

A photograph of a man with grey hair, a beard, and sunglasses, wearing a light blue shirt, looking out from the deck of a sailboat. The sailboat's white sails and rigging are visible in the background. The ocean is a deep blue, and distant mountains are visible on the horizon under a clear sky. A large, stylized blue 'X' graphic is overlaid on the left side of the image.

Clear Course for Profitable Growth

1Q 2025 Earnings Call
May 6, 2025

Forward-Looking Statements

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

Further, any forward-looking statement speaks only as of the date hereof, unless it is specifically otherwise stated to be made as of a different date. 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, except as required by law.

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

Non-GAAP Financial Measures

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

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

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

These non-GAAP financial measures should not be considered in isolation from, or as replacements for, the most directly comparable GAAP financial measures, as these measures are not prepared in accordance with U.S. GAAP. Reconciliations between GAAP and non-GAAP results are included at the end of this presentation and represent the most comparable GAAP measure(s) to the applicable non-GAAP measure(s) shown in the table. For further information regarding the nature of these exclusions, why the Company believes that these non-GAAP financial measures provide useful information to investors, the specific manner in which management uses these measures, and some of the limitations associated with the use of these measures, please refer to the Company's Current Report on Form 8-K regarding its first quarter 2025 press release filed on May 6, 2025 with the SEC and available on the SEC's website at www.sec.gov and on the "Investors" page of the Company's website at www.orthofix.com.

The Company's non-GAAP financial measures for both the three months ended March 31, 2025 and 2024, have been adjusted to eliminate the financial effects of the Company's decision to discontinue its M6 product lines. Accordingly, previously reported figures for 2024 have been recast to reflect the financial impact of this decision.

Amounts may not add due to rounding.



VISION

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

VALUES



**TAKE
OWNERSHIP**



**INNOVATE
BOLDLY**



**WIN
TOGETHER**

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



Key Stats

Founded **1980**

Employees **1,600+**

NASDAQ **OFIX**

~\$538M

Market-Cap¹

~71.5%

TTM Adjusted Gross Margin²

~\$75.7M

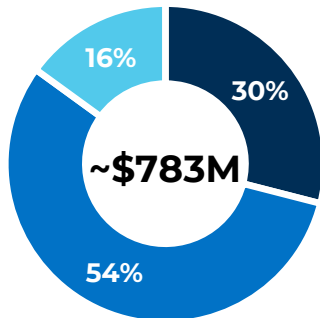
TTM Adjusted EBITDA²

~\$60.5M

Cash, Cash Equivalents, and Restricted Cash²

TTM Net Sales² by Business

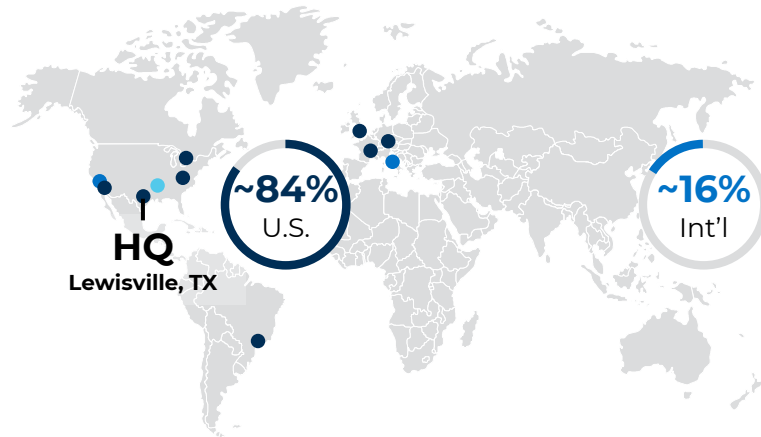
- Bone Growth Therapies
- Spinal Implants, Biologics, and Enabling Technologies
- Orthopedics



