UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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, 2026

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: 001-40355

Treace Medical Concepts, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**47-1052611**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

100 Palmetto Park Place
Ponte Vedra, Florida 32081
(Address of principal executive offices, including zip code)

(904) 373-5940
(Registrant's telephone number, including area code)

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, $0.001 par value	TMCI	The Nasdaq Global Select Market

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, a 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	☐	Accelerated filer	☒
Non-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 October 30, 2026, 65,559,597 shares of the registrant's common stock, $0.001 par value per share, were outstanding.

TREACE MEDICAL CONCEPTS, INC.

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2026

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

As used in this Quarterly Report on Form 10-Q ("Quarterly Report"), unless expressly indicated or the context otherwise requires, references to "Treace Medical Concepts," "we," "us," "our," or the "Company," refer to Treace Medical Concepts, Inc. This Quarterly Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as codified in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business, operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "slated," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology.

These forward-looking statements include, but are not limited to, statements about:

- the expected use of our products by physicians, including our ability to expand the number of active surgeons and maintain or increase the use of our products by existing and new surgeon customers;
- the expected growth of our business and our organization and expected improvements in profitability, cash usage and other financial results;
- our ability to increase case volumes and market share and effectively respond to and mitigate the impact of challenges in the current market environment, including evolving surgeon and patient preferences for bunion surgery treatments, the extensive competition in our industry and new product introductions from other industry participants, including both the Lapidus market and the minimally invasive osteotomy market, and shifts in the setting of care for elective bunion surgeries from hospitals to ambulatory surgery centers;
- our ability to control and reduce expenses to help offset changes in revenue growth rates, product mix, and other events;
- our plans and expected timeline related to our products, or developing, commercially releasing or acquiring new or improved products, to address additional indications or otherwise, and the timing and extent that customers adopt and continue to use our products, including our flagship Lapiplasty® system which has higher average selling prices than our newer osteotomy and great toe fusion systems and other new products;
- our ability to maintain sufficient balance sheet strength to continue executing on our strategic investments and growth initiatives for the foreseeable future;
- expected seasonality;
- the impact of softening consumer sentiment, higher insurance deductibles and costs, higher energy prices, persistent inflationary pressures, interest rate changes, including potential future increases in interest rates, business downturns, evolving or increased tariffs, armed conflicts and geopolitical tensions, changes in trade policy or global trade or supply chain disruptions, protracted government or infrastructure shutdowns, and general economic conditions on the overall state of the economy, on patient behavior and demand for elective surgeries, on customers' and suppliers' operations, and on our business and results of operations;
- our expectations regarding our ability to leverage investments and manage expenses in our commercial organization to support demand for our products and improve profitability;
- our expectations regarding government and third-party payor coverage and reimbursement;
- the economic success and viability of the hospitals, ambulatory surgery centers, surgeons, and stocking distributors that buy our products;
- the impact of sales to stocking distributors and other customers on product revenues in future periods, particularly if softening demand means that products already purchased by customers are used more slowly for future cases;
- our estimates of our expenses, ongoing losses, future revenue, and capital requirements, our ability to comply with covenants under our credit facilities, and our need for, or ability to obtain, additional financing or refinancing of outstanding debt at or before maturity;

- our expected uses of our existing cash, cash equivalents and marketable securities and the sufficiency of such resources to fund our planned operations;
- our ability to retain and recruit key personnel, optimize our existing sales and marketing infrastructure, and effectively and appropriately engage with and utilize consulting surgeons to assist in clinical studies, product research and development, and training other surgeons on our products;
- our ability to obtain an adequate supply of materials and components for our products, some of which are from single-source or foreign suppliers;
- our ability to obtain and maintain intellectual property protection for our products;
- our ability to protect and enforce our intellectual property, and the time and expense involved in monitoring unauthorized uses of our intellectual property, including in connection with the lawsuits we initiated in October 2024 and May 2025;
- our ability to successfully defend against infringement of our intellectual property by third parties, including our competitors;
- the impact on our operations, business, supply chain, patient demand for elective surgeries, case cancellations, and hospital and surgeon availability as a result of natural or other disasters, including hurricanes, floods, tornadoes and other climate-related events, power loss, strikes or other events beyond our control;
- the anticipated pace of growth in the foot and ankle market;
- our ability to obtain, maintain and expand regulatory clearances for our products and any new products we develop or acquire;
- our ability to expand our business in current and new geographic markets;
- our compliance with Nasdaq requirements and government laws, rules and regulations;
- the impact of geopolitical tensions and international conflicts on the economy and our business;
- the impact of a bankruptcy filing by any of our customers;
- our plans to expand clinical data supporting our products and conduct further clinical studies;
- the outcome and expense of pending and threatened litigation, or legal proceedings, including a pending purported federal securities class action;
- the impact of cybersecurity attacks or breaches on our or our vendors’ or customers’ information technology systems, including increasingly sophisticated attacks facilitated by artificial intelligence; and
- the effect of any infectious disease outbreak and its impact or potential impact on our business or on the healthcare industry, particularly elective surgeries where our products are used.

We believe that it is important to communicate our future expectations to our investors. However, there may be events in the future that we are not able to accurately predict or control and that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. These forward-looking statements are based on management's current expectations, estimates, forecasts and projections about our business and the industry in which we operate, and management's beliefs and assumptions and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control. As a result, any or all of our forward-looking statements in this Quarterly Report and in other written materials or oral statements made by senior management to analysts, investors, representatives of the media or others may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those set forth in our Annual Report on Form 10-K for the year ended December 31, 2025 and any subsequent Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission ("SEC"), and this Quarterly Report under "Risk Factors" and elsewhere in this Quarterly Report. Readers and investors are urged to consider these factors carefully in evaluating the forward-looking statements.

These forward-looking statements speak only as of the date of this Quarterly Report. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur.

We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report to conform these statements to actual results or to changes in our expectations. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

You should read this Quarterly Report and the documents that we reference in this Quarterly Report and have filed with the SEC as exhibits to this Quarterly Report with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

PART I–FINANCIAL INFORMATION

Item 1. Condensed Financial Statements.

Treace Medical Concepts, Inc.
Condensed Balance Sheets
(in thousands, except share and per share amounts)
(unaudited)

	September 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 7,760	$ 10,708
Marketable securities, short-term	32,038	37,659
Accounts receivable, net of allowance for credit losses of $1,533 and $1,824 as of September 30, 2026 and December 31, 2025, respectively	30,219	42,155
Inventories	42,304	36,031
Prepaid expenses and other current assets	6,365	5,501
Total current assets	118,686	132,054
Property and equipment, net	33,037	29,752
Intangible assets, net of accumulated amortization of $3,088 and $2,375 as of September 30, 2026 and December 31, 2025, respectively	6,412	7,125
Goodwill	12,815	12,815
Operating lease right-of-use assets	6,917	7,614
Other non-current assets, net of allowance for credit losses of $17 and $69 as of September 30, 2026 and December 31, 2025, respectively	1,433	1,221
Total assets	$ 179,300	$ 190,581
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 14,284	$ 6,726
Accrued liabilities	7,244	5,784
Accrued commissions	7,524	9,365
Accrued compensation	10,545	6,331
Other liabilities	6,482	2,429
Total current liabilities	46,079	30,635
Long-term debt, net	56,264	55,583
Operating lease liabilities, net of current portion	12,622	13,982
Other long-term liabilities	2,689	3,049
Total liabilities	117,654	103,249
Commitments and contingencies (Note 7)		
Stockholders' equity		
Preferred stock, $0.001 par value, 5,000,000 shares authorized as of September 30, 2026 and December 31, 2025; 0 shares issued as of September 30, 2026 and December 31, 2025	—	—
Common stock, $0.001 par value, 300,000,000 shares authorized; 65,874,175 and 64,029,378 shares issued as of September 30, 2026 and December 31, 2025, respectively	66	64
Additional paid-in capital	358,904	337,371
Accumulated deficit	(295,392)	(248,992)
Accumulated other comprehensive income (loss)	(108)	72
Treasury stock, at cost; 348,299 and 165,513 shares as of September 30, 2026 and December 31, 2025, respectively	(1,824)	(1,183)
Total stockholders' equity	61,646	87,332
Total liabilities and stockholders' equity	$ 179,300	$ 190,581

The accompanying notes are an integral part of these condensed financial statements.

Treace Medical Concepts, Inc.
Condensed Statements of Operations and Comprehensive Loss
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	$ 48,253	$ 50,214	$ 140,827	$ 150,171
Cost of goods sold	9,903	10,508	29,463	30,820
Gross profit	38,350	39,706	111,364	119,351
Operating expenses				
Sales and marketing	29,708	34,421	94,423	103,627
Research and development	4,492	4,680	13,490	15,740
General and administrative	15,682	16,281	47,108	48,216
Total operating expenses	49,882	55,382	155,021	167,583
Loss from operations	(11,532)	(15,676)	(43,657)	(48,232)
Interest income	387	634	1,333	2,250
Interest expense	(1,584)	(1,338)	(4,716)	(3,970)
Other income, net	163	92	640	344
Other non-operating income (expense), net	(1,034)	(612)	(2,743)	(1,376)
Net loss	$ (12,566)	$ (16,288)	$ (46,400)	$ (49,608)
Other comprehensive income (loss)				
Unrealized gain (loss) on marketable securities	(56)	33	(180)	(14)
Comprehensive loss	$ (12,622)	$ (16,255)	$ (46,580)	$ (49,622)
Net loss per share, basic and diluted	$ (0.19)	$ (0.26)	$ (0.71)	$ (0.79)
Weighted-average shares used in computing net loss per share, basic and diluted	65,464,832	63,515,372	65,038,981	63,069,810

The accompanying notes are an integral part of these condensed financial statements.

