



# Charting the Course for Profitable Growth

Investor Presentation  
August 2024



# 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, 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 communication include the Company’s expectations regarding net sales and adjusted EBITDA for the year ended December 31, 2024. 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, 2023 (the “2023 Form 10-K”), and in Part II, Item 1A under the heading Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024. 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 recruit and retain management and key personnel, and (vii) 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.

This list of risks, uncertainties, and other factors is not complete. We discuss some of these matters more fully, as well as certain risk factors that could affect our business, financial condition, results of operations, and prospects, in reports we file from time-to-time with the SEC, which are available to read at [www.sec.gov](http://www.sec.gov). 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 these forward-looking statements. You should not place undue reliance on any of 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 income (loss) before income taxes, 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.



Extensive Portfolio  
Solutions with  
Complementary  
Technologies



Improved Clinical  
Outcomes &  
Economic Value



Large Addressable  
Markets with High  
Growth Opportunities



Established Distribution  
Channels & Global  
Commercial Reach



Attractive Valuation &  
On Track to Reach  
Profitability Objectives,  
including Positive Free  
Cash Flow for 2H 2024



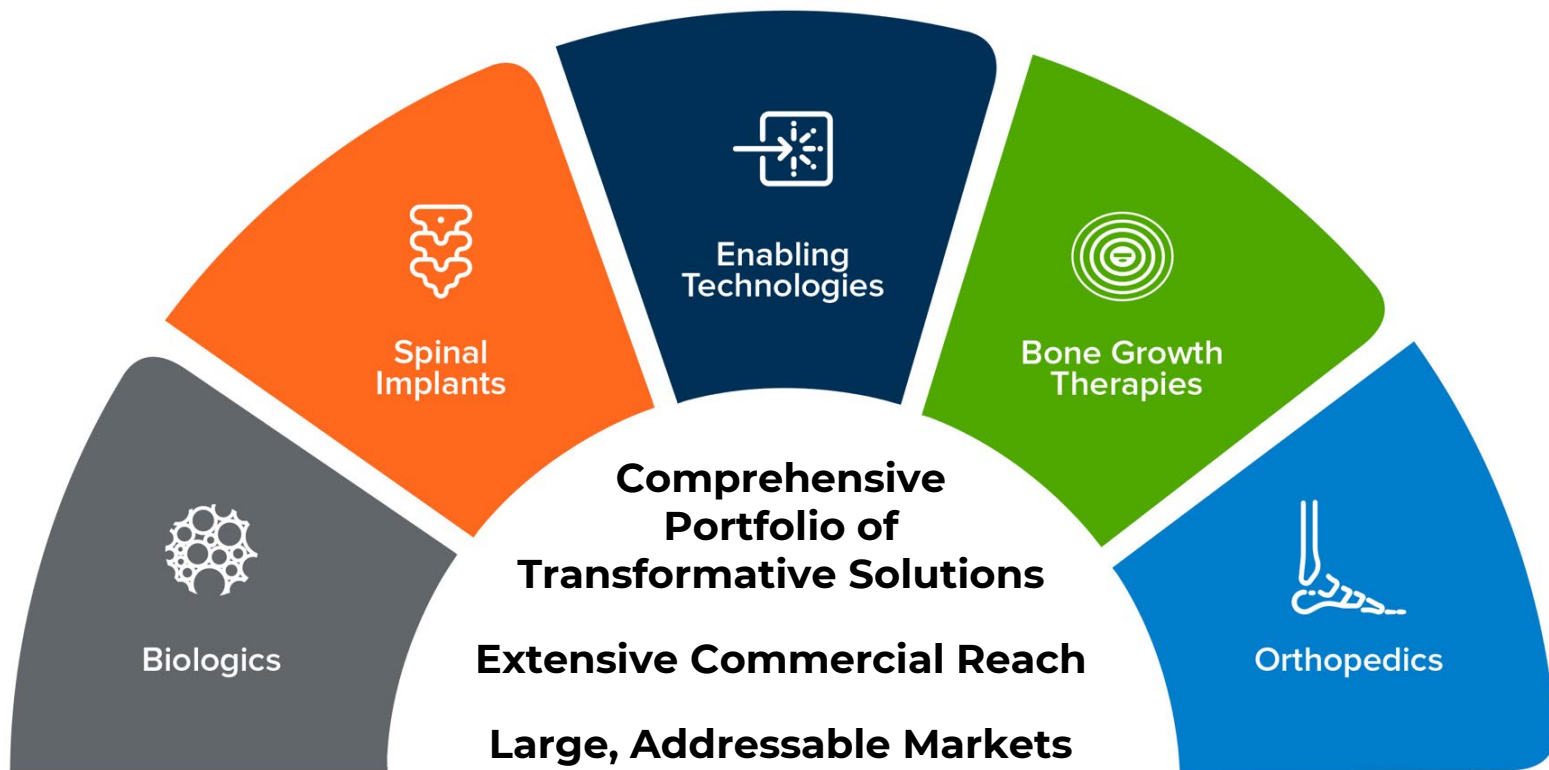
Visionary Leadership  
Team with Deep  
Sector Experience