Global Presence

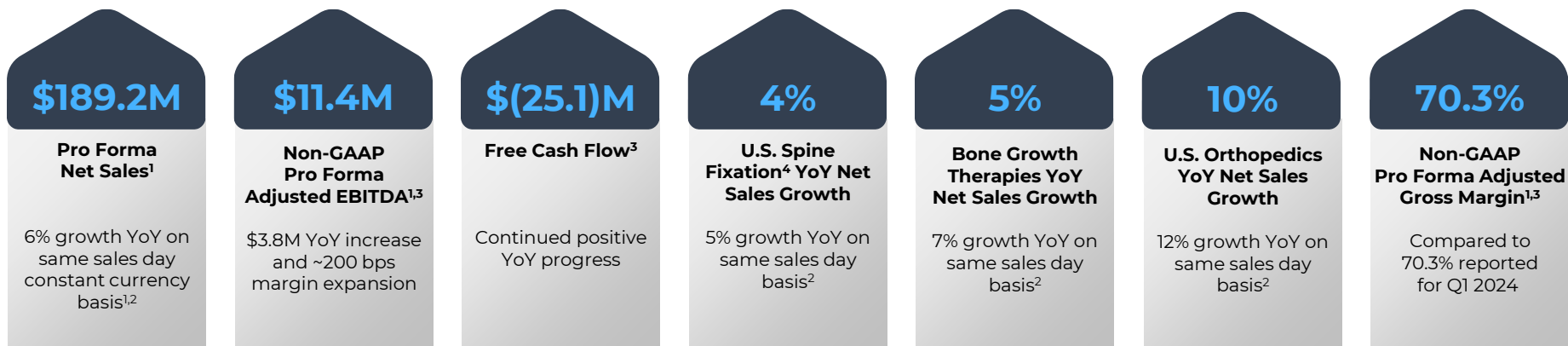
TTM Net Sales² by Geography

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



Unrivald Partner in Med Tech Delivering Exceptional Experiences and Life-Changing Solutions

Q1 2025 Financial Highlights



“ We are focused on three strategic priorities to drive market share gains in our spine business and build a fast-growing orthopedics business specifically focused on limb reconstruction. First, further sharpening our commercial execution to drive deeper market penetration through our comprehensive portfolio offerings, including the adoption of our 7D FLASH™ Navigation System; second, implementing projects to improve our gross margin; and finally, focusing on disciplined capital allocation, adjusted EBITDA expansion, and positive free cash flow generation, ensuring we are well-positioned to create long-term value for our shareholders in 2025 and beyond. ”



Massimo Calafiore
President & Chief Executive Officer

¹ The Company's non-GAAP financial measures have been adjusted to eliminate the financial effects of the Company's decision to discontinue its M6 product lines. ² Constant Currency is calculated by applying foreign currency rates applicable to the comparable, prior-year period to present the current period net sales at comparable rates. Same sales day metrics normalize results for variations in the number of selling days between periods based upon average sales per day. ³ The reasons for and nature of non-GAAP disclosures by the Company, descriptions of the adjustments used to calculate those non-GAAP financial measures, and reconciliations of those non-GAAP financial measures to the most comparable GAAP financial measure, are provided in the Company's press release issued and Quarterly Report on Form 10-Q filed on May 6, 2025. ⁴ Spine Fixation is comprised of the Company's Spinal Implants product category, excluding motion preservation product offerings.

Q1 2025 Key Messages

01

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

02

Pro forma adjusted EBITDA exceeded expectations – pro forma adjusted EBITDA margin expanded by ~200 bps compared to reported non-GAAP adjusted EBITDA for 1Q 2024

03

510(k) clearance and CE Mark for TrueLok™ Elevate Transverse Bone Transport (TBT) System – first FDA-cleared device for TBT to correct non-unions and bony or soft tissue deformities or defects

04

Taking proactive steps to optimize our spine commercial channel to maximize growth opportunities and more closely align with our strategic focus

05

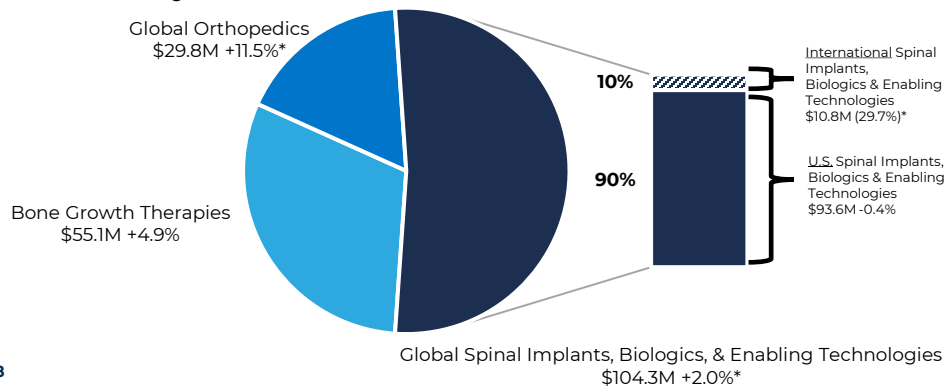
Prudently deploying capital and prioritizing investment in profitable growth opportunities and increased penetration of our technology and product platforms in areas where we can win

Q1 2025 Results Summary

First Quarter 2025 Results Summary (in millions)