Treace Medical Concepts, Inc.
Condensed Statements of Stockholders' Equity
(in thousands, except share amounts)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
	Outstanding Shares	Amount					
Balances at December 31, 2025	63,863,865	$ 64	$ 337,371	$ (248,992)	$ 72	$ (1,183)	$ 87,332
Issuance of shares under stock award plans	1,004,434	1	90	—	—	—	91
Share-based compensation expense	—	—	8,034	—	—	—	8,034
Net loss	—	—	—	(17,961)	—	—	(17,961)
Unrealized gain (loss) on available-for-sale marketable securities	—	—	—	—	(98)	—	(98)
Shares directly withheld from employees for tax payment	(82,613)	—	—	—	—	(207)	(207)
Balances at March 31, 2026	64,785,686	$ 65	$ 345,495	$ (266,953)	$ (26)	$ (1,390)	$ 77,191
Issuance of shares under stock award plans	202,485	—	8	—	—	—	8
Share-based compensation expense	—	—	6,463	—	—	—	6,463
Net loss	—	—	—	(15,873)	—	—	(15,873)
Unrealized gain (loss) on available-for-sale marketable securities	—	—	—	—	(26)	—	(26)
Shares directly withheld from employees for tax payment	(11,547)	—	—	—	—	(26)	(26)
Balances at June 30, 2026	64,976,624	$ 65	$ 351,966	$ (282,826)	$ (52)	$ (1,416)	$ 67,737
Issuance of shares under stock award plans	637,878	1	7	—	—	—	8
Share-based compensation expense	—	—	6,931	—	—	—	6,931
Net loss	—	—	—	(12,566)	—	—	(12,566)
Unrealized gain (loss) on available-for-sale marketable securities	—	—	—	—	(56)	—	(56)
Shares directly withheld from employees for tax payment	(88,626)	—	—	—	—	(408)	(408)
Balances at September 30, 2026	65,525,876	$ 66	$ 358,904	$ (295,392)	$ (108)	$ (1,824)	$ 61,646
Balances at December 31, 2024	62,361,710	$ 62	$ 303,004	$ (189,990)	$ 97	$ (281)	$ 112,892
Issuance of shares under stock award plans	582,401	1	118	—	—	—	119
Share-based compensation expense	—	—	8,693	—	—	—	8,693
Net loss	—	—	—	(15,922)	—	—	(15,922)
Unrealized gain (loss) on available-for-sale marketable securities	—	—	—	—	(40)	—	(40)
Shares directly withheld from employees for tax payment	(52,605)	—	—	—	—	(401)	(401)
Balances at March 31, 2025	62,891,506	$ 63	$ 311,815	$ (205,912)	$ 57	$ (682)	$ 105,341
Issuance of shares under stock award plans	152,702	—	116	—	—	—	116
Share-based compensation expense	—	—	9,577	—	—	—	9,577
Net loss	—	—	—	(17,398)	—	—	(17,398)
Unrealized gain (loss) on available-for-sale marketable securities	—	—	—	—	(7)	—	(7)
Shares directly withheld from employees for tax payment	(1,894)	—	—	—	—	(14)	(14)
Balances at June 30, 2025	63,042,314	$ 63	$ 321,508	$ (223,310)	$ 50	$ (696)	$ 97,615
Issuance of shares under stock award plans	726,178	1	240	—	—	—	241
Share-based compensation expense	—	—	7,998	—	—	—	7,998
Net loss	—	—	—	(16,288)	—	—	(16,288)
Unrealized gain (loss) on available-for-sale marketable securities	—	—	—	—	33	—	33
Shares directly withheld from employees for tax payment	(63,682)	—	—	—	—	(412)	(412)
Balances at September 30, 2025	63,704,810	64	329,746	(239,598)	83	(1,108)	$ 89,187

The accompanying notes are an integral part of these condensed financial statements.

Treace Medical Concepts, Inc.
Condensed Statements of Cash Flows
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities		
Net loss	$ (46,400)	$ (49,608)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization expense	4,819	7,815
Provision for allowance for credit losses	363	512
Share-based compensation expense	21,428	26,268
Non-cash lease expense	1,637	1,689
Amortization of debt issuance costs	747	223
Amortization (accretion) of premium (discount) on marketable securities, net	15	(119)
Other, net	1,766	750
Net changes in operating assets and liabilities, net of acquisitions		
Accounts receivable	11,573	7,428
Inventory	(6,273)	(2,169)
Prepaid expenses and other assets	(864)	(531)
Other non-current assets	(272)	(303)
Operating lease liabilities	(1,034)	(2,382)
Accounts payable	7,558	5,581
Accrued liabilities	3,833	(3,191)
Other, net	391	93
Net cash provided by (used in) operating activities	(713)	(7,944)
Cash flows from investing activities		
Purchases of available-for-sale marketable securities	(26,181)	(34,889)
Sales and maturities of available-for-sale marketable securities	31,607	49,593
Purchases of property and equipment	(7,434)	(11,119)
Net cash provided by (used in) investing activities	(2,008)	3,585
Cash flows from financing activities		
Proceeds from insurance premium financing	899	1,553
Debt issuance costs	(6)	—
Payments on insurance premium financing	(586)	(507)
Proceeds from exercise of employee stock options	107	476
Taxes from withheld shares	(641)	(827)
Net cash provided by (used in) financing activities	(227)	695
Net increase (decrease) in cash and cash equivalents	(2,948)	(3,664)
Cash and cash equivalents at beginning of period	10,708	11,350
Cash and cash equivalents at end of period	$ 7,760	$ 7,686
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 3,529	$ 3,754
Noncash investing activities		
Unrealized (gains) losses, net on marketable securities	$ 180	$ 14
Noncash financing activities		
Legal cost financing	$ 1,723	$ 752

The accompanying notes are an integral part of these condensed financial statements.

TREACE MEDICAL CONCEPTS, INC.
Notes to Condensed Financial Statements
(unaudited)

1. Formation and Business of the Company

Treace Medical Concepts, Inc. (the "Company") is a medical technology company with the goal of being the recognized leader in the surgical treatment of bunions and foot & ankle conditions. The Company has pioneered and patented the Lapiplasty® 3D Bunion Correction System–a combination of instruments, implants, and surgical methods designed to surgically correct all three planes of the bunion deformity and secure the unstable joint, addressing the root cause of the bunion and helping patients get back to their active lifestyles. To further support the needs of surgeons and bunion patients, the Company has expanded its bunion correction system offerings. The Company continues to extend its footprint in the marketplace by extending its products to new applications and procedures throughout the foot. The Company operates from its corporate headquarters located in Ponte Vedra, Florida.

2. Summary of Significant Accounting Policies

The Company prepared the unaudited interim condensed financial statements included in this report in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and the rules and regulations of the Securities and Exchange Commission ("SEC") related to quarterly reports on Form 10-Q.

Basis of Presentation

The condensed financial statements have been prepared on the same basis as the Company's annual financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on February 27, 2026. The condensed financial statements included herein reflect all adjustments, including normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results that may be expected for future quarters or for the fiscal year ending December 31, 2026.

Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management 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 amounts of revenues and expenses during the reporting periods. Although these estimates are based on the Company's knowledge of current events and actions it may undertake in the future, actual results may ultimately materially differ from these estimates and assumptions.

Significant estimates and assumptions include valuation of intangible assets and goodwill, reserves and write-downs related to accounts receivable, inventories, the recoverability of long-term assets, deferred tax assets and related valuation allowances, contingencies, and stock-based compensation.

Property and Equipment, Net

Effective January 1, 2026, the Company adjusted the useful life of its capitalized surgical instruments from three years to five years. The change in useful life was made as a prospective adjustment and resulted in a decrease of depreciation expense of $1.1 million and $3.5 million, respectively, for the three and nine months ended September 30, 2026 and a decrease of $0.02 and $0.06, respectively, on a loss per share basis for the three and nine months ended September 30, 2026. The change in useful life is expected to reduce depreciation expense by $4.6 million for the year ended 2026 based on capitalized surgical instruments balances during the year.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of risk consist principally of cash, cash equivalents, marketable securities, and accounts receivable. The Company maintains its cash with established financial institutions and has exposure for balances in excess of the Federal Deposit Insurance Corporation insured limits. The Company's available-for-sale securities portfolio primarily consists of U.S. treasury and agency securities, money market funds, commercial paper, Yankee CDs, high credit quality asset-backed securities and corporate debt securities. The Company's investment policy requires its available-for-sale securities to meet certain criteria including investment type, credit ratings, and a maximum portfolio duration of one year.

The Company earns revenue from the sale of its products to customers such as hospitals, ambulatory surgery centers, and stocking distributors. The Company’s accounts receivable are derived from revenue earned from customers. At September 30, 2026 and December 31, 2025, no customer accounted for more than 10% of accounts receivable. For the three and nine months ended September 30, 2026 and 2025, there were no customers that represented 10% or more of revenue.

Rental Income

The Company recorded rental income for its subleases of $0.2 million and $0.1 million for the three months ended September 30, 2026 and 2025, respectively. The Company recorded rental income for its subleases of $0.8 million and $0.4 million for the nine months ended September 30, 2026 and 2025, respectively. All subleases are classified as operating leases.

IEEPA Tariff Refunds

On February 20, 2026, the U.S. Supreme Court ruled the International Emergency Economic Powers Act ("IEEPA") does not authorize the President to impose tariffs, effectively invalidating IEEPA-based tariffs that had been in effect since February 2025. However, the ruling did not invalidate any other tariffs. In addition, immediately following the IEEPA decision, the U.S. government initiated new tariffs under alternative authorities. Following the Supreme Court ruling, on March 4, 2026, the Court of International Trade issued an order directing Customs and Border Protection ("CBP") to refund IEEPA tariffs, and in April 2026 CBP began accepting refund requests. In early 2026, the Company's shipping vendor began submitting refund requests on the Company's behalf for the previously paid IEEPA tariffs. The Company believes it is probable that it will recover the full amount of the IEEPA tariffs and recognized a receivable of $1.0 million in September 2026 under the loss recovery accounting model. All IEEPA tariffs paid by the Company that were not reimbursed by a vendor were initially capitalized in inventory and have been recognized in cost of goods sold. During the third quarter of 2026, cost of goods sold was reduced by $0.7 million and a $0.3 million liability was recorded payable to a vendor that shared the tariff costs with the Company.

Segments

The Company is a single reportable segment entity, which is in the business of designing, manufacturing, and marketing medical devices for physicians, surgeons, ambulatory surgery centers and hospitals related to the surgical treatment of bunion and related conditions. The Company's chief executive officer is the chief operating decision maker ("CODM"). The CODM regularly reviews entity-wide net income and operating results compared to budget and forecast information to assess the Company's performance and to allocate resources for its single reporting segment. The measure of profit or loss is reported in the Condensed Statements of Operations and Comprehensive Loss. The measure of segment assets is reported on the Company's Condensed Balance Sheets. The Company does not have any intra-entity sales or transfers. All long-lived assets are maintained in the United States.

3. Recent Accounting Pronouncements

Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement–Reporting Comprehensive Income–Expense Disaggregation Disclosures Topic 220-40 ("ASC 220-40").* The update requires all public business entities at interim and annual reporting periods to disclose in (1) a tabular format the amounts of certain specified natural expenses included in each relevant expense caption: the purchases of inventory, employee compensation, depreciation, and intangible asset amortization, (2) a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated, and (3) the total amount of selling expenses and an entity's definition of selling expenses annually. The new guidance is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December

15, 2027. Early adoption is permitted. The amendments are to be applied on a prospective basis, with retrospective application permitted. The Company is currently evaluating the impact of the new standard on its financial statements and related disclosures.

4. Fair Value Measurements

Assets and liabilities recorded at fair value in the condensed financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2—Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.

Level 3—Unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date. This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Assets and Liabilities Measured and Recorded at Fair Value on a Recurring Basis–The following assets and liabilities are measured at fair value on a recurring basis as of September 30, 2026 and December 31, 2025 (in thousands):

	September 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Money market funds	$ 2,771	$ —	$ —	$ 2,771
Commercial paper	—	299	—	299
Short-term marketable securities at fair value				
U.S. treasury and government agencies	5,498	495	—	5,993
Corporate debt	—	16,707	—	16,707
Asset-backed securities	—	7,538	—	7,538
Yankee CD	—	1,800	—	1,800
Total assets	$ 8,269	$ 26,839	$ —	$ 35,108

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Money market funds	$ 7,836	$ —	$ —	$ 7,836
Short-term marketable securities at fair value				
U.S. treasury and government agencies	6,218	500	—	6,718
Corporate debt	—	19,302	—	19,302
Asset-backed securities	—	10,438	—	10,438
Yankee CD	—	1,201	—	1,201
Total assets	$ 14,054	$ 31,441	$ —	$ 45,495

The carrying amounts of the Company's money market funds classified as cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities, approximate their fair value due to the short-term nature of these assets and liabilities. Based on the borrowing rates currently available to the Company for debt with similar terms and consideration of default and credit risk, the carrying value of the term loan approximates fair value.

The Company's available-for-sale securities portfolio may consist of investments in U.S. treasury and government agency securities, commercial paper, corporate debt securities, asset-backed securities, and Yankee CDs. Yankee CDs are certificates

of deposit issued in the United States by a branch of a foreign bank and are denominated in U.S. dollars. The fair value of Level 1 securities is determined on trade prices in active markets for identical assets. The fair value of Level 2 securities is determined using valuation models using inputs that are observable either directly or indirectly, such as quoted prices for similar assets, interest rates, yield curves, credit spreads, default rates, loss severity, broker and dealer quotes, as well as other relevant economic measures.

There were no assets or liabilities measured at fair value on a nonrecurring basis as of September 30, 2026 and December 31, 2025.

5. Balance Sheet Components

Cash and Cash Equivalents

The Company's cash and cash equivalents consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Cash	$ 4,690	$ 2,872
Cash equivalents		
Money market funds	2,771	7,836
Commercial paper	299	—
Total cash and cash equivalents	$ 7,760	$ 10,708

Marketable Securities

The Company's available-for-sale marketable securities consisted of the following (in thousands):

	September 30, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Marketable securities—short-term				
U.S. treasury and government agencies	$ 6,015	$ —	$ (22)	$ 5,993
Commercial paper	—	—	—	—
Corporate debt	16,761	1	(55)	16,707
Asset-backed securities	7,570	—	(32)	7,538
Yankee CD	1,800	—	—	1,800
Total marketable securities—short-term	$ 32,146	$ 1	$ (109)	$ 32,038

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Marketable securities—short-term				
U.S. treasury and government agencies	$ 6,709	$ 9	$ —	$ 6,718
Corporate debt	19,254	48	—	19,302
Asset-backed securities	10,423	16	(1)	10,438
Yankee CD	1,201	—	—	1,201
Total marketable securities—short-term	$ 37,587	$ 73	$ (1)	$ 37,659

As of September 30, 2026, there were no available-for-sale securities with unrealized losses greater than 12 months. An allowance for credit losses was not required for available-for-sale securities as of September 30, 2026 and December 31, 2025.

As of September 30, 2026, the Company had no plans to sell securities with unrealized losses, and believes it is more likely than not that it would not be required to sell such securities before recovery of their amortized cost. For the three and nine months ended September 30, 2026 and 2025, there were no material gains or losses from sales of available-for-sale securities.

As of September 30, 2026 and December 31, 2025, accrued interest of $0.3 million and $0.3 million, respectively, is excluded from the amortized cost basis of available-for-sale securities in the tables above and is recorded in prepaid expenses and other current assets on the Condensed Balance Sheets.

As of September 30, 2026, all marketable securities mature within two years, except for asset-backed securities. Asset-backed securities are not due at a single maturity date. As such, these securities were not included.

Property and equipment, net

The Company's property and equipment, net consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Furniture and fixtures	$ 2,569	$ 2,569
Construction in progress	160	1,069
Machinery and equipment	4,446	3,663
Capitalized surgical equipment[1]	37,631	33,147
Computer equipment	1,258	1,225
Leasehold improvements	11,414	10,591
Software and website development	2,456	1,357
Total property and equipment	59,934	53,621
Less: accumulated depreciation and amortization	(26,897)	(23,869)
Property and equipment, net	$ 33,037	$ 29,752

[1] Capitalized surgical equipment includes $32.0 million and $28.0 million that is ready for its intended use and has started depreciating and $5.6 million and $5.1 million that is not ready for its intended use and has not started depreciating as of September 30, 2026 and December 31, 2025, respectively.

Depreciation expense on property and equipment was $1.5 million and $2.5 million for the three months ended September 30, 2026 and 2025, respectively. Depreciation expense on property and equipment was $3.6 million and $6.9 million for the nine months ended September 30, 2026 and 2025, respectively. The decrease in depreciation expense is from a change in useful life of capitalized surgical instruments. Refer to Note 2, "Summary of Significant Accounting Policies," for more information regarding the change in accounting estimate.

Amortization expense on internal-use software and website development costs was $0.2 million and $0.0 million for the three months ended September 30, 2026 and 2025, respectively. Amortization expense on internal-use software and website development costs was $0.5 million and $0.2 million for the nine months ended September 30, 2026 and 2025, respectively. Accumulated amortization for software and website development costs was $1.1 million and $0.6 million as of September 30, 2026 and December 31, 2025, respectively.

The Company did not record impairment charges for its property and equipment, net for the nine months ended September 30, 2026 and 2025.

Accrued liabilities

Accrued liabilities consist of the following (in thousands):

	September 30, 2026	December 31, 2025
Accrued royalties expense	$ 1,430	$ 1,830
Accrued interest	574	239
Accrued professional services	3,305	1,532
Other accrued expense	1,935	2,183
Total accrued liabilities	$ 7,244	$ 5,784

Other liabilities

Other liabilities consist of the following (in thousands):

	September 30, 2026	December 31, 2025
Current portion of operating lease liabilities	$ 1,818	$ 552
Short-term debt[1]	3,781	1,745
SLR term loan fees for tranches two and three	360	—
Other	523	132
Total other liabilities	$ 6,482	$ 2,429

[1] See Note 6, "Long-Term Debt," for information regarding the legal cost financing related to the lawsuit against Stryker Corporation and its subsidiary Wright Medical Technology, Inc. Short-term debt includes $2.8 million and $1.1 million in financed legal costs as of September 30, 2026 and December 31, 2025, respectively, and reflects the amount that may be called within the next twelve months. In addition, short-term debt includes $0.9 million and $0.6 million of insurance premiums payable within twelve months of September 30, 2026 and December 31, 2025, respectively.

6. Long-Term Debt

The Company’s long-term debt consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Term loan		
SLR term loan facility	$ 60,000	$ 60,000
Less: debt discount and issuance costs	(3,736)	(4,417)
Total long-term debt, net	$ 56,264	$ 55,583

As of September 30, 2026, future payments of long-term debt were as follows (in thousands):

Fiscal Year	
2026	$ —
2027	—
2028	—
2029	—
2030	60,000
Total principal payments	60,000
Less: Unamortized debt discount and debt issuance costs	(3,736)
Total long-term debt, net	$ 56,264

SLR Term Loan and Revolving Loan Facility

On December 17, 2025, the Company entered into a term loan agreement with SLR Investment Corp. ("SLRIC") and several affiliates and a revolving loan agreement with Gemino Healthcare Finance, LLC d/b/a SLR Healthcare ABL ("SLR ABL" and collectively with SLRIC, referred to as "SLR").

The term loan agreement provides a 60 month term loan facility for up to $125.0 million in borrowing capacity to the Company over four tranches. At closing, the Company borrowed $60.0 million under tranche one. The remaining three tranches provide up to an additional $65.0 million, of which $10.0 million (tranche two) is available immediately and $55.0 million is subject to achievement of certain revenue objectives.

The revolving loan agreement provides a 60 month revolving loan facility for up to $30.0 million in additional borrowing capacity. The amount available is based on a borrowing base calculation determined by the Company's accounts receivable and inventory assets. The borrowing base at September 30, 2026 was $23.6 million. The Company may request SLR ABL to approve two additional $10.0 million increases for a total commitment of $50.0 million. As of September 30, 2026, the Company had not drawn on the revolving loan facility.

The term loan bears interest at a rate per annum equal to the 1-Month SOFR plus 5.05%. The 1-Month SOFR is the greater of (1) the forward looking term rate based on the one month tenor and (2) 3.0% per annum, with the rate reset monthly. The

revolving loan bears interest at a rate per annum equal to the 3-Month SOFR plus 4.0%. The 3-Month SOFR is the greater of (1) the forward looking term rate based on the three month tenor and (2) 3.0% per annum, with the rate reset daily. The interest is payable monthly in arrears on the first day of each month and on the maturity of the loans. The Company is obligated to pay interest only for the first 48 months and straight-line amortization for the remaining 12 months, subject to the Company's election to extend the initial interest-only period by 12 months to 60 months total, subject to the Company's achievement of a trailing 12-month EBITDA objective measured as of September 30, 2029.

The Company pays a servicing collateral monitoring fee of 1.2% per annum on the average borrowing base and an unused line fee equal to 0.5% per annum on the average unused portion of the commitment. The revolving loan facility agreement provides for SLR ABL to control the Company's lockbox account in the event that the Company begins to draw on the revolving loan. If the Company draws on the revolving loan, the lockbox receipts sweep to the lender and reduce the revolving loan's outstanding balance.

The Company is obligated to pay a $0.4 million fee on the earlier of funding tranche two, June 30, 2027, or the prepayment of the term loan and a $0.2 million fee payable on the earlier of funding tranche three, March 31, 2028, or the prepayment of the term loan. In addition, the term loan has a final payment fee of 3.95% of the amount borrowed under the term loan. All of these fees are recorded as term loan debt issuance costs. The liability for fees payable on the earlier of funding tranche two, June 30, 2027, or the prepayment of the term loan are recorded within Other liabilities and the remaining fees are recorded within Other long-term liabilities on the Condensed Balance Sheets.

If the term loan is repaid before final maturity or the revolving loan facility is terminated before the end of its term, the Company pays a prepayment fee of 3.0% of the term loan balance or the commitment amount in the first year, 2.0% in the second year and 1.0% in the third year and thereafter. The prepayment fees are waived if the Company refinances the outstanding balances with SLR or its affiliates.

The loans are secured by substantially all of the Company's assets, including intellectual property. The loan agreements contain customary representations and warranties and affirmative and negative covenants. The Company is required to meet a minimum liquidity requirement that the Company's cash and cash equivalents and marketable securities held subject to control agreements in favor of the lenders exceed 60% of the term loan outstanding. If the minimum liquidity requirement is not met, the Company must meet certain minimum revenue covenants. The Company met the minimum liquidity requirement at September 30, 2026.

Legal Cost Financing

On March 25, 2025, the Company entered into an agreement with its primary legal counsel related to the pending patent and unfair competition dispute with Stryker Corporation and its subsidiary Wright Medical Technology, Inc. (collectively, "Stryker") to defer payment of certain legal costs incurred in 2025 and 2026 related to the dispute. The agreement anticipates that the amount financed by the Company would not exceed $5.0 million over this two-year period. The deferred portion of the legal costs bear interest at 10% per annum. The total principal and interest financed is scheduled to be repaid in twelve equal monthly installments beginning January 2027. However, if certain thresholds for the currently paid portion of legal costs are not reached in 2025 and 2026, primary counsel has the option to require a portion of the deferred balances up to the current threshold amount to be reallocated to currently due. The amount of legal costs that are not deferred are due according to normal billing terms and are subject to certain contractual thresholds. All current and deferred legal costs are expensed as incurred. All amounts financed as of September 30, 2026 are classified as current debt and are included in Other liabilities on the Condensed Balance Sheets as the primary legal counsel has the option to reallocate the deferred legal costs to currently due up to the threshold. See Note 5, "Balance Sheet Components," for additional information on the amounts of the deferred legal costs.

7. Commitments and Contingencies

License and Royalty Commitments

The Company has entered into product development and fee for service agreements with members of its Surgeon Advisory Board and other surgeon consultants that specify the terms under which the consultant is compensated for his or her consulting services and grants the Company rights to the intellectual property created by the consultant in the course of such services. As products are commercialized with the assistance of members of the Surgeon Advisory Board and other surgeon consultants, the Company may agree to enter into a royalty agreement if such consultant's contributions to the product are novel, significant and innovative.

As of September 30, 2026 and 2025, the Company has royalty agreements with certain surgeon consultants. The Company recognized royalty expense for the three months ended September 30, 2026 and 2025 of $1.3 million and $1.6 million, respectively, resulting in an aggregate royalty rate of 2.6% and 3.1%, respectively. The Company recognized royalty expense for the nine months ended September 30, 2026 and 2025 of $3.9 million and $4.7 million, respectively, resulting in an aggregate royalty rate of 2.8% and 3.1%, respectively. The aggregate royalty rates are royalty expense for the period divided by revenue for the period.

Contingencies

In accordance with applicable accounting standards, the Company establishes an accrued liability for litigation contingencies when those matters present loss contingencies that are both probable and can be reasonably estimated. The Company discloses the nature of the contingency when management believes there is at least a reasonable possibility that the outcome may be material to the Company's financial statements and, where feasible, an estimate of the possible loss. In such cases, there still may be an exposure to loss in excess of any amounts reasonably estimated and accrued. When a loss contingency is not both probable and reasonably estimable, the Company does not establish an accrued liability, but continues to monitor, in conjunction with any outside counsel handling a matter, further developments that would make such loss contingency both probable and reasonably estimable. Once the Company establishes an accrued liability with respect to a loss contingency, the Company continues to monitor the matter for further developments that could affect the amount of the accrued liability that has been previously established, and any appropriate adjustments are made each quarter.

On April 11, 2025, a shareholder filed a class action complaint in the United States District Court for the Middle District of Florida (captioned *McCluney v. Treace Medical Concepts, Inc. et al.* Case No. 3:25-cv-00390-JEP-PDB) against the Company and certain of its officers on behalf of all persons who purchased or otherwise acquired the Company's stock between May 8, 2023 and May 7, 2024 alleging that the Company and certain of its officers violated federal securities laws by making false or misleading statements and failing to disclose material adverse facts about the Company's business, operations and prospects. The plaintiff seeks unspecified monetary damages, costs, and attorneys' fees. On April 22, 2025, the court dismissed the complaint without prejudice. On April 28, 2025, the plaintiff filed an amended complaint. On July 1, 2025, the court appointed the lead plaintiff and lead counsel. The lead plaintiff filed an amended complaint on July 31, 2025, and the Company filed a motion to dismiss on September 5, 2025. On July 15, 2026, the court dismissed the plaintiff's complaint without prejudice. On July 29, 2026, the lead plaintiff filed a third amended complaint. On August 7, 2026, the court dismissed the plaintiff's third amended complaint without prejudice. On August 21, 2026, the plaintiff filed a fourth amended complaint. On September 22, 2026, the Company filed a motion to dismiss plaintiff's fourth amended complaint. The plaintiff filed an opposition to the Company's motion to dismiss on October 23, 2026. The action is in the preliminary stage. The Company disputes the allegations in the complaint and intends to defend against this complaint vigorously. Based on the preliminary nature of the proceedings in this action, the outcome remains uncertain, and the Company cannot reasonably estimate the potential impact, if any, on its business or financial statements at this time. The Company is insured for Directors and Officers liability for amounts in excess of the retention and up to the policy limits.

There were no accrued contingent liabilities as of September 30, 2026 and December 31, 2025.

8. Stockholders' Equity

Stock Options

During the nine months ended September 30, 2026 and 2025 the Company did not grant stock options to employees.

Restricted Stock Units

During the nine months ended September 30, 2026 and 2025, the Company granted 3,498,350 and 3,127,114 restricted stock units ("RSUs"), respectively. The weighted average grant-date fair value of RSUs granted during the nine months ended September 30, 2026 and 2025 was $2.66 and $8.27 per share, respectively.

Performance Share Units

The Company grants primarily market condition PSU awards subject to market and service vesting conditions to certain executives under the Company's 2021 Incentive Award Plan. The actual number of PSUs that will vest at the end of the measurement period is determined based on the Company's total stockholder return ("TSR") ranking relative to the TSR of a published index of the Company's peers. The measurement period for its outstanding awards is three years. The grant date fair value of each target PSU award was determined using a Monte Carlo valuation model. Over the performance period, if the service vesting conditions are met, the actual number of PSUs earned may vary from zero, if performance thresholds are not met, to as much as 200%. In 2025, the Company issued a small number of PSU awards that vest on other performance conditions. The fair value of these PSUs is based on the stock price on the grant date and expense is recognized if the performance condition is probable of occurring. The service requirement for these awards is up to approximately 3 years; however, the employee must remain employed at the time the performance condition is met to receive the award.

During the nine months ended September 30, 2026 and 2025, the Company granted PSUs for 876,250 and 1,160,625 shares, respectively, at target performance levels. The weighted average grant-date fair value of the PSUs granted during the nine months ended September 30, 2026 and 2025 was $3.29 and $9.13 per share, respectively.

Share-Based Compensation Expense

Share-based compensation expense is reflected in the Condensed Statements of Operations and Comprehensive Loss as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cost of goods sold	$ 115	$ 130	$ 345	$ 327
Sales and marketing expense	1,535	1,669	4,977	5,116
Research and development expense	805	948	2,518	3,188
General and administrative expense	4,476	5,251	13,588	17,637
Total	$ 6,931	$ 7,998	$ 21,428	$ 26,268

9. Net Loss Per Share Attributable to Common Stockholders

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders which is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period. As the Company reported a net loss for the three and nine months ended September 30, 2026 and 2025, basic net loss per share attributable to common stockholders was the same as diluted net loss per share attributable to common stockholders as the inclusion of potentially dilutive shares would have been antidilutive if included in the calculation (in thousands, except share and per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Numerator				
Net loss	$ (12,566)	$ (16,288)	$ (46,400)	$ (49,608)
Denominator				
Weighted-average common stock outstanding, basic and diluted	65,464,832	63,515,372	65,038,981	63,069,810
Net loss per share attributable to common stockholders, basic and diluted	$ (0.19)	$ (0.26)	$ (0.71)	$ (0.79)

The following potentially dilutive securities outstanding have been excluded from the computation of diluted weighted average shares outstanding because such securities have an antidilutive impact due to the Company's net loss, in common stock equivalent shares:

	As of September 30,	
	2026	2025
Common stock options issued and outstanding	5,439,367	7,255,136
Unvested full value awards	7,406,525	5,906,625
Contingently issuable PSU shares	1,827,500	1,365,491
Total	14,673,392	14,527,252

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

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed financial statements and related notes thereto included in this Quarterly Report on Form 10-Q (this "Quarterly Report") and our audited financial statements and related notes thereto for the year ended December 31, 2025, included in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on February 27, 2026 (our "Annual Report"). This discussion and other parts of this Quarterly Report contain forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions that are based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in our Annual Report under "Part I, Item 1A–Risk Factors," and in the section titled "Risk Factors" and elsewhere in this Quarterly Report. Please also see the section of this Quarterly Report titled "Special Note Regarding Forward-Looking Statements."

Overview

We are a medical technology company with the goal of being the recognized leader in the surgical treatment of bunions and foot & ankle conditions. Bunions are complex 3-dimensional deformities that originate from an unstable joint in the middle of the foot and affect approximately 67 million Americans, of which we estimate 1.1 million are annual surgical candidates. We have pioneered and patented the Lapiplasty 3D Bunion Correction System– a combination of instruments, implants and surgical methods designed to surgically correct all three planes of the bunion deformity and secure the unstable joint, addressing the root cause of the bunion and helping patients get back to their active lifestyles. To further support the needs of surgeons and bunion patients, we offer the Adductoplasty® Midfoot Correction System, designed for reproducible surgical correction of the midfoot, two systems for minimally invasive osteotomy procedures, namely the Nanoplasty® 3D Minimally Invasive Bunion Correction System and the Percuplasty® percutaneous 3D Bunion Correction System, and the SpeedMTP® System for fusions of the great toe (the metatarsophalangeal ("MTP")) joint. We continue to expand our footprint in the marketplace by extending our SpeedPlate® rapid compression implant platform to new applications, providing surgeons with advanced digital solutions with our IntelliGuide® patient specific, pre-op planning and cut guide technology, and offering SuperBite™ Compression Screws, which are self-drilling beveled compression screws of different sizes designed for use in other foot fusions. With our Lapiplasty System, new osteotomy systems, and other complementary products, we are continuing to execute our strategy of becoming a comprehensive bunion solutions company and supporting further penetration in the foot & ankle market opportunity. See the "Innovation and Growth" section below for more information on our new products.

We were formed in 2013, and since receiving 510(k) clearance for the Lapiplasty System in March 2015, we have expanded our bunion related products in the United States. We market and sell our products to surgeons, ambulatory surgery centers, hospitals, and stocking distributors. Our procedures can be performed in either hospital outpatient or ambulatory surgery center settings, and utilize existing, well-established reimbursement codes. We primarily market and sell our products through a combination of a direct employee sales force and independent sales agencies and stocking distributors in the United States.

As of September 30, 2026, we had cash and cash equivalents of $7.8 million and marketable securities of $32.0 million available for sale to fund operations, an accumulated deficit of $295.4 million and $60.0 million of principal outstanding under our term loan and revolving loan agreements.

Economic Environment

There is continuing uncertainty in the macroeconomic environment. Persistent inflationary pressures, the ongoing military conflict in the Middle East and other geopolitical tensions, recession fears, reduced consumer confidence, higher insurance deductibles, energy prices and other costs, interest rate changes, and other adverse economic conditions have negatively impacted, and may continue to negatively impact, consumer demand for elective foot and ankle surgeries. While we continuously work with suppliers to mitigate higher costs and continue to invest in our direct sales channel, focused surgeon education training, and product innovations to build demand for our products, we expect these macroeconomic challenges to continue for the foreseeable future, which have impacted and likely will continue to impact the demand for our products and our results of operations.

Increased Competition, Procedure Preferences and Setting of Care Changes

Before we launched our flagship Lapiplasty System, there were no other products in the market that provided a 3D solution and specialized procedural instrumentation for traditionally freehand, difficult Lapidus surgeries. This allowed us to capitalize on our pioneering technology and grow our market share quickly. Since we launched the Lapiplasty System, we have faced increasing competition from large, mid-sized and small companies that have launched their own Lapidus products. We are also experiencing a shift in patient and surgeon preferences for treating bunions through minimally invasive osteotomy solutions and MTP fusions, with competitive products already addressing these types of surgery. Another trend is a shift in where bunion surgeries are performed from hospitals to ambulatory surgery centers, which receive lower procedure reimbursement rates and may be part of integrated delivery networks ("IDNs") that have established relationships with large orthopaedic companies. Hospital systems and other customers continue to seek pricing concessions from their medical device suppliers, like us, and larger medical device companies with multiple product franchises have increased their effort to leverage and contract broadly with customers across franchises by providing volume discounts, rebates and multi-year arrangements. Their contracting power has in the past limited and may continue to limit or prevent our access to these customers. These trends have negatively impacted, and may continue to negatively impact, our growth rates, market share, and results of operations. To address the shifting preferences for treating bunions, we have introduced new bunion systems, including two minimally invasive osteotomy systems and a MTP fusion system. While adoption of these new systems is increasing, they are generally sold at lower average selling prices than our Lapiplasty System. Our revenues and results of operations have been and may continue to be adversely affected by declines in sales of our Lapiplasty System that have not been fully offset by the increased sales of our new products. In addition, our customer mix initiatives, the use of stocking distributors, and advance purchases by hospitals and surgery centers have affected and may continue to affect both revenue growth and gross margins. Furthermore, we face extensive competition, pricing pressures, and new product introductions in the Lapidus, MTP fusion and minimally invasive osteotomy markets that have adversely impacted, and may continue to adversely impact our growth rates, market share and results of operations.

Innovation and Growth

We expect to continue to focus on long-term revenue growth through investments in our business and new products. In sales and marketing, we have dedicated meaningful resources to building a sales force and management team to support our future growth and to providing bunion-focused surgeon training and patient-focused outreach and education.

In research and development, our employee team and surgeon consultants are continually working on next-generation innovations for the surgical correction of bunions and other conditions that often present with bunions. Their work has resulted in the launch of a suite of new products in the past two and a half years, including the following: (1) the Nanoplasty and Percuplasty Systems, which are minimally-invasive 3D osteotomy systems; (2) IntelliGuide PSI Cut Guides for Lapiplasty and Adductoplasty Procedures, which are cut guides created specifically for an individual patient’s foot anatomy; (3) the Mini-Adductoplasty System, which is designed to allow the Adductoplasty midfoot correction procedure to be performed through an approximately 50% smaller incision; (4) the SpeedMTP Rapid Compression Implant, a specialized implant for addressing bunions through MTP fusions; (5) new SpeedPlate configurations, including the SpeedAkin™ implant and the SpeedPlate Micro-Quad implant; and (6) single use osteotomes. We have recently begun (1) full market release of the SpeedTMT® Rapid Compression Implant, which combines our SpeedPlate and FastPitch® technologies in a fixation option for tarsometatarsal ("TMT") fusions; SuperBite™ Compression Screws, which are self-drilling beveled compression screws of different sizes designed for use in other foot fusions; and VitaFuse™ Bioactive Glass Graft, which is a synthetic bone graft technology; and (2) limited market release of our HyperPlate™ XM Dynamic Compression Locking Implant, which features a low profile SpeedPlate implant incorporating FastPitch locking screws in multiple sizes to accommodate a wide range of midfoot and hindfoot procedures; CartiBlaster™ Powered Joint Prep instruments, which are sterile, single-use instruments designed for cartilage removal and joint preparation in midfoot and hindfoot fusion procedures; and our Lapiplasty Lightning Next Generation Instrumentation designed to further increase the precision and speed of the Lapiplasty Procedure. We expect to release other new solutions in the remainder of 2026, including the Tailorplasty™ MIS Tailor’s Bunion System, a minimally invasive solution for the surgical treatment of bunions of the fifth metatarsal; and the Treace X-ray App, which is cloud-based software for making radiographic measurements in foot and ankle X-rays.

Intellectual Property Strategy

We actively seek to protect the technology, inventions, and improvements that we consider important to our business using patents, trade secrets, trademarks and copyrights in the United States and foreign markets. As of September 30, 2026, our patent portfolio included 115 granted U.S. patents, with an additional 47 granted patents worldwide and over 194 pending patent applications. In keeping with our strategy of protecting our intellectual property rights, on October 14, 2024, we filed a lawsuit against Stryker Corporation and its subsidiary Wright Medical Technology, Inc. (collectively, "Stryker") alleging

infringement of 9 patents related to our innovative Lapiplasty 3D Bunion Correction technologies and unfair competition. The suit was filed in the United States District Court for the District of New Jersey, and seeks injunctive relief and damages. In addition, on May 12, 2025, we filed a lawsuit against Zimmer Biomet Holdings, Inc. and Paragon 28, Inc. (collectively, "ZB") alleging infringement of 4 patents related to our innovative Lapiplasty 3D Bunion Correction technologies. The suit was filed in the United States District Court for the District of Delaware and seeks injunctive relief and damages. On August 5, 2025, we filed an amended complaint alleging infringement of an additional patent.

Market Share Growth

The growth of our business depends on our ability to gain broader acceptance of our proprietary procedures and systems by successfully marketing and distributing these products. While surgeon adoption of our products and procedures remains critical to supporting revenue growth, hospital and ambulatory surgery center facility approvals are necessary for existing and future surgeon customers to access our products. To facilitate greater access to our products and support future sales growth, we intend to continue educating hospitals and facility administrators on the differentiated benefits associated with our procedures and systems, supported by our robust portfolio of clinical data on our existing procedures and additional clinical data we expect to develop on our new products. While we have experienced overall increases in cases using our products, our flagship Lapiplasty System has contributed and may continue to contribute less to our market share growth in future quarters, which has reduced, and may continue to reduce, revenues and impact our liquidity if sales from our new products do not increase sufficiently to offset the decline in sales of the Lapiplasty System. If we are unable to continue to successfully commercialize our procedures and systems, we may not be able to generate sufficient revenue to achieve or sustain profitability.

Seasonality

We have experienced and expect to continue to experience seasonality in our business, with higher sales volumes in the fourth calendar quarter, historically accounting for approximately 30 to 35% of full year revenues, and lower sales volumes in subsequent calendar quarters. Our sales volumes in the fourth quarter tend to be higher as many patients elect to have surgery after meeting their annual deductible and having time to recover over the winter holidays. Our sales volumes in subsequent first calendar quarters also tend to be lower versus the prior year fourth quarters as a result of adverse weather and by resetting annual patient healthcare insurance plan deductibles, both of which may cause patients to delay elective procedures; however, in some years the first quarter may benefit from additional sales volumes when high patient demand for surgeries in the fourth quarter cannot be fully accommodated and those surgical procedures are rolled over into the first quarter. In addition to the seasonality noted above, we generally expect lower sales volumes in the second and third quarters than throughout the rest of the year as elective procedures generally decline during the spring and summer months.

Coverage and Reimbursement

Hospitals, ambulatory surgery centers and surgeons that purchase or use our products generally rely on third-party payors to reimburse for all or part of the costs and fees associated with procedures using our products. As a result, sales of our products depend, in part, on the extent to which the procedures using our products are covered by third-party payors, including government programs such as Medicare and Medicaid, private insurance plans and managed care programs. Based on historical claims data, more than 60% of all bunion surgical cases are paid by private payors.

Medicare payment rates to hospital outpatient departments are set under the Medicare hospital outpatient prospective payment system, which groups clinically similar hospital outpatient procedures and services with similar costs to ambulatory payment classifications ("APCs"). Each APC is assigned a single lump sum payment rate, which includes payment for the primary procedure as well as any integral, ancillary, and adjunctive services. The primary current procedure terminology ("CPT") codes for the Lapiplasty Procedure, CPT 28297 and CPT 28740, are grouped under APC 5115 and APC 5114, respectively. For Lapiplasty Procedures in which fusion is performed on multiple TMT joints, CPT 28730 applies and is classified under APC 5115. For Adductoplasty Procedures in which fusion is performed on multiple TMT joints, either CPT 28730 or CPT 27835 applies and are classified under APC 5115. For the Nanoplasty and Percuplasty Procedures, CPT 28306 applies and are classified under APC 5114. For MTP fusions using the SpeedMTP implant or our other plates, CPT 28750 applies and are classified under APC 5114.

Components of Our Results of Operations

Revenue

We currently generate revenue from the sale of our implant kit systems, single-use sterile instruments, and other complementary products. Our systems bring together single-use implant kits, reusable instrument trays, and surgical techniques. We sell the kits and single-use instruments and other products to hospitals, ambulatory surgery centers, and stocking distributors in the United States primarily through a network of employee sales representatives and independent sales agencies.

Cost of Goods Sold

Cost of goods sold consists primarily of direct costs for the purchase of our products from third-party manufacturers. Cost of goods sold also includes royalties, overhead, shipping costs, tariffs, sterilization, product testing, and packaging. We expense all inventory provisions for excess, obsolete, and field losses as cost of goods sold. We evaluate the carrying value of our inventories in relation to historical sales, current inventory levels, and consideration of the life cycle of the product. A significant decrease in demand or development of products could result in an increase in the amount of excess or obsolete inventory on hand, which could lead to additional provisions.

Gross Profit and Gross Margin

We calculate gross profit as revenue less cost of goods sold, and gross margin as gross profit divided by revenue. Our gross margin has been and will continue to be affected by a variety of factors, primarily average selling prices, production, and ordering volumes, change in mix of customers, third-party manufacturing costs and cost-reduction strategies.

Operating Expenses

Sales and Marketing

Sales and marketing expenses consist primarily of compensation for personnel, including salaries, bonuses, benefits, sales commissions and share-based compensation, related to selling and marketing functions, surgical instrument expense, physician education programs, training, shipping costs related to sending products to our sales representatives, travel expenses, marketing initiatives including our direct-to-consumer outreach program and advertising, market research and analysis and conferences and trade shows.

Research and Development

Research and development ("R&D") expenses consist primarily of engineering, product development, clinical studies to develop and support our products, regulatory expenses, and other costs associated with products and technologies that are in development. These expenses include compensation for personnel, including salaries, bonuses, benefits and share-based compensation, supplies, consulting, prototyping, testing, materials, travel expenses, depreciation, and allocated facilities-related expenses.

General and Administrative

General and administrative expenses consist primarily of compensation for personnel, including salaries, bonuses, benefits, and share-based compensation, related to finance, information technology, legal and human resource functions, as well as professional services fees (including legal, audit and tax fees), insurance costs, general corporate expenses, and allocated facilities-related expenses.

Interest Income

Interest income consists of interest received on our money market funds and marketable securities.

Interest Expense

Interest expense consists of interest incurred and amortization of debt discount and issuance costs related to our term loan and revolving debt facility.

Results of Operations

Comparison of the three and nine months ended September 30, 2026 and 2025

The following table summarizes our results of operations for the periods presented below ($ in thousands):

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	Amount	%	2026	2025	Amount	%
Revenue	$ 48,253	$ 50,214	$ (1,961)	(3.9) %	$ 140,827	$ 150,171	$ (9,344)	(6.2) %
Cost of goods sold	9,903	10,508	(605)	(5.8) %	29,463	30,820	(1,357)	(4.4) %
Gross profit	38,350	39,706	(1,356)	(3.4) %	111,364	119,351	(7,987)	(6.7) %
Operating expenses								
Sales and marketing	29,708	34,421	(4,713)	(13.7) %	94,423	103,627	(9,204)	(8.9) %
Research and development	4,492	4,680	(188)	(4.0) %	13,490	15,740	(2,250)	(14.3) %
General and administrative	15,682	16,281	(599)	(3.7) %	47,108	48,216	(1,108)	(2.3) %
Total operating expenses	49,882	55,382	(5,500)	(9.90) %	155,021	167,583	(12,562)	(7.5) %
Loss from operations	(11,532)	(15,676)	4,144	(26.4) %	(43,657)	(48,232)	4,575	(9.5) %
Interest income	387	634	(247)	(39.0) %	1,333	2,250	(917)	(40.8) %
Interest expense	(1,584)	(1,338)	(246)	18.4 %	(4,716)	(3,970)	(746)	18.8 %
Other income, net	163	92	71	77.2 %	640	344	296	86.0 %
Other non-operating income (expense), net	(1,034)	(612)	(422)	69.0 %	(2,743)	(1,376)	(1,367)	99.3 %
Net loss	$ (12,566)	$ (16,288)	$ 3,722	(22.9) %	$ (46,400)	$ (49,608)	$ 3,208	(6.5) %

Comparison of the three months ended September 30, 2026 and 2025

Revenue. Revenue decreased by $2.0 million, or 3.9%, for the three months ended September 30, 2026 as compared to the same period in 2025. The decrease was primarily driven by lower sales to stocking distributors and a mix shift from higher priced Lapiplasty and Adductoplasty implant kits to lower priced implant kits, including our minimally invasive osteotomy and other new products, partially offset by higher volume of kits sold, excluding stocking distributors transactions, during the three months ended September 30, 2026. Revenue for the three months ended September 30, 2026 included a $5.1 million decrease in sales to stocking distributors as compared to the same period in 2025.

Cost of Goods Sold, Gross Profit and Gross Margin. Cost of goods sold decreased by $0.6 million, or 5.8%, for the three months ended September 30, 2026 as compared to the same period in 2025. The decrease in cost of goods sold was primarily due to a $0.6 million reduction in tariff expense from $0.7 million of IEEPA ("International Emergency Economic Powers Act") tariff refunds, a $0.5 million decrease in direct cost of goods sold resulting from lower sales, and a $0.3 million decrease in royalties, partially offset by a $0.5 million increase in inventory provisions and a $0.2 million increase in other costs of goods sold. During the three months ended September 30, 2026, gross profit decreased by $1.4 million, or 3.4%, as compared to the same period in 2025, due to decreased sales. Gross profit margin for the three months ended September 30, 2026 increased from 79.1% to 79.5%, as compared to the same period in 2025, primarily due to lower tariff expense from IEEPA tariff refunds, decreased sales to stocking distributors at lower margins, and lower royalties, partially offset by higher inventory provisions, an increase in payroll and related costs from allocations, a shift in product mix, and higher other costs of goods sold.

Sales and Marketing Expenses. Sales and marketing expenses decreased by $4.7 million, or 13.7%, for the three months ended September 30, 2026 as compared to the same period in 2025. Sales and marketing expenses decreased due to a $3.3 million decrease in payroll and related costs primarily from restructuring the size and organization of our direct employee sales force, a $1.6 million decrease for surgeon training and clinical-related expenses, a $1.0 million decrease in direct to consumer advertising costs, and a $0.8 million decrease in surgical instrument expense primarily from an increase in useful life from three to five years, partially offset by a $2.1 million increase in commissions. The increase in commissions is primarily due to a change in our sales channel mix as well as changes made when we optimized the compensation structure of our employee sales force earlier in the current year.

Research and Development Expenses. R&D expenses decreased by $0.2 million, or 4.0%, for the three months ended September 30, 2026 as compared to the same period in 2025. The decrease in R&D expenses was primarily due to a decrease in product testing and validation costs.

General and Administrative Expenses. General and administrative expenses decreased by $0.6 million, or 3.7%, for the three months ended September 30, 2026 as compared to the same period in 2025. The decrease in general and administrative expenses was due to a $0.8 million decrease in legal fees primarily driven by the status of ongoing litigation matters, partially offset by a $0.3 million increase in payroll and related costs.

Interest Income. Interest income decreased $0.2 million, or 39.0%, for the three months ended September 30, 2026 as compared to the same period in 2025. The decrease in interest income was primarily due to lower balances invested in marketable securities during the current year period.

Interest Expense. Interest expense increased $0.2 million, or 18.4%, for the three months ended September 30, 2026 as compared to the same period in 2025. The increase in interest expense was primarily due to increased amortization of debt issuance costs and a higher debt balance as a result of the debt refinancing in December 2025, partially offset by slightly lower interest rates on the Company's debt.

Comparison of the nine months ended September 30, 2026 and 2025

Revenue. Revenue decreased by $9.3 million, or 6.2%, for the nine months ended September 30, 2026 as compared to the same period in 2025. The decrease was primarily driven by lower sales to stocking distributors and a mix shift from higher priced implant kits to lower priced implant kits, partially offset by higher volume of kits sold, excluding stocking distributors transactions, during the nine months ended September 30, 2026. Revenue for the nine months ended September 30, 2026 included a $7.4 million decrease in sales to stocking distributors as compared to the same period in 2025.

Cost of Goods Sold, Gross Profit and Gross Margin. Cost of goods sold decreased by $1.4 million, or 4.4%, for the nine months ended September 30, 2026 as compared to the same period in 2025. The decrease in cost of goods sold was primarily due to a $1.3 million decrease in direct costs of goods sold resulting from lower sales, a $0.8 million decrease in royalties, and a $0.3 million decrease in tariff expense from $0.7 million of IEEPA tariff refunds, partially offset by a $0.5 million increase in payroll and other related costs from allocations and a $0.5 million increase in other costs of goods sold. During the nine months ended September 30, 2026, gross profit decreased by $8.0 million, or 6.7%, as compared to the same period in 2025, due to decreased sales. Gross profit margin for the nine months ended September 30, 2026 decreased from 79.5% to 79.1%, as compared to the same period in 2025, primarily due to an increase in payroll and related costs from allocations, a shift in product mix, and higher other costs of goods sold, partially offset by decreased sales to stocking distributors at lower margins, lower royalties and lower tariff expense from IEEPA tariff refunds.

Sales and Marketing Expenses. Sales and marketing expenses decreased by $9.2 million, or 8.9%, for the nine months ended September 30, 2026 as compared to the same period in 2025. Sales and marketing expenses decreased due to a $4.0 million reduction in direct to consumer advertising costs, a $3.8 million decrease for surgeon training and clinical-related expenses, a $3.7 million decrease in payroll and related costs primarily from restructuring the size and organization of our direct employee sales force, a $2.3 million decrease in surgical instrument expense primarily from an increase in useful life from three to five years, and a $0.7 million decrease in professional services related to marketing, partially offset by a $5.7 million increase in commissions. The increase in commissions is primarily due to a change in our sales channel mix as well as changes made when we optimized the compensation structure of our employee sales force earlier in the current year.

Research and Development Expenses. R&D expenses decreased by $2.3 million, or 14.3%, for the nine months ended September 30, 2026 as compared to the same period in 2025. The decrease in R&D expenses was primarily due to a $1.2 million decrease in payroll and related costs, including stock compensation expense, and a $0.8 million decrease in clinical and regulatory expenses, primarily due to a $0.5 million decrease in the Company's products and instrumentation, and a $0.2 million decrease in product testing and validation costs.

General and Administrative Expenses. General and administrative expenses decreased by $1.1 million, or 2.3%, for the nine months ended September 30, 2026 as compared to the same period in 2025. The decrease in general and administrative expenses was due to a $2.7 million decrease in payroll and related costs, primarily from lower stock compensation expense, partially offset by a $2.1 million increase in legal fees primarily driven by status of ongoing litigation matters.

Interest Income. Interest income decreased $0.9 million, or 40.8%, for the nine months ended September 30, 2026 as compared to the same period in 2025. The decrease in interest income was primarily due to lower balances invested in marketable securities during the current year period.

Interest Expense. Interest expense increased $0.7 million, or 18.8%, for the nine months ended September 30, 2026 as compared to the same period in 2025. The increase in interest expense was primarily due to increased amortization of debt issuance costs and a higher debt balance as a result of the debt refinancing in December 2025, partially offset by slightly lower interest rates on the Company's debt.

Liquidity and Capital Resources

Overview

Before our initial public offering ("IPO"), our primary sources of capital were private placements of common stock and convertible preferred stock, debt financing agreements and revenue from the sale of our products. In April 2021, we received net proceeds of $107.6 million from our IPO. On February 10, 2023, we received net proceeds of $107.5 million from a follow-on public offering of our common stock.

In December 2025, we entered into a five year $175.0 million senior secured loan arrangement for a term loan and a revolving credit facility. At the loan closing, we borrowed $60.0 million under tranche one of the term loan. The remaining tranches provide up to an additional $65.0 million in borrowing capacity, of which $55.0 million is subject to the achievement of certain revenue objectives.

The revolving loan agreement currently provides $30.0 million in borrowing capacity with the ability to request two additional $10.0 million increases for a total of $50.0 million. The amount available is based on a borrowing base calculation determined by our accounts receivable and inventory assets.

As of September 30, 2026, we had cash and cash equivalents of $7.8 million and marketable securities of $32.0 million available for sale, an accumulated deficit of $295.4 million, and principal outstanding under our new term loan of $60.0 million. We believe that our existing cash and cash equivalents, marketable securities, available debt borrowings and expected revenues will be sufficient to meet our capital requirements and fund our operations for at least twelve months from the date of issuance of these condensed financial statements. We may be required or decide to raise additional debt or equity financing to support further growth of our operations.

Funding Requirements

We use our cash, marketable securities, and revenues to fund our operations, which primarily include the costs of manufacturing our products, capital expenditures, as well as our operating expenses. The timing and amount of our operating and capital expenditures and use of available funding will depend on many factors, including:

- the degree and rate of market acceptance of our products;
- the scope and timing of our investment in our commercial infrastructure and sales force;
- the costs of our ongoing commercialization activities including product sales, marketing, manufacturing, and distribution;
- the success of competitors and their products, emergence of new competing technologies or other adverse market developments;
- the scope of our marketing efforts, including the degree to which we utilize direct to consumer campaigns;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights, including enforcing our intellectual property rights against infringing products or technologies or enforcing contractual rights against parties breaching agreements with us, including the litigation proceedings we initiated against Stryker and ZB;
- the research and development activities we intend to undertake to improve the Lapiplasty System and other products, to commercialize PSI technologies, to gain share in the minimally invasive osteotomy market, and to develop or acquire additional products;
- our need to implement additional infrastructure and internal systems;
- shifts in the surgical setting where bunion and other foot surgeries are performed and the pricing and reimbursement sensitivity, contract restrictions, IDNs, GPO and other established relationships, and decision-making processes of the surgical facility;

- the effect of softening consumer sentiment, higher health insurance, energy and other costs, persistent inflationary pressures, interest rate changes, business downturns, evolving or increased tariffs, geopolitical tensions, changes in trade policy or global trade disruptions and other general economic conditions on our operations and business;
- the ability of customers to pay us for our products, including stocking distributors which generally have longer payment terms than hospital and ambulatory surgery center customers;
- the ability to obtain adequate supplies of materials and components for our products, including from single-source or foreign suppliers;
- any product liability or other lawsuits related to our products;
- the expenses needed to attract and retain skilled personnel; and
- the impact of any infectious disease outbreak, infrastructure disruption, or natural or other disaster or event beyond our control on our business or on the healthcare industry, particularly elective surgeries where our products are used.

Based upon our current operating plan, we believe that our existing cash, cash equivalents, marketable securities, and available debt borrowings will enable us to fund our operating expenses and capital expenditure requirements for at least the next twelve months. We have based this estimate on assumptions that may prove to be wrong or that may change in the future, and we could utilize our available capital resources sooner than we expect. We may seek to raise any necessary additional capital through public or private equity offerings or debt financings, credit or loan facilities or a combination of one or more of these or other funding sources. Additional funds may not be available to us on acceptable terms or at all. If we fail to obtain necessary capital when needed on acceptable terms, or at all, we could be forced to delay, limit, reduce or terminate our product development programs, commercialization efforts, sales and marketing initiatives, or other operations. If we raise additional funds by issuing equity securities, our stockholders will suffer dilution, and the terms of any financing may adversely affect the rights of our stockholders. In addition, as a condition to providing additional funds to us, future investors may demand, and may be granted, rights superior to those of existing stockholders. Debt financing, if available, is likely to involve restrictive covenants limiting our flexibility in conducting future business activities, and in the event of insolvency, debt holders would be repaid before holders of our equity securities received any distribution of our corporate assets.

Cash Flows

The following table sets forth the primary sources and uses of cash and cash equivalents for the periods presented below (in thousands):

	Nine Months Ended September 30,	
	2026	2025
Net cash provided by (used in):		
Operating activities	$ (713)	$ (7,944)
Investing activities	(2,008)	3,585
Financing activities	(227)	695
Net increase (decrease) in cash and cash equivalents	$ (2,948)	$ (3,664)

Cash Flows from Operating Activities

Net cash used in operating activities for the nine months ended September 30, 2026 was $0.7 million, consisting primarily of a net loss of $46.4 million, adjusted for non-cash charges of $30.8 million and a decrease in net operating assets. The non-cash charges consist primarily of $21.4 million in share-based compensation expense, $4.8 million in depreciation and amortization expense, $1.7 million in financed legal fees, $1.6 million in non-cash lease expense, and $0.7 million in amortization of debt issuance costs. The decrease in net operating assets was primarily due to an $11.6 million decrease in accounts receivable from collection on higher sales in the fourth quarter of 2025, a $7.6 million increase in accounts payable due to timing of payments, and a $3.8 million increase in accrued liabilities, partially offset by a $6.3 million increase in inventory, a $1.0 million decrease in operating lease liabilities, and a $0.9 million increase in prepaid and other current assets. The $3.8 million increase in accrued liabilities was primarily due to increased accrued compensation for annual bonus payments, partially offset by decreased accrued commissions from higher sales in the fourth quarter of 2025.

Net cash used in operating activities for the nine months ended September 30, 2025 was $7.9 million, consisting primarily of a net loss of $49.6 million, adjusted for non-cash charges of $37.1 million and a decrease in net operating assets. The non-cash charges consist primarily of $26.3 million in share-based compensation expense, $7.8 million in depreciation and amortization, $1.7 million in non-cash lease expense, and $0.5 million in provision for allowance for credit losses. The decrease in net operating assets was primarily due to a $7.4 million decrease in accounts receivable from collection on higher sales in the fourth quarter of 2024 and a $5.6 million increase in accounts payable due to timing of payments, partially offset by a $2.4 million decrease in operating lease liabilities, a $3.2 million decrease in accrued liabilities, and a $2.2 million increase in inventory. The decrease in accrued liabilities was primarily from a decrease in accrued commissions from lower sales in the third quarter of 2025 compared to the fourth quarter of 2024, partially offset by increased accrued compensation from timing of payroll and a non-recurring restructuring charge that includes severance and other post-employment benefits.

Cash Flows from Investing Activities

Net cash used in investing activities was $2.0 million for the nine months ended September 30, 2026, consisting primarily of $26.2 million in purchases of available-for-sale marketable securities and $7.4 million in purchases of property and equipment, partially offset by $31.6 million in sales and maturities of available-for-sale marketable securities. The net of marketable securities sales and maturities and purchases of $5.4 million were used to fund our current operations. The purchases of property and equipment included $5.6 million in capitalized surgical instruments for the reusable instrument trays primarily related to our new products, and $1.8 million primarily for equipment, leasehold improvements, and internal use software to support the business.

Net cash provided by investing activities was $3.6 million for the nine months ended September 30, 2025, consisting primarily of $49.6 million in sales and maturities of available-for-sale marketable securities, partially offset by $34.9 million in purchases of available-for-sale marketable securities and $11.1 million in purchases of property and equipment. The net cash generated from marketable securities sales and maturities and purchases of $14.7 million were primarily used to fund our current operations. The purchases in property and equipment included $9.4 million in capitalized surgical instruments for the reusable instrument trays related to our new products, and $1.6 million primarily for equipment, software, and leasehold improvements, to support the growth of our business.

Cash Flows from Financing Activities

Net cash used in financing activities was $0.2 million for the nine months ended September 30, 2026, consisting primarily of $0.9 million in proceeds from insurance premium financing, partially offset by $0.6 million in payments on insurance premium financing and $0.6 million of shares repurchased for tax withholding on vested restricted stock units and performance stock units.

Net cash provided by financing activities was $0.7 million for the nine months ended September 30, 2025, consisting primarily of $1.6 million in proceeds from insurance premium financing and $0.5 million in proceeds from stock option exercises, partially offset by $0.8 million of shares repurchased for tax withholding on vested restricted stock units and $0.5 million in payments on insurance premium financing.

Operating Lease

We have commitments for future payments related to our corporate headquarters office located in Ponte Vedra, Florida. We entered into a 10-year lease in February 2022 for our headquarters which expires in July 2032. Lease payments comprise the base rent plus operating costs which include taxes, insurance, and common area maintenance. The remaining lease obligations are $18.9 million under this lease as of September 30, 2026.

Critical Accounting Policies and Estimates

Management’s discussion and analysis of our financial condition and results of operations is based on our condensed financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of the condensed financial statements requires us to make estimates and assumptions for the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and any such differences may be material.

Goodwill

Our annual impairment testing date was July 1, 2026. We performed a qualitative analysis to evaluate whether it is more likely than not that the fair value of goodwill was less than the carrying amount. Based on that analysis, we concluded it was not necessary to perform a quantitative impairment test. As of September 30, 2026 and December 31, 2025, goodwill was $12.8 million.

Our critical accounting policies and estimates are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations–Critical Accounting Policies and Estimates" in our Annual Report. There were no material changes to these accounting policies during the nine months ended September 30, 2026.

Recently Issued Accounting Pronouncements

Refer to Note 3, "Recent Accounting Pronouncements," of the Notes to Condensed Financial Statements for new accounting pronouncements not yet adopted as of this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market Risk

There have been no material changes from the market risk information previously disclosed in our Annual Report under "Part II. Item 7A. Quantitative and Qualitative Disclosures About Market Risk."

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

Our management, with the participation and supervision of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent limitation on the effectiveness of internal control

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II–OTHER INFORMATION

Item 1. Legal Proceedings.

Except as described below, we are not a party to any legal proceedings which we believe would have a material adverse effect on our business or results of operations. From time to time, we may become involved in various legal proceedings that arise in the ordinary course of our business.

On April 11, 2025, a shareholder filed a class action complaint in the United States District Court for the Middle District of Florida (captioned *McCluney v. Treace Medical Concepts, Inc. et al.* Case No. 3:25-cv-00390-JEP-PDB) against us and certain of our officers on behalf of all persons who purchased or otherwise acquired our stock between May 8, 2023 and May 7, 2024 alleging that we and certain of our current executives violated the federal securities laws by making false or misleading statements and failing to disclose material adverse facts about our business, operations and prospects. Specifically, the complaint alleges that we failed to disclose the impact of competition on demand for and utilization of our products and that our positive statements about our business, operations, and prospects were materially misleading and/or lacked a reasonable basis. The plaintiff seeks unspecified monetary damages, costs, and attorneys' fees. On April 22, 2025, the court dismissed the complaint without prejudice. On April 28, 2025, the plaintiff filed an amended complaint. On July 1, 2025, the court appointed the lead plaintiff and lead counsel. The lead plaintiff filed an amended complaint on July 31, 2025, and we filed a motion to dismiss on September 5, 2025. On July 15, 2026, the court dismissed the plaintiff's complaint without prejudice. On July 29, 2026, the plaintiff filed a third amended complaint. On August 7, 2026, the court dismissed the plaintiff's third amended complaint without prejudice. On August 21, 2026, the plaintiff filed a fourth amended complaint. On September 22, 2026, we filed a motion to dismiss plaintiff's fourth amended complaint. The plaintiff filed an opposition to our motion to dismiss on October 23, 2026. The action is in the preliminary stage. We dispute the allegations in the complaint and intend to defend against this complaint vigorously. Based on the preliminary nature of the proceedings in this action, the outcome remains uncertain, and we cannot reasonably estimate the potential impact, if any, on our business or financial statements at this time. We are insured for Directors and Officers liability for amounts in excess of the retention and up to the policy limits.

On October 14, 2024, we filed a lawsuit against Stryker Corporation and its subsidiary Wright Medical Technology, Inc. (collectively, "Stryker") alleging infringement of 9 patents related to our innovative Lapiplasty 3D Bunion Correction technologies and unfair competition. The suit was filed in the United States District Court for the District of New Jersey and seeks injunctive relief and damages. On January 24, 2025, Stryker filed a motion to dismiss the unfair competition claims which the Court granted on October 2, 2025 without prejudice. We filed a first amended complaint on October 24, 2025, and Stryker subsequently filed another motion to dismiss the unfair competition claims on December 5, 2025. The Court denied Stryker's motions and applications to stay discovery pending a ruling on its new motion to dismiss. A Markman hearing was held on May 21, 2026. On July 13, 2026, the Court granted Stryker's motion to dismiss the unfair competition claims, again without prejudice, and granted leave for the Company to file a second amended complaint by August 13, 2026. We supplemented our claims and filed the second amended complaint on August 12, 2026. Stryker moved to stay antitrust discovery again on September 11, 2026, and to dismiss certain of our unfair competition claims on October 13, 2026. We responded opposing the stay of antitrust discovery on October 16, 2026 and will file our opposition to Stryker's motion to dismiss by the applicable deadline. The case has continued, and discovery is ongoing.

On May 22, 2025, Stryker European Operations Holdings LLC and Howmedica Osteonics Corp. filed a suit in the United States District Court for the District of Delaware (captioned S*tryker European Operations Holdings LLC et al v. Treace Medical Concepts, Inc.* Case No. 1:25-cv-00637-GBW) against us for patent infringement by our PEEK hammertoe product. The plaintiffs seek findings of patent infringement, equitable relief, unspecified monetary damages, enhanced damages for willful patent infringement, interest, costs, and attorneys' fees. We dispute the allegations in the complaint, and on August 4, 2025, we moved to dismiss all of the claims in the suit. The court denied our motion to dismiss, noting that additional claim construction proceedings would be helpful for the court to resolve the issues presented in the motion to dismiss. We filed an answer on February 19, 2026, amended on March 12, 2026, including defenses and declaratory judgment of invalidity and non-infringement counterclaims. The plaintiffs filed an answer to our counterclaims on March 26, 2026. On April 20, 2026, the plaintiffs filed a first amended complaint adding an additional patent in their claims of infringement by our PEEK hammertoe product. We filed an amended answer and counterclaims on May 14, 2026. Plaintiffs filed an answer to our counterclaims on June 4, 2026. We amended our answer and counterclaims to include declaratory judgment of unenforceability of the asserted patents due to inequitable conduct on August 21, 2026. The plaintiffs moved to dismiss our counterclaims on September 11, 2026. We filed our response to the motion to dismiss on October 2, 2026 to which plaintiffs replied on October 16, 2026. Based on the preliminary nature of the proceedings in this action, the outcome remains uncertain, and we cannot estimate the potential impact, if any, on our business or financial statements at this time.

On May 12, 2025, we filed a lawsuit in the United States District Court for the District of Delaware (captioned *Treace Medical Concepts, Inc. v. Zimmer Biomet Holdings, Inc. et al.* Case No. 1:25-cv-00592-CBW) against Zimmer Biomet Holdings, Inc. and Paragon 28, Inc. alleging infringement of four patents related to our innovative Lapiplasty 3D Bunion Correction technologies and seeking injunctive relief and damages. On August 5, 2025, we filed an amended complaint alleging infringement of an additional patent. On December 19, 2025, the defendants moved to dismiss certain patent claims, claims of willful infringement, and all claims against Zimmer Biomet Holdings, Inc. In December 2025 and January 2026, Paragon 28 filed petitions for inter partes review ("IPR") and post-grant review ("PGR") before the Patent Trial and Appeal Board ("PTAB") seeking further administrative review of the validity of the five patents-in-suit. On February 17, 2026, we filed an opposition to the defendants' motion to dismiss. On March 4, 2026, the defendants filed a motion to stay the case pending review by the PTAB of the patents that were subject to Paragon 28, Inc.'s IPR and PGR petitions. We filed a motion to sever and consolidate the patent claims of Case No. 25-1092-GBW into this case. On June 12, 2026, June 23, 2026 and August 13, 2026, the PTAB issued notices of institution granting Paragon 28, Inc.'s PGR petitions (PGR2026-0017, -00020, -00031) and IPR petition IPR2026-00194 and denying institution of PGR petition PGR2026-00022. These decisions cover the five petitions that Paragon 28, Inc. filed. Institution of the PGRs and IPR means that a panel of three Administrative Patent Judges from the PTAB will be reviewing the validity of patents asserted against Zimmer Biomet Holdings, Inc. and Paragon 28, Inc. over the next twelve months. On September 2, 2026, the defendants filed a renewed motion to stay. On September 14, 2026, the court granted defendant's motion to stay the case pending the resolution of the PTAB instituted PGR2026-0017, -00020, -00031 and IPR2026-00194 proceedings. We intend to defend the validity of the four patents under review by the PTAB, but the ultimate outcome of the pending PGR and IPR