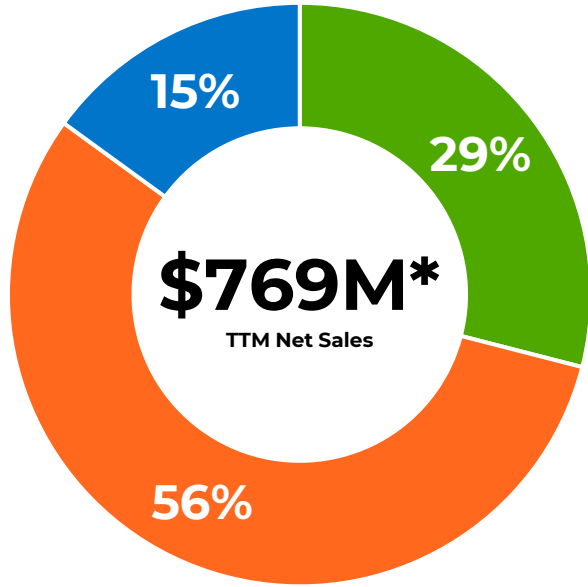
# Investment Highlights

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Building a Leading  
Global Medtech Company

# Leading Global Medtech Company





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

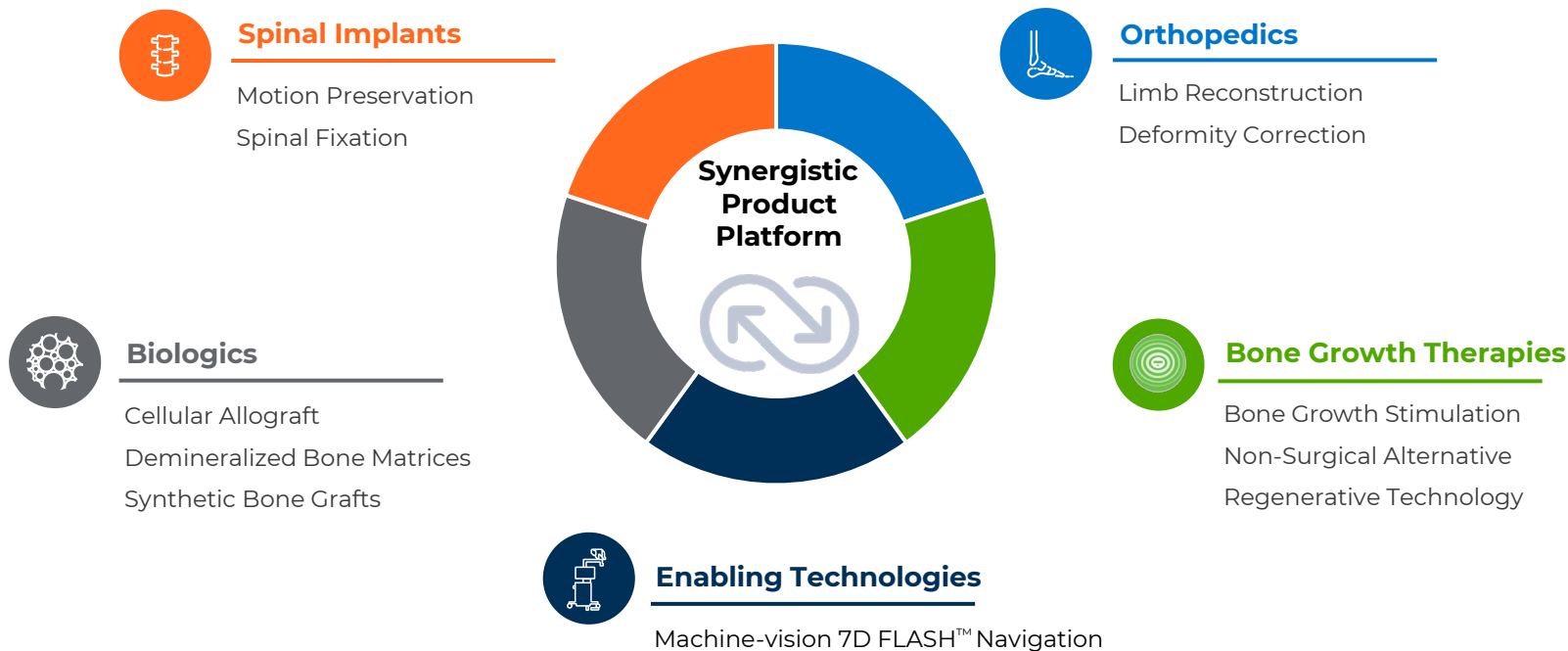
## Diversified & Complementary Business with Broad Commercial Reach