	Q1 2025	Q1 2024	Constant Currency Change
Bone Growth Therapies	\$ 55.1	\$ 52.5	4.9%
Spinal Implants, Biologics, and Enabling Technologies	104.3	102.3	2.0%
Global Spine	159.4	154.8	3.0%
Global Orthopedics	29.8	27.3	11.5%
Pro forma net sales (excludes M6)	\$ 189.2	\$ 182.1	4.3%
Impact from discontinuation of M6	4.4	6.5	(31.5%)
Reported net sales	\$ 193.6	\$ 188.6	3.0%
Non-GAAP Adjusted Gross Margins	70.3%	70.3%	+5 bps
Non-GAAP Adjusted EBITDA	\$ 11.4	\$ 7.7	49.1%

Q1 2025 Total Pro Forma Net Sales \$189.2M +4.3% YoY*



Q1 Total Pro Forma Net Sales: \$189.2M

4.3% YoY pro forma constant currency growth

Q1 Non-GAAP Pro Forma Adjusted EBITDA: \$11.4M

6.0% of pro forma net sales
vs \$7.7M in 1Q24; 4.1% of reported net sales

Q1 Non-GAAP Pro Forma Adjusted Gross Margin: 70.3%

vs 70.3% as reported in 1Q24

Q1 Non-GAAP Pro Forma SG&A Expense: \$121.9M

64.4% of pro forma net sales
vs \$123.5M in 1Q24; 65.5% of reported net sales

Q1 Non-GAAP Pro Forma R&D Expense: \$14.6M

7.7% of pro forma net sales
vs \$19.3M in 1Q24; 10.2% of reported net sales

Q1 2025 Business Segment Highlights



BONE GROWTH THERAPIES

BGT net sales +7%*

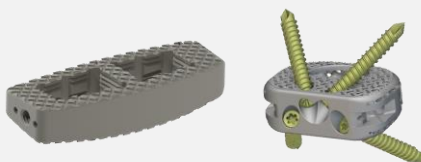
- » Successful cross-selling
- » Continued focus on adding new surgeons and competitive surgeon conversions
- » BGT Fracture with AccelStim™ bone growth therapy device continuing to outperform the market



SPINE

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

- » Continued to gain share in categories where we recently launched new products, including ALIF, MIS and Cervical Fusion portfolios, all of which significantly outperformed the market
- » Ongoing limited market release of Reef™ L Lateral Lumbar Interbody and WaveForm™ A Interbody



ORTHOPEDICS

Global Orthopedics net sales +13%*
U.S. Orthopedics net sales +12%*

- » Growth led by combination of TrueLok™ and Fitbone™ products and growth in Galaxy™ fixation product family
- » TrueLok™ Elevate TBT System – limited launch ongoing – full launch planned in Q3 2025



Capitalizing on Clear Competitive Advantages



**Comprehensive
Portfolio** of
Transformative
Solutions



Established
Distribution Channels
and Extensive Global
Commercial Reach



**World-Class,
Visionary Leadership**
Team with Deep
Sector Expertise



**Improved
Clinical Efficiencies** and
Economic Value with
7D Enabling
Technology



**Large Addressable
Markets** with High-
Growth Opportunities
Across Continuum
of Care

Expanding and Deepening Customer Relationships

Spinal Implants

Executing Innovation and Taking Share

- Comprehensive, best-in-class spinal implants designed to work in concert with 7D Navigation and biologics to support improved clinical outcomes
- Focus on deformity correction and experts in cervical fixation and material science

Select Product Examples



Shoreline™ ACS



NorthStar™ OCT

Cervical



Mariner™
Deformity



Phoenix™ MIS



Wayfinder™

Thoracolumbar Fixation

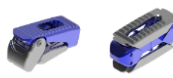


WaveForm™
(3D Printed)



Reef™
(IBDs)

Interbody

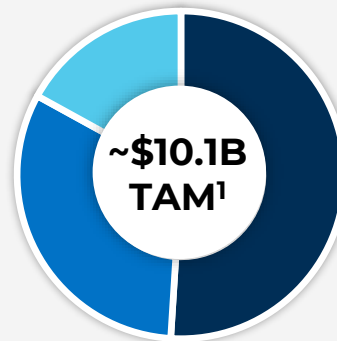


Explorer™
(Expandable)



Meridian™

Market Overview



Thoracolumbar Fixation

- Significant share capture opportunity
- ~3% – 4% market growth rate (2025 – 2027)

Interbody

- Significant share capture opportunity
- ~3% – 4% market growth rate (2025 – 2027)

Cervical

- Significant share capture opportunity
- ~3% – 4% market growth rate (2025 – 2027)

OFIX Growth Drivers

- Sales channel optimization for growth, cross-selling, and OPEX leverage
- Pull through from lateral, cervical, and 7D earnouts
- Best-in-class implants to improve patient outcomes

Supporting Clinicians and Patients through Continuous Innovation of Procedure Solutions

Bone Growth Therapies

Maximizing #1 Market Position

- Safe, effective, non-surgical alternative to aid in bone healing of fracture management and high-risk spine fusions
- Most comprehensive portfolio of bone growth stimulation devices
- Most indications on the market to aid in bone healing solutions



#1 prescribed bone growth stimulator



First to offer free recycling for patients to properly dispose their devices



PEMF technology approved since 1986

1,100,000+

Prescribed devices

Select Product Examples



PhysioStim™



AccelStim™

Complex Foot & Ankle Reconstruction and Fracture Management



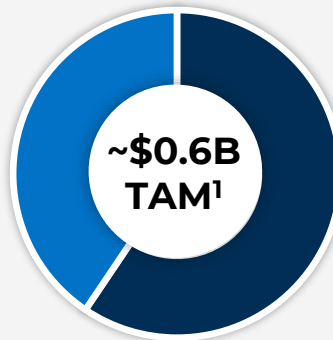
CervicalStim™



SpinalStim™

Spine Fusion Therapy

Market Overview



Spine

- #1 Position
- ~2% – 3% market growth rate (2025 – 2027)

Fracture

- #2 Position
- ~2% – 3% market growth rate (2025 – 2027)

OFIX Growth Drivers

- Procedural selling focused on cross-selling with orthopedics and spine
- New market channels with established sales representatives
- AccelStim growth to penetrate Fracture market

Growing Above Market through Innovation and Expansion

Biologics

Growing from a Position of Strength

- Full spectrum of biologic solutions to enhance fusion process and promote bone repair and growth
- Provide industry leading, best-in-class products in each of the major bone grafting categories

Select Product Examples



OsteoStrand™ Plus



OsteoSurge™ 300

Demineralized Bone Matrix



Trinity Elite™

Cellular Allograft



OsteoCove™

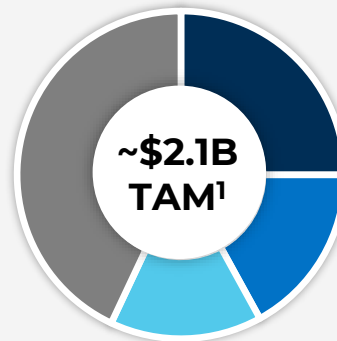
Synthetic



OsteoBallast™

Procedure-Specific

Market Overview



Demineralized Bone Matrix

- #2 Position
- ~2% – 3% market growth rate (2025 – 2027)

Cellular Allograft

- #2 Position
- ~2% – 3% market growth rate (2025 – 2027)

Synthetic

- Significant share capture opportunity
- ~2% – 3% market growth rate (2025 – 2027)

Growth Factors, Other

- Do not participate

OFIX Growth Drivers

- Opportunities in current portfolio and spine
- Product innovation with clinical research
- Disc regeneration, channel expansion options

Strategically Introducing New Products to Capture Additional Market Share

Orthopedics

Redefining Limb Reconstruction

- Unique portfolio of limb reconstruction solutions, addressing the most challenging orthopedic conditions in patients of all ages

Select Product Examples



TL-HEX™

Extremity Deformity
Correction



TrueLok Elevate™ TBT

Limb
Preservation



Fitbone™

Limb
Lengthening



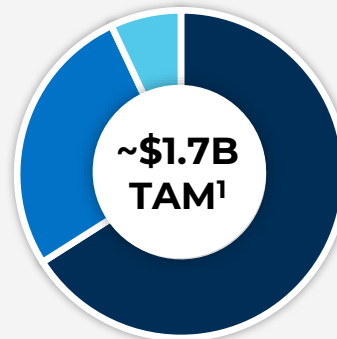
Galaxy Gemini™

Complex
Fracture Management



Enabling Technologies - OrthoNext™

Market Overview



Extremity Deformity Correction & Limb Restoration

- Significant share capture opportunity
- ~5% – 6% market growth rate (2025 – 2027)

Limb Lengthening

- Significant share capture opportunity
- ~7% – 8% market growth rate (2025 – 2027)

Complex Fracture Management

- Significant share capture opportunity
- ~3% – 4% market growth rate (2025 – 2027)

OFIX Growth Drivers

- Accelerating U.S. growth and expanding position
- Global sales channel optimization through execution and focused distribution
- New product platforms with next-gen digital capabilities

Proven Leader with Room to Grow through Innovation of Hardware and Digital Solutions

Orthopedics: Redefining the Category of Limb Reconstruction





REAL STORIES. REAL IMPACT.

Watch What Limb Reconstruction Looks Like For Justin »

TL-HEX™ TrueLok Hexapod System Patient

Enabling Technologies

Empowering Excellence with Real-Time, Integrated Smart Technologies

- FLASH™ Navigation with 7D Technology, world's leading, zero-radiation¹ spine image-guided surgery system
- Allows surgeons to perform **fast, cost-effective, and radiation-free** surgery
- Pacesetter leader for open spine procedures and deformity correction

Product Example



FLASH™ Navigation with
7D Technology

Significant Focus in Spine



Open and Percutaneous Spine Modules²

Market Overview



Spinal Navigation

- Significant share capture opportunity
- ~10% – 12% market growth rate (2025 – 2027)

OFIX Growth Drivers

- 7D deployments through commercial financing structures and product pull through
- Product integration with spinal implant portfolio
- Digital ecosystem expansion (pre-op planning, intra-op navigation, and post-op care)

Capturing Significant Opportunity to Leverage Technology and Expand Share in Spine

Innovation Spotlight – FLASH™ Navigation with 7D Technology



First and only image-guided surgery system featuring 7D's machine-vision technology, allowing surgeons to perform **fast, cost-effective, radiation-free ICS**



Revolutionizing Spinal Navigation Created Meaningful Advantages with FLASH™ Navigation with 7D Technology

97.8% reduction in intraoperative radiation during adult degenerative spinal fusions^{1*}

61% reduction in intraoperative radiation during complex pediatric deformity spinal fusions^{2*}

98.8% accurate with no pedicle breach^{1*}

94% faster than intraoperative CT-based systems^{3*}

63.6 minutes saved per case^{4*}

Flexible Selling Models to Meet Unique Needs of Facility



"Earnout" through purchase of spine hardware and/or biologics; creating recurring revenue stream and stronger customer relationships

Technology Differentiates Portfolio While Enabling Service to Full Continuum of Surgical Care

*Not an Orthofix sponsored clinical study. ¹ Malham GM, Munday NR. Comparison of novel machine-vision spinal image guidance system with existing 3D fluoroscopy-based navigation system: a randomized prospective study. Spine J. 2022 Apr;22(4):561-569. doi:10.1016/j.spinee.2021.10.002. Epub 2021 Oct 16. PMID: 34666179. ² Comstock, Christopher P. MD, Wait, Eric MD. Novel Machine Vision Image Guidance System Significantly Reduces Procedural Time and Radiation Exposure Compared With 2-dimensional Fluoroscopy-based Guidance in Pediatric Deformity Surgery. Journal of Pediatric Orthopaedics (J).10.1097/BPO.0000000000002377, March 6, 2023. | DOI: 10.1097/BPO.0000000000002377 ³ Jakubovic R, Guha D, Gupta S, et al. High speed, high density intraoperative 3D optical topographical imaging with efficient registration to MRI and CT for craniospinal surgical navigation. Sci Rep. 2018;8:14894. doi:10.1038/s41598-018-32424-z. ⁴ Lim KBL, Yeo ISX, Ng SWL, Pan WJ, Lee NKL. The machine-vision image guided surgery system reduces fluoroscopy time, ionizing radiation and intraoperative blood loss in posterior spinal fusion for scoliosis. Eur Spine J. 2023 Jul 10. doi: 10.1007/s00586-023-07848-5. Epub ahead of print. PMID: 37428212. Stewart G. Visible Light Navigation in Spine Surgery: My Experience With My First 150 Cases. Int J Spine Surg. 2022 Oct;16(S2):S28-S36. doi:10.14444/8274. Epub 2022 Aug 5. PMID: 36456113; PMCID: PMC9808787.

Significant Cross-Portfolio Commercial Opportunities



Spine

- Maximize procedural selling opportunity with Biologics, 7D, and BGT

Bone Growth Therapies (BGT)

- Combined portfolio with Biologics to target Trauma surgeons
- Combine with select Orthopedics product lines
- Expanding domestically through legacy SeaSpine distribution and orthopedics
- Expand internationally via Orthopedics Channels

Biologics

- Expand cross-selling with U.S. Orthopedics channels



Orthopedics

- Maximize procedural selling opportunity with Biologics, BGT, and Enabling Technologies

Enabling Technologies (ET)

- Focus on 7D equipment placements to drive recurring implant usage
- Leverage investment and drive synergistic approach across the portfolio

Looking Forward – Accelerating Our Profitable Growth Engine

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

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

Operate
with Discipline for
Margin Expansion

Improve
Financial Strength
and Drive
**Strong, Positive
Cash Flow**

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

Full-Year 2025 Guidance¹

**\$808M –
\$816M**
Net Sales

**\$82M –
\$86M**
Adjusted
EBITDA

Positive
Free Cash Flow
for 2025²

¹ As of the Company's Q1 2025 Earnings Call hosted on 5/6/2025. Inclusion of this information in this presentation is not a confirmation or an update of, and should not be construed or otherwise assumed to reflect any confirmation or update of, that guidance by Orthofix leadership as of any date other than 5/6/2025. Net sales range of \$808 million to \$816 million excludes sales from the discontinued M6 product lines and assumes a \$5 million negative impact from U.S. funded non-governmental organization (NGO) business as compared to the full-year 2024. The Company's expected net sales represent implied constant currency growth of 5.0% year-over-year at midpoint of the range. This guidance range is based on current foreign currency exchange rates and does not take into account any additional potential exchange rate changes that may occur this year.

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

Investment Summary – Why Invest in Orthofix?



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

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

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

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

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

For additional information, please contact:



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NASDAQ: OFIX





Appendix

Financial and Non-GAAP
Reconciliation Tables



Net Sales by Major Product Category by Reporting Segment

Three Months Ended March 31,

(Unaudited, U.S. Dollars, in millions)	2025	2024	Change	Constant Currency Change
Bone Growth Therapies	\$ 55.1	\$ 52.5	4.9%	4.9%
Spinal Implants, Biologics and Enabling Technologies*	104.3	102.3	2.0%	2.0%
Global Spine*	159.4	154.8	3.0%	3.0%
Global Orthopedics	29.8	27.3	9.1%	11.5%
Pro forma net sales*	189.2	182.1	3.9%	4.3%
Impact from discontinuation of M6 product lines	4.4	6.5	(31.9%)	(31.5%)
Reported net sales	\$ 193.6	\$ 188.6	2.7%	3.0%

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

Condensed Consolidated Balance Sheets

(U.S. Dollars, in thousands, except par value data)	March 31, 2025	December 31, 2024
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 57,953	\$ 83,238
Restricted Cash	2,500	2,500
Accounts receivable, net of allowances of \$8,602 and \$7,418, respectively	131,865	134,713
Inventories	174,480	189,452
Prepaid expenses and other current assets	23,512	23,382
Total current assets	390,310	433,285
Property, plant, and equipment, net	130,693	139,804
Intangible assets, net	81,213	98,803
Goodwill	194,934	194,934
Other long-term assets	25,994	26,468
Total assets	\$ 823,144	\$ 893,294
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	\$ 45,176	\$ 48,803
Current portion of finance lease liability	767	755
Other current liabilities	98,173	119,070
Total current liabilities	144,116	168,628
Long-term debt	156,885	157,015
Long-term portion of finance lease liability	17,636	17,835
Other long-term liabilities	46,213	46,692
Total liabilities	364,850	390,170
Contingencies		
Shareholders' equity		
Common shares \$0.10 par value; 100,000 shares authorized; 39,096 and 38,486 issued and outstanding as of March 31, 2025, and December 31, 2024, respectively	3,910	3,849
Additional paid-in capital	786,175	779,718
Accumulated deficit	(329,235)	(276,141)
Accumulated other comprehensive loss	(2,556)	(4,302)
Total shareholders' equity	458,294	503,124
Total liabilities and shareholders' equity	\$ 823,144	\$ 893,294

Condensed Consolidated Statements of Operations

	Three Months Ended	
	March 31,	
(Unaudited, U.S. Dollars, in thousands, except share and per share data)	2025	2024
Net sales	\$ 193,646	\$ 188,608
Cost of sales	72,027	61,366
Gross profit	121,619	127,242
Sales, general, and administrative	132,981	131,691
Research and development	19,766	19,492
Acquisition-related amortization, impairment, and remeasurement	17,745	5,396
Operating loss	(48,873)	(29,337)
Interest expense, net	(4,506)	(4,558)
Other income (expense), net	1,246	(1,274)
Loss before income taxes	(52,133)	(35,169)
Income tax expense	(961)	(851)
Net loss	\$ (53,094)	\$ (36,020)
Net loss per common share:		
Basic	\$ (1.35)	\$ (0.95)
Diluted	(1.35)	(0.95)
Weighted average number of common shares (in millions):		
Basic	39.2	37.7
Diluted	39.2	37.7

Adjusted Gross Profit and Adjusted Gross Margin

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended March 31,	
	2025	2024
Gross profit	\$ 121,619	\$ 127,242
Share-based compensation expense	462	537
SeaSpine merger-related costs	600	1,303
Restructuring costs and impairments related to M6 product lines	10,919	—
Strategic investments	13	65
Acquisition-related fair value adjustments	—	3,047
Amortization/depreciation of acquired long-lived assets	313	318
Adjusted gross profit	\$ 133,926	\$ 132,512
<i>Adjusted gross margin as a percentage of reported net sales</i>	<i>69.2%</i>	<i>70.3%</i>
Adjusted gross profit attributable to M6 product lines	(906)	(2,895)
Pro forma adjusted gross profit	\$ 133,020	\$ 129,617
<i>Pro forma adjusted gross margin as a percentage of pro forma net sales</i>	<i>70.3%</i>	<i>71.2%</i>

Adjusted EBITDA

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended March 31,	
	2025	2024
Net loss	\$ (53,094)	\$ (36,020)
Income tax expense	961	851
Interest expense, net	4,506	4,558
Depreciation and amortization	34,431	14,862
Share-based compensation expense	6,469	8,800
Foreign exchange impact	(1,044)	1,588
SeaSpine merger-related costs	1,130	4,479
Restructuring costs and impairments related to M6 product lines	9,880	—
Strategic investments	3,514	120
Acquisition-related fair value adjustments	(610)	4,217
Interest and loss on investments	—	(260)
Litigation and investigation costs	3,042	2,260
Succession charges	—	2,210
Adjusted EBITDA	\$ 9,185	\$ 7,665
<i>Adjusted EBITDA as a percentage of reported net sales</i>	<i>4.7%</i>	<i>4.1%</i>
Operating losses attributable to M6 product lines	2,246	1,854
Pro forma adjusted EBITDA	\$ 11,431	\$ 9,519
<i>Adjusted EBITDA as a percentage of pro forma net sales</i>	<i>6.0%</i>	<i>5.2%</i>

Adjusted Net Income (Loss)

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended March 31,	
	2025	2024
Net loss	\$ (53,094)	\$ (36,020)
Share-based compensation expense	6,469	8,800
Foreign exchange impact	(1,044)	1,588
SeaSpine merger-related costs	1,474	4,848
Restructuring costs and impairments related to M6 product lines	30,204	—
Strategic investments	3,543	126
Acquisition-related fair value adjustments	(610)	4,217
Amortization/depreciation of acquired long-lived assets	4,632	4,792
Litigation and investigation costs	3,042	2,260
Succession charges	—	2,210
Interest and loss on investments	—	(260)
Long-term income tax rate adjustment	2,200	2,696
Adjusted net loss	\$ (3,184)	\$ (4,743)
Operating losses attributable to M6 product lines	2,688	2,400
Long-term income tax rate adjustment for M6 product lines	(753)	(672)
Pro forma adjusted net loss	\$ (1,249)	\$ (3,015)

Cash Flow and Free Cash Flow

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended March 31,	
	2025	2024
Net cash from operating activities	\$ (18,391)	\$ (18,595)
Net cash from investing activities	(6,736)	(10,867)
Net cash from financing activities	(651)	21,453
Effect of exchange rate changes on cash	493	(284)
Net change in cash and cash equivalents	\$ (25,285)	\$ (8,293)

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended March 31,	
	2025	2024
Net cash from operating activities	\$ (18,391)	\$ (18,595)
Capital expenditures	(6,736)	(10,817)
Free cash flow	\$ (25,127)	\$ (29,412)

Adjusted Sales, General and Administrative Expense

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended March 31,	
	2025	2024
Sales, general, and administrative	\$ 132,981	\$ 131,691
<i>Reconciling items impacting sales, general, and administrative:</i>		
Restructuring costs and impairments related to M6 product lines	(3,336)	—
Strategic investments	(2,304)	(3,431)
Amortization/depreciation of acquired long-lived assets	(60)	(248)
Litigation and investigation costs	(3,042)	(2,260)
Succession charges	—	(2,210)
Sales, general, and administrative expense, as adjusted	\$ 124,239	\$ 123,542
<i>As a percentage of reported net sales</i>	64.2%	65.5%
Sales, general, and administrative expense attributable to M6 product lines	(2,388)	(4,155)
Pro forma sales, general, and administrative expense, as adjusted	\$ 121,851	\$ 119,387
<i>As a percentage of pro forma net sales</i>	64.4%	65.6%

Adjusted Research and Development Expense

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended March 31,	
	2025	2024
Research and development expense, as reported	\$ 19,766	\$ 19,492
<i>Reconciling items impacting research and development:</i>		
Restructuring costs and impairments related to M6 product lines	(1,852)	—
Strategic investments	(2,099)	(237)
Research and development expense, as adjusted	\$ 15,815	\$ 19,255
<i>As a percentage of reported net sales</i>	8.2%	10.2%
Research and development expense attributable to M6 product lines	(1,192)	(2,236)
Pro forma research and development expense, as adjusted	\$ 14,623	\$ 17,019
<i>As a percentage of pro forma net sales</i>	7.7%	9.3%

Adjusted Non-Operating Expense

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended March 31,	
	2025	2024
Non-operating expense	\$ 3,260	\$ 5,832
<i>Reconciling items impacting non-operating expense:</i>		
Foreign exchange impact	1,044	(1,588)
Interest and loss on investments	—	283
Non-operating expense, as adjusted	\$ 4,304	\$ 4,527
<i>As a percentage of reported net sales</i>	2.2%	2.4%
Losses attributable to M6 product lines	(15)	(47)
Pro forma non-operating expense, as adjusted	\$ 4,289	\$ 4,480
<i>As a percentage of pro forma net sales</i>	2.3%	2.5%

2024 Pro Forma Financial Statements – M6 Product Lines

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended	Three Months Ended				Year Ended
	March 31, 2025	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
Net sales	\$ 4,443	\$ 6,520	\$ 5,804	\$ 5,328	\$ 5,792	\$ 23,444
Cost of sales	14,457	3,638	2,874	3,137	2,514	12,163
Gross profit	(10,014)	2,882	2,930	2,191	3,278	11,281
Sales, general, and administrative	5,723	3,283	2,883	2,547	2,792	11,505
Research and development	3,044	2,091	2,320	2,099	2,120	8,630
Acquisition-related amortization and remeasurement	14,097	980	980	980	980	3,920
Operating loss	(32,878)	(3,472)	(3,253)	(3,435)	(2,614)	(12,774)
Interest expense, net	(5)	(5)	(5)	(5)	(5)	(20)
Other income (expense), net	(10)	(42)	(13)	(18)	(51)	(124)
Loss before income taxes	(32,893)	(3,519)	(3,271)	(3,458)	(2,670)	(12,918)
Income tax expense	—	—	—	—	—	—
Net loss	\$ (32,893)	\$ (3,519)	\$ (3,271)	\$ (3,458)	\$ (2,670)	\$ (12,918)

2024 Pro Forma Non-GAAP Adjusted EBITDA – M6 Product Lines

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended	Three Months Ended				Year Ended
	March 31, 2025	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
Net loss	\$ (32,893)	\$ (3,519)	\$ (3,271)	\$ (3,458)	\$ (2,670)	\$ (12,918)
Interest expense, net	5	5	5	5	5	20
Depreciation and amortization	20,762	1,521	1,426	1,393	1,432	5,772
Share-based compensation expense	—	111	95	88	79	373
Foreign exchange impact	—	11	—	4	42	57
SeaSpine merger-related costs	—	17	(49)	304	53	325
Restructuring costs and impairments related to M6 product lines	9,880	—	—	—	—	—
Adjusted EBITDA	\$ (2,246)	\$ (1,854)	\$ (1,794)	\$ (1,664)	\$ (1,059)	\$ (6,371)

2024 Pro Forma Non-GAAP Adjusted Net Loss and Adjusted Gross Margin – M6 Product Lines

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended	Three Months Ended				Year Ended
	March 31, 2025	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
Net loss	\$ (32,893)	\$ (3,519)	\$ (3,271)	\$ (3,458)	\$ (2,670)	\$ (12,918)
Share-based compensation expense	—	111	95	88	79	373
Foreign exchange impact	—	11	—	4	42	57
SeaSpine merger-related costs	—	17	(49)	304	34	306
Amortization/depreciation of acquired long-lived assets	20,325	980	980	980	980	3,920
Restructuring costs and impairments related to M6 product lines	9,880	—	—	—	—	—
Long-term income tax rate adjustment	753	672	629	583	429	2,313
Adjusted net loss	\$ (1,935)	\$ (1,728)	\$ (1,616)	\$ (1,499)	\$ (1,106)	\$ (5,949)

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended	Three Months Ended				Year Ended
	March 31, 2025	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
Gross profit	\$ (10,014)	\$ 2,882	\$ 2,930	\$ 2,191	\$ 3,278	\$ 11,281
Share-Based Compensation Expense	—	13	13	12	9	47
SeaSpine Merger-Related Costs	—	—	—	198	29	227
Restructuring costs and impairments related to M6 product lines	10,920	—	—	—	—	—
Adjusted gross profit	\$ 906	\$ 2,895	\$ 2,943	\$ 2,401	\$ 3,316	\$ 11,555
<i>Adjusted gross margin as a percentage of net sales</i>	<i>20.4%</i>	<i>44.4%</i>	<i>50.7%</i>	<i>45.1%</i>	<i>57.3%</i>	<i>49.3%</i>