 7, it is possible that the Internal Revenue Service (the “IRS”) or other agency will claim that an Excise Tax greater than that amount, if any, determined by such professional firm for the purposes of this Section 7 is due (the “Additional Excise Tax”). The Executive shall notify the Company in writing of any claim by the IRS or other agency that, if successful, would require payment of Additional Excise Tax. The Executive and the Company shall each reasonably cooperate with the other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Excise Tax with respect to payments made or due to the Executive. The Company shall pay all reasonable fees, expenses and penalties of the Executive relating to a claim by the IRS or other agency. In the event it is finally determined that a further reduction would have been required under this Section 7 to place the Executive in a better after-tax position, the Executive shall repay the Company such amount within 30 days thereof in order to effect such result.

8. Section 409A.

(a) For purposes of Section 409A of the Code (“Section 409A”) (i) each “payment” (as defined by Section 409A) made under this Agreement shall be considered a “separate payment,” and (ii) payments shall be deemed exempt from the definition of deferred compensation under Section 409A to the fullest extent possible under (x) the “short-term deferral” exemption of Treasury Regulation § 1.409A-1(b)(4), and (y) with respect to amounts paid as separation pay (as defined under Treasury Regulation § 1.409A-1(m)) no later than the second calendar year following the calendar year containing the Executive’s “separation from service” (as defined for purposes of Section 409A), the “two years/two-times” separation pay exemption of Treasury Regulation § 1.409A-1(b)(9)(iii), which exemptions are hereby incorporated by reference.

(b) Any payments otherwise payable under this Agreement shall not commence until the Executive has a “separation from service” (as defined in Section 409A).

(c) If the Executive is a “specified employee” as defined in Section 409A (and as applied according to procedures of the Company and its affiliates) as of the Executive’s separation from service, to the extent any payment under this Agreement constitutes deferred compensation (after taking into account

any applicable exemptions from Section 409A) that is payable upon a separation from service, and to the extent required in order to avoid the imposition of an excise tax under Section 409A, no payments due under this Agreement may be made until the earlier of: (1) the date of the Executive's death and (2) the first day of the seventh month following the Executive's separation from service, provided, however, that any payments delayed during this six-month period shall be paid in the aggregate in a lump sum on the first day of the seventh month following the Executive's separation from service (or upon the date of the Executive's death, if earlier).

(d) Any expense reimbursements or in kind benefits under this Agreement that constitute deferred compensation within the meaning of Section 409A shall be made or provided in accordance with the requirements of Section 409A, including, without limitation, that: (i) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(e) If this Agreement fails to meet the requirements of Section 409A, neither the Company nor any of its affiliates shall have any liability for any tax, penalty or interest imposed on the Executive by Section 409A, and the Executive shall have no recourse against the Company or any of its affiliates for payment of any such tax, penalty, or interest imposed by Section 409A.

9. Additional Covenants.

(a) Confidentiality, Inventions Assignment and Other Matters. The parties hereby incorporate by reference the CIAA into this Agreement. The Executive acknowledges and agrees that the CIAA Covenants are material provisions of this Agreement and that a material breach of the CIAA Covenants shall be a material breach of this Agreement, and that the payment rights set forth in Sections 3 and 4 of this Agreement are subject to compliance with the CIAA Covenants, as further described in such respective sections.

(b) Non-Disparagement. The Executive agrees that the Company's reputation and goodwill in the marketplace is of utmost importance and value to the Company. The Executive further agrees that during, and for 18 months after, the term of the Executive's employment with the Company, the Executive will not purposefully make or publish, directly or indirectly, any public statement disparaging the Company or any of its directors or officers who held such offices at the time of Executive's termination. A disparaging statement is any written communication (including via an online, digital, or social media platform) that attacks the Company's products, services, or business policies and/or is intended to undermine the Company's reputation. The Executive further understands and agrees that this Section 9(b) is a material provision of this Agreement and that any material breach of this Section 9(b) shall be a material breach of this Agreement. Notwithstanding the foregoing and anything in this Agreement to the contrary, nothing in this Agreement shall prevent the Executive from (i) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Executive has reason to believe is unlawful, or (ii) cooperating in any investigation or providing testimony in legal proceedings (whether administrative or judicial). Further, and consistent with Section 10(b), this Section 9(b) is not intended to prevent Executive from exercising any other rights protected by law, including the right to communicate with former coworkers and/or third parties about terms and conditions of employment or labor disputes, unrelated to the amount of severance pay under this Agreement, when the communication

is not so disloyal, reckless, or maliciously untrue as to lose the protection of the law.

(c) Cooperation. The Executive agrees that, for 18 months after the Executive's date of termination, the Executive shall make himself or herself available at reasonable times, intervals and places for interviews, consultations, internal investigations and/or testimony during which the Executive shall provide to the Company, or its designated attorneys or agents, any and all information known to the Executive regarding or relating to the Company or the Executive's activities on behalf of the Company pertaining to the subject matter on which the Executive's cooperation is sought.

10. Miscellaneous.

(a) Employment At-Will. The Executive agrees and understands that nothing in this Agreement shall change the Executive's "at-will" employment status or confer any right with respect to continuation of employment with the Company, nor shall it interfere in any way with the Executive's right or the Company's right to terminate the Executive's employment at any time, with or without cause, either at the Executive's or the Company's option, with or without notice.

(b) Permitted Disclosures. The Executive understands that nothing contained in this Agreement restricts or limits the Executive's right to discuss the Executive's employment or report possible violations of law or regulation with the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the Securities and Exchange Commission, or other federal government agency or similar state or local agency or to discuss the terms and conditions of the Executive's employment with others to the extent permitted by Section 7 of the National Labor Relations Act or to the extent that such disclosure is protected under the applicable provisions of law or regulation, including but not limited to "whistleblower" statutes or other similar provisions that protect such disclosure. Additionally, the Executive understands that, pursuant to 18 U.S.C. Section 1833(b), the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose such trade secret to the Executive's attorney and use the trade secret information in related court proceedings, provided that Employee files any document containing the trade secret information under seal and does not further disclose the trade secret, except pursuant to court order.

(c) Governing Law. This Agreement will be governed by, construed, interpreted, and its validity determined under the laws of the state in which the Executive resides (the "Governing Law State"), as applied to agreements entered into and to be fully performed by residents of such Governing Law State. Such law of the Governing Law State shall govern regardless of the forum in which a dispute may be adjudicated. Subject to Section 10(d) hereof, all actions or proceedings for injunctive relief arising out of this Agreement shall exclusively be heard and determined in state or federal courts in the Governing Law State having appropriate jurisdiction. The parties expressly consent to the exclusive jurisdiction of such courts in any such action or proceeding and waive any objection to venue therein and any defense of forum non conveniens.

(d) Dispute Resolution. The parties hereby incorporate by reference the Dispute Resolution Agreement into this Agreement and agree that any and all disputes arising under this Agreement

are subject to and governed by the Dispute Resolution Agreement; provided, however, that the parties reserve the right to seek temporary or preliminary injunctive relief in court, in which case the parties agree that such injunctive relief shall be granted in court to preserve the status quo pending a resolution on the merits in arbitration. The Executive agrees that in connection with any application for injunctive relief, discovery shall be conducted on an expedited basis. The Executive further agrees that, in any proceeding alleging breach of this Agreement, the Company shall have the right to conduct forensic examinations of any computers and/or electronic devices in the Executive's possession or control, if the Company reasonably believes such devices contain Confidential Information (as defined in the Dispute Resolution Agreement).

(e) Remedies. The Executive acknowledges that any breach or threatened breach of this Agreement will cause immediate and irreparable injury and unquantifiable damage to the Company. If the Executive breaches, or the Company reasonably believes the Executive is about to breach, this Agreement, the Executive agrees that the Company is entitled to immediate injunctive relief enforcing the terms of this Agreement without the necessity of posting a bond, in addition to any other remedies at law or in equity. The Executive and the Company agree that in any legal proceeding to enforce this Agreement, the prevailing party shall be entitled to reimbursement of its actual costs and expenses, including without limitation reasonable attorneys' fees and costs.

(f) Assignment. The Executive agrees that, should the Company be acquired by, merge with, or otherwise combine with another corporation or business entity, the surviving entity will have all rights to enforce the terms of this Agreement as if it were the Company itself enforcing the Agreement. Notwithstanding the foregoing, the Executive may not assign this Agreement or any part hereof. Any purported assignment by the Executive shall be null and void from the initial date of purported assignment.

(g) Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect, then the Agreement will be deemed amended to the extent necessary to render the invalid, illegal, or unenforceable provision, and the rest of the Agreement, valid and enforceable. If a court or other adjudicator declines to amend the Agreement, the invalidity, illegality, or unenforceability of any provision will not affect the validity or enforceability of the remaining provisions, which shall be enforced as if the invalid, illegal, or unenforceable provision had not been included in this Agreement.

(h) Waiver. A waiver by the Company of a breach of any provisions of this Agreement shall not be deemed a waiver of any subsequent breach, nor shall recourse to any remedy hereunder be a waiver of any other or further relief or remedy. No waiver will be effective unless made in writing and signed by an officer of the Company.

(i) Entire Agreement. Except as otherwise stated herein, this Agreement, together with the CIAA, the Dispute Resolution Agreement and, if applicable, the Offer Letter, set forth the entire agreement and understanding between the Company and the Executive with respect to the subject matter of this Agreement (including but not limited to severance payments and benefits), and supersedes and replaces all prior understandings and agreements regarding the same, whether written or oral. This Agreement can only be amended or modified in a writing signed by both parties. Any subsequent change(s) in the Executive's duties, salary, compensation, or benefits will not affect the validity or scope of this Agreement, including the at-will nature of employment as described in Section 10(a). The Company's and the Executive's obligations under this Agreement shall survive the termination of Employee's employment regardless of the manner of such termination. This Agreement shall be binding upon and inure to the benefit

of the parties hereto and their respective heirs, personal representatives, successors, assigns, affiliated entities, and any party-in-interest.

(j) Counterparts. This Agreement may be executed in any number of counterparts, each of which, when executed by both parties to this Agreement shall be deemed to be an original, and all of which counterparts together shall constitute one and the same instrument.

(k) Notices. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid or when sent by express U.S. mail or overnight delivery through a national delivery service (or an international delivery service in the case of an address outside the U.S.) with signature required. Notice to the Company shall be directed to the attention of the Chief Legal Officer of the Company at the address of the Company's headquarters, and notice to the Executive shall be directed to the Executive at the Executive's most recent personal residence on file with the Company.

(l) Taxes and Withholdings. The Company shall deduct from the amounts payable to the Executive pursuant to this Agreement all required withholding amounts and deductions, including but not limited to federal, state and local withholding amounts in accordance all applicable laws and regulations and deductions authorized by the Executive. The Executive shall be solely responsible for and shall pay all taxes associated with the amounts payable under this Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first above written.

ORTHOFIX MEDICAL INC.

By: /s/ CATHERINE BURZIK

Catherine Burzik

Interim Chief Executive Officer, Director

EXECUTIVE

/s/ PUJA LEEKHA

Puja Leekha

Interim Chief Legal Officer

CERTIFICATION

I, Catherine Burzik, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended September 30, 2023, of Orthofix Medical Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 8, 2023

By: /s/ CATHERINE BURZIK
Name: Catherine Burzik
Title: Interim Chief Executive Officer, Director

CERTIFICATION

I, Geoffrey Gillespie, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended September 30, 2023, of Orthofix Medical Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 8, 2023

By: /s/ GEOFFREY GILLESPIE
Name: Geoffrey Gillespie
Interim Chief Financial Officer and VP, Corporate
Title: Controller

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Orthofix Medical Inc. ("Orthofix") on Form 10-Q for the quarterly period ended September 30, 2023, (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, Catherine Burzik, Interim Chief Executive Officer and Chair of the Board of Directors, and Geoffrey Gillespie, Interim Chief Financial Officer and VP, Corporate Controller, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Orthofix.

Dated: November 8, 2023

/s/ CATHERINE BURZIK

Name: Catherine Burzik

Title: Interim Chief Executive Officer, Director

Dated: November 8, 2023

/s/ GEOFFREY GILLESPIE

Name: Geoffrey Gillespie

Title: Interim Chief Financial Officer and VP, Corporate
Controller