~**84%** U.S. | ~**16%** OUS

Products distributed in **60+** countries

# Synergistic Product Platforms Lay Foundation for Sustainable, Profitable Growth

**\$7B** of Focused, High-Growth Market Segments\* | 6% CAGR



SmartTRAK® 2022 – 2026 U.S. Estimates

\* Focused growth segments include Enabling Technologies, Motion Preservation, Interbody, DBM, LLIF/OLIF, MIS and Long Bone Stimulation

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# 7D FLASH™ Navigation is Revolutionizing Spinal Navigation



## Eliminates Radiation

Based off preoperative CT or MRI, no intraoperative radiation is required, eliminating exposure to surgeons, staff and patients



## Cuts Registration Time

Fastest 3D reconstruction in under 30 seconds



## Improves Accuracy & Outcomes

Quickly register segmentally regardless of patient position or movement



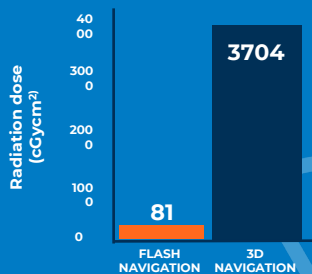
## Reduces Costs, Increases Efficiency

Cost-effective, surgeon-controlled, sterile system  
Optimized workflow with no line-of-sight challenges

# Meaningful Advantages with FLASH™ 7D Technology

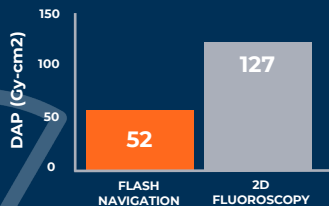
## 97.8%

reduction in intraoperative radiation during adult degenerative spinal fusions<sup>1\*</sup>



## 61.0%

reduction in intraoperative radiation during complex pediatric deformity spinal fusions<sup>2\*</sup>



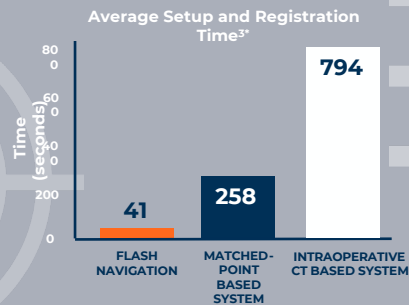
## 98.8%

accurate with no pedicle breach<sup>1\*</sup>

No neurovascular injuries or return to theatre for screw repositioning<sup>1-5\*</sup>

## 94.8%

faster than intraoperative CT-based systems<sup>3\*</sup>



## 63.6

minutes saved per case<sup>2\*</sup>

(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;22(4):561-569. doi:10.1016/j.spinee.2021.10.002

(2) Comstock CP, Wait E. Novel Machine Vision Image Guidance System Significantly Reduces Procedural Time and Radiation Exposure Compared With 2-dimensional Fluoroscopy-based Guidance in Pediatric Deformity Surgery. J Pediatr Orthop. 2023;43(5):e331-e336. 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(1):14894. Published 2018 Oct 5. 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 [published correction appears in Eur Spine J. 2023 Oct;32(10):3694. doi:10.1007/s00586-023-07869-0]. Eur Spine J. 2023;32(11):3987-3995. doi:10.1007/s00586-023-07848-5

(5) Dorilio J, Utah N, Dowe C, et al. Comparing the Efficacy of Radiation Free Machine-Vision Image-Guided Surgery With Traditional 2-Dimensional Fluoroscopy: A Randomized, Single-Center Study. HSS J. 2021;17(3):274-280. doi:10.1177/15563316211029837

\* Not a 7D sponsored clinical study



# Key Priorities for 2024

## Profitable Growth

**Sustainable, differentiated growth engine – avoid “growth at all cost”**

- Efficient working capital management – specifically inventory and instrument utilization and DSO efficiency
- Adjusted EBITDA expansion and improved cash flow – now expect to be free cash flow positive for 2H of 2024

## Synergistic and Balanced Product Platforms

**Leverage technologies and sales channels across complementary product segments**

- Diversified portfolio with complementary multifunctional applications
- Continuum of musculoskeletal care integrated by enabling technologies

## Strategic Innovation

**Focus on continuous innovation to drive growth and capture market share**

- Resources deployed to high-value businesses
- Extension of existing product pipeline

# Advancing Toward Our Goals



# Commercial Strategy Framework

## Geographic Footprint

Double-digit growth in global commercial reach

## Focused Distributors

Expanded market penetration with increased dedicated distribution

## Diverse Sales Strategy

Cross selling opportunities across direct and distribution-based sales channels



## Clinical Relevance

Proven track record of procedural excellence, backed by compelling clinical evidence, spanning multiple markets

## Training and Education Programs

Complementary training and education programs to deliver value to surgeons and distributors

## Continuum of Care

Comprehensive product portfolio from pre-operative planning through post surgical

# Orthofix

## Q2 2024 Financial Highlights



**Massimo Calafiore**  
President & Chief  
Executive Officer

“ We delivered another strong quarter driven by successful execution of our key growth priorities. Based on continued positive momentum, the strength of our differentiated and expanding product portfolio, which continues to win share, and our confidence in sustainable growth trends, we are raising our full-year net sales and adjusted EBITDA guidance. We also are on track to achieve positive free cash flow for the second half of this year, much earlier than we originally anticipated. ”

- (1) 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. Constant currency can be presented for numerous GAAP measures, but is commonly used by management to analyze net sales excluding the impact of changes in foreign currency rates.
- (2) 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 Current Report on Form 8-K filed on August 6, 2024.
- (3) Spine fixation is comprised of the Company's Spinal Implants product category, excluding motion preservation product offerings.

# \$198.6M

### Q2 2024 Revenue

6% Growth YoY as reported  
6% Growth YoY constant currency<sup>(1)</sup>

# 12%

### Q2 2024 U.S. Spine Fixation<sup>(3)</sup> YoY Growth

Driven by distribution expansion and penetration in existing accounts

# \$16.6M

### Q2 2024 Non-GAAP Adjusted EBITDA

310 bps Growth YoY<sup>(2)</sup>

# 12%

### Q2 2024 Bone Growth Therapies YoY Growth

6<sup>th</sup> consecutive quarter of double-digit growth

# \$28.9M

### Cash & Cash Equivalents, 6/30/2024

Includes \$2.5M in restricted cash

# 71.3%

### Q2 2024 Non-GAAP Adjusted Gross Margin<sup>(2)</sup>

Compared to 71.6% for Q2 2023

2024

Increased Full-Year  
Financial Guidance\*



**\$795M - \$800M** Revenue

(Was \$790M - \$795M)

**\$64M - \$69M** Adjusted EBITDA

(Was \$62M - \$67M)

**Free cash flow positive for 2<sup>nd</sup> Half of 2024**

Revenue range above represents 6.7% to 7.4% year-over-year constant currency growth

Guidance information is as of August 6, 2024, based on guidance provided by Orthofix leadership on that date. 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 August 6, 2024.

# Seasoned Executive Leadership Team

250+ years in spine/orthopedics



**Massimo Calafiore**  
President and  
Chief Executive Officer



**Julie Andrews**  
Chief Financial Officer



**Patrick Fisher**  
President, Global Orthopedics



**Max Reinhardt**  
President, Global Spine



**Jason Shallenberger**  
President, Bone Growth  
Therapies



**Beau Standish, PhD, PEng**  
Chief Enabling Technologies  
Officer



**Aviva McPherron**  
President, Global Operations and  
Quality



**Lucas Vitale**  
Chief People and Business  
Operations Officer



**Andrés Cedrón**  
Chief Legal Officer



**Julie Dewey**  
Chief Investor Relations &  
Communications Officer



**Jill Mason**  
Chief Compliance and Risk Officer,  
Deputy General Counsel, and Assistant  
Corporate Secretary

# Why Invest in Orthofix?



Strong fundamentals with attractive valuation and compelling growth opportunity and value proposition across diverse portfolio



More focused commercial strategy with strong innovation pipeline complemented by successful cross-selling



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



Solid operational execution; on track to reach profitability objectives, including positive free cash flow for second half of 2024, much earlier than originally anticipated



Net sales and adjusted EBITDA guidance raised to reflect confidence in sustainable growth trends and commercial strategy and execution

For additional information, please contact:



## **Julie Dewey, IRC**

Chief IR & Communications Officer

✉ [juliedewey@orthofix.com](mailto:juliedewey@orthofix.com) 📞 209-613-6945

www.Orthofix.com

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NASDAQ: OFIX



# APPENDIX Part 1: SeaSpine Merger

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# SeaSpine Merger Highlights



## Meaningful Revenue & Cost Synergies

- ✓ Est. Revenue Synergies: >\$25M\*
- ✓ Est. Cost Synergies: ~\$50M\*\*  
→ \$38M in synergies realized as of 2Q 2024
- ✓ Working Capital & Capex Synergies



## Complementary Portfolios

- ✓ #1 Prescribed bone growth stimulator portfolio in the U.S.
- ✓ Broadest advanced DBM portfolio, market leading cellular allograft, and comprehensive line of synthetics
- ✓ Next generation differentiated artificial cervical disc



## Broader Commercial Reach

- ✓ Accelerated adoption of differentiated technologies
- ✓ Sustainable growth & value creation
- ✓ Strengthened U.S. and international sales channels
- ✓ Rapid product innovation driving market-share taking

\* Revenue synergies of ~\$25M expected by 2025

\*\* Cost synergies of ~\$50M expected by 3 years post close of merger with incremental opportunity to reduce stock-based compensation expense

# APPENDIX Part 2:

## Key Growth Drivers

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# Key Growth Drivers



## Spinal Fixation

Industry leading product and procedure launches & continued penetration into emerging markets



## Spinal Implants & Biologics

Continue share taking at above market growth, from 50+ product launches since 2018



## BGT Fracture

DD growth driven by the recent AccelStim™ launch, future product launches & increasing channel investments



## Distributor Partners

Add additional focused distributor partners



## Orthopedics

Growth driven by channel expansion and product launches, expanding our leading TrueLok™ and Fitbone™ franchises and penetration of US market



## Product Utilization

Higher product utilization per procedure from more complete portfolio



## Higher Revenue Per Case

Increased participation in complex, higher revenue procedures from full commercialization of Mariner® Adult Deformity Platform



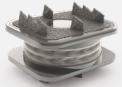
## Enabling Technologies

Growth from full commercial launch of MIS module and higher conversion of revenue earnout arrangements

# Spinal Implants

Comprehensive **best-in-class** spinal portfolio driving **rapid market adoption**

## Cervical



**M6-C™**

Artificial Cervical Disc



**NorthStar®**

Posterior Cervical Fixation System



**Construx™ Mini**

PTC Spacer System with Nanovate™ Technology



**Shoreline®**

Anterior Cervical Standalone System



**WaveForm™ C**

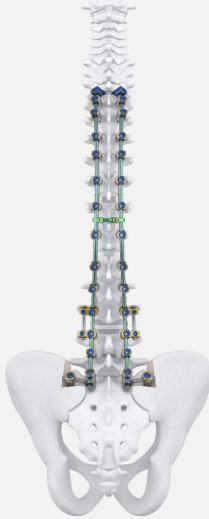
3D Interbody



**Admiral™**

Anterior Cervical Plating System

## Thoracolumbar Fixation



**Mariner® Deformity**

Adult Deformity Posterior Fixation System



**Mariner®**

Modular Pedicle Screw System



**Firebird™ NXG**

Spinal Fixation System



**FIREBIRD™ SI**

SI Fusion System

## Interbodies



**WaveForm™**

3D Interbody



**Forza™ TI**

Ti Spacer System with Nanovate™ Technology



**Reef® TO**

NanoMetalene® with Reef Topography®



**Meridian™**

Spacer System



**Explorer® TO**

Expandable Interbody



**ForzaXP™**

Expandable Spacer System

# Biologics

**Full spectrum of biologic solutions**  
to enhance the fusion process and promote bone repair and growth

## Cellular Allograft



**Trinity Elite™**

## Procedural Solutions



**OsteoBallast®**   **OsteoBallast MT**   **NorthStar™ Facet Fusion**

## Demineralized Bone Fiber



**OsteoStrand® Plus**   **FiberFuse™**

## Demineralized Bone Putty



**Torrent® & Torrent C**  
**Accell Evo3® & Evo3® c**  
**DynaGraft® II & OrthoBlast® II**  
**Legacy™**

## Synthetic



**Opus™ BA**



**Opus™ Mg Set**



**Mozaik™**



**OsteoCove™**

## Graft Delivery



**RAPID®**   **O-Genesis™**

## Traditional Allograft



# Bone Growth Therapies

**Safe and effective treatment and non-surgical alternative**  
to overcome bone healing challenges



#1 Prescribed bone growth stimulator



First offer free recycling program so patients can properly dispose of their devices after use



PEMF technology approved since 1986

1,100,00+

Prescribed devices

## Bone Healing Therapy



**PhysioStim™**

Bone Growth Therapy



**AccelStim™**

Bone Healing Therapy

## Spine Fusion Therapy



**CervicalStim™**

Spinal Fusion Therapy



**SpinalStim™**

Spinal Fusion Therapy

# Orthopedics

Specialized portfolio of **limb reconstruction and deformity correction** products that address the most challenging orthopedic conditions

## Complex Foot & Ankle Reconstruction



**TrueLok™**

Ring Fixation System



**AHN**

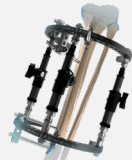
Ankle Hindfoot Nailing™ System



**G-Beam**

Fusion Beaming System™

## Complex Fracture Management



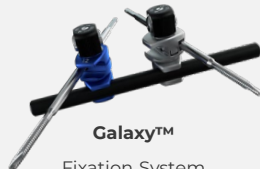
**TrueLok™ EVO**

Ring Fixation System



**XCaliber™**

Hybrid Fixator



**Galaxy™**

Fixation System

## Adult & Pediatric Limb Reconstruction



**Fitbone®**

Limb-Lengthening System



**TL-HEX™**

TrueLok Hexapod System



**JuniOrtho**

Pediatric Plating System™

## Digital Healthcare



**OrthoNext™**

Platform System for Preoperative Planning



# FLASH™ Navigation with 7D Technology



World's First Machine-Vision  
image-guided surgical system,  
registering spinal anatomy in  
mere seconds without the need  
for intraoperative radiation

Scan QR Code to see  
simplicity of FLASH  
Navigation in action



## Enabling Technologies

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**Servicing the  
full continuum  
of surgical care**

# APPENDIX Part 3:

## 2Q 2024 Results and Reconciliation Tables

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# Q2 2024 Results Summary

Second Quarter 2024 Results Summary (in millions)			
	Q2 2024	Q2 2023	Constant Currency Change
Bone Growth Therapies	\$ 59.1	\$ 52.7	12.3%
Spinal Implants, Biologics, and Enabling Technologies	108.9	105.3	3.4%
Global Spine	168.0	158.0	6.4%
Global Orthopedics	30.6	29.0	6.3%
<b>Total Net Sales</b>	<b>\$ 198.6</b>	<b>\$ 187.0</b>	<b>6.4%</b>
Non-GAAP Adjusted Gross Margins	71.3%	71.6%	(0.4)%
Non-GAAP Adjusted EBITDA	\$ 16.6	\$ 9.9	67.7%

Q2 Total Net Sales: \$198.6M; 6% YoY constant currency growth

Q2 Non-GAAP Adjusted EBITDA: \$16.6M; 8% of sales vs \$9.9M in 2Q23; 5% of sales

Q2 Non-GAAP Adjusted Gross Margin: 71.3% vs 71.6% in 2Q23

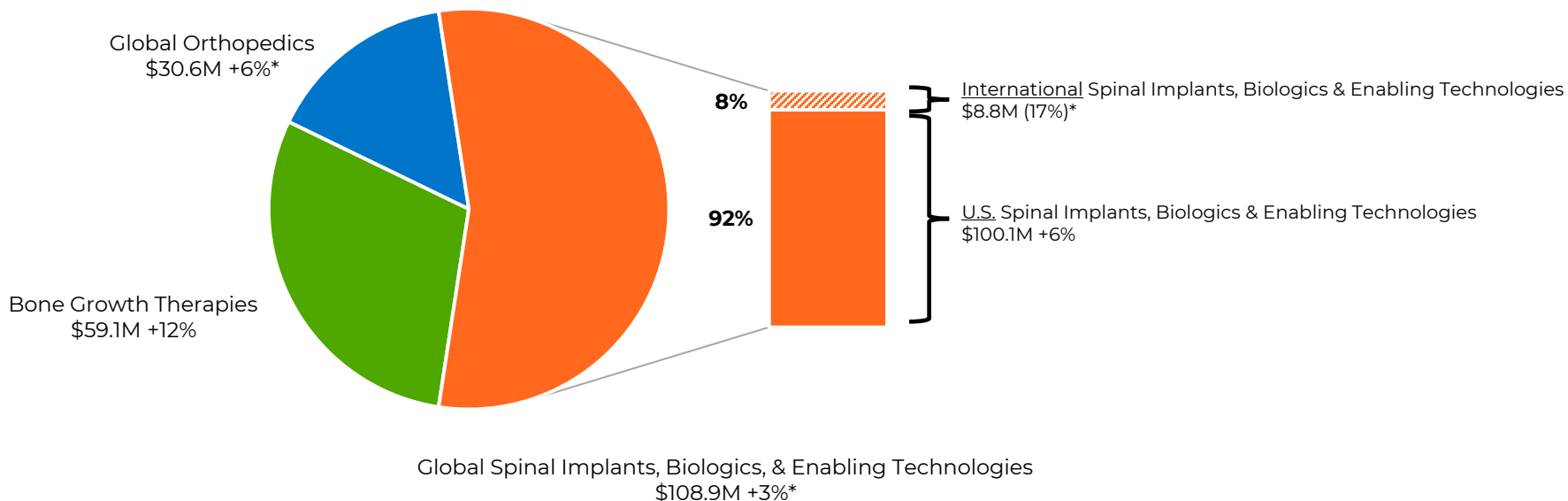
Q2 Non-GAAP Sales & Marketing: \$98.9M; 50% of sales vs \$96.8M in 2Q23; 52% of sales

Q2 Non-GAAP Research & Development: \$17.7M; 9% of sales vs \$16.9M in 2Q23; 9% of sales

# Notable Growth Across Each Business Segment

Led primarily by strength in U.S. markets

**Q2 Total Revenues \$198.6M +6% YoY\***

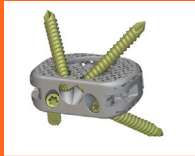


\* YoY Growth (Decline) on Constant Currency basis

# Q2 2024 Business Segment Highlights

## SPINE

- U.S. Spine Fixation grew 12% - more than 2x the market rate
- Initiated limited market release of Reef® L Lateral Lumbar Interbody
- Initiated limited market release of WaveForm® A Interbody, a new addition to Meridian® ALIF portfolio



## BONE GROWTH THERAPIES

- Sixth consecutive quarter of double-digit net sales increases in both spine and fracture channels
- Positive 12-month post-market data for patients treated with CervicalStim™ device published in [Clinical Spine Surgery](#)



## ORTHOPEDICS

- Global Orthopedics grew 6% on constant currency basis; U.S. Orthopedics grew 7%
- 510(k) clearance for Fitbone™ Trochanteric Nail and Fitbone™ Transport and Lengthening System – both in limited market release, full launch expected in Q2 2025



## Net Sales by Major Product Category by Reporting Segment

(Unaudited, U.S. Dollars, in millions)	Three Months Ended June 30,			
	2024	2023	Change	Constant Currency Change
Bone Growth Therapies	\$ 59.1	\$ 52.7	12.3%	12.3%
Spinal Implants, Biologics and Enabling Technologies	108.9	105.3	3.4%	3.4%
Global Spine	168.0	158.0	6.4%	6.4%
Global Orthopedics	30.6	29.0	5.3%	6.3%
Net sales	\$ 198.6	\$ 187.0	6.2%	6.4%

## Condensed Consolidated Balance Sheets

(U.S. Dollars, in thousands, except par value data)	June 30, 2024 (Unaudited)	December 31, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 26,366	\$ 33,107
Restricted Cash	2,500	4,650
Accounts receivable, net of allowances of \$8,368 and \$7,130, respectively	125,361	128,098
Inventories	210,040	222,166
Prepaid expenses and other current assets	21,798	32,422
Total current assets	386,065	420,443
Property, plant, and equipment, net	154,111	159,060
Intangible assets, net	108,310	117,490
Goodwill	194,934	194,934
Other long-term assets	38,578	33,388
<b>Total assets</b>	<b>\$ 881,998</b>	<b>\$ 925,315</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities		
Accounts payable	\$ 50,362	\$ 58,357
Current portion of long-term debt	4,688	1,250
Current portion of finance lease liability	734	708
Other current liabilities	100,183	104,908
Total current liabilities	155,967	165,223
Long-term debt	113,315	93,107
Long-term portion of finance lease liability	18,160	18,532
Other long-term liabilities	48,552	49,723
Total liabilities	335,994	326,585
Contingencies		
Shareholders' equity		
Common shares \$0.10 par value; 100,000 shares authorized; 38,039 and 37,165 issued and outstanding as of June 30, 2024, and December 31, 2023, respectively	3,804	3,717
Additional paid-in capital	764,538	746,450
Accumulated deficit	(219,607)	(150,144)
Accumulated other comprehensive loss	(2,731)	(1,293)
Total shareholders' equity	546,004	598,730
<b>Total liabilities and shareholders' equity</b>	<b>\$ 881,998</b>	<b>\$ 925,315</b>

## Condensed Consolidated Statements of Operations

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
(Unaudited, U.S. Dollars, in thousands, except share and per share data)	2024	2023	2024	2023
Net sales	\$ 198,620	\$ 187,016	\$ 387,228	\$ 362,220
Cost of sales	63,871	67,465	125,237	132,340
Gross profit	134,749	119,551	261,991	229,880
Sales and marketing	100,224	99,249	200,267	193,040
General and administrative	33,994	34,177	65,642	82,988
Research and development	18,049	19,424	37,541	42,731
Acquisition-related amortization and remeasurement	7,388	3,333	12,784	7,467
Operating loss	(24,906)	(36,632)	(54,243)	(96,346)
Interest expense, net	(4,943)	(1,266)	(9,501)	(2,555)
Other income (expense), net	(2,510)	(20)	(3,784)	656
Loss before income taxes	(32,359)	(37,918)	(67,528)	(98,245)
Income tax benefit (expense)	(1,084)	(1,508)	(1,935)	(2,119)
<b>Net loss</b>	<b>\$ (33,443)</b>	<b>\$ (39,426)</b>	<b>\$ (69,463)</b>	<b>\$ (100,364)</b>
Net loss per common share:				
Basic	\$ (0.88)	\$ (1.07)	\$ (1.84)	\$ (2.77)
Diluted	(0.88)	(1.07)	(1.84)	(2.77)
Weighted average number of common shares (in millions):				
Basic	38.0	36.8	37.8	36.3
Diluted	38.0	36.8	37.8	36.3



# Non-GAAP Financial Measures

<b>Adjusted Gross Margin</b>	<b>Three Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<i>(Unaudited U.S. Dollars, in thousands)</i>		
<b>Gross profit</b>	<b>\$ 134,749</b>	<b>\$ 119,551</b>
Share-based compensation expense	497	482
SeaSpine merger-related costs	3,115	3,782
Strategic investments	63	29
Acquisition-related fair value adjustments	3,047	9,449
Amortization/depreciation of acquired long-lived assets	209	544
Medical device regulation	—	41
Adjusted gross profit	<b>\$ 141,680</b>	<b>\$ 133,878</b>
<b>Adjusted gross margin (Adjusted gross profit / net sales)</b>	<b>71.3%</b>	<b>71.6%</b>

<b>Adjusted EBITDA</b>	<b>Three Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<i>(Unaudited U.S. Dollars, in thousands)</i>		
<b>Net Loss</b>	<b>\$ (33,443)</b>	<b>\$ (39,426)</b>
Income tax expense (benefit)	1,084	1,508
Interest expense, net	4,943	1,266
Depreciation and amortization	14,032	13,327
Share-based compensation expense	9,959	13,246
Foreign exchange impact	851	(269)
SeaSpine merger-related expenses	5,897	8,206
Strategic investments	311	309
Acquisition-related fair value adjustments	6,117	8,149
Interest and loss on investments	1,813	—
Litigation and investigation costs	(277)	1,291
Succession charges	5,346	262
Medical device regulation	—	2,050
<b>Adjusted EBITDA</b>	<b>\$ 16,633</b>	<b>\$ 9,919</b>
<b>Adjusted EBITDA as a percentage of net sales</b>	<b>8.4%</b>	<b>5.3%</b>

<b>Adjusted Net Income</b>	<b>Three Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<i>(Unaudited U.S. Dollars, in thousands)</i>		
<b>Net loss</b>	<b>\$ (33,443)</b>	<b>\$ (39,426)</b>
Share-based compensation expense	9,959	13,246
Foreign exchange impact	851	(269)
SeaSpine merger-related costs	5,967	8,049
Strategic investments	371	348
Acquisition-related fair value adjustments	6,117	8,149
Amortization/depreciation of acquired long-lived assets	4,648	5,810
Litigation and investigation costs	(277)	1,291
Succession charges	5,346	262
Medical device regulation	—	2,055
Interest and loss on investments	1,764	—
Long-term income tax rate adjustment	416	1,224
<b>Adjusted net income (loss)</b>	<b>\$ 1,719</b>	<b>\$ 739</b>

On the Company's Q2 2024 earnings call held on August 6, 2024, Orthofix management presented Adjusted EBITDA and Adjusted Gross Margin, both of which are non-GAAP financial measures, for the 2nd quarter of 2024. These tables present reconciliations of various financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP"), to various non-GAAP financial measures that exclude items specified in the tables. The GAAP measures shown in the tables represent the most comparable GAAP measure 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 the press release filed on August 6, 2024 with the SEC and available on the SEC's website at [www.sec.gov](http://www.sec.gov) and on the "Investors" page of the Company's website at [www.orthofix.com](http://www.orthofix.com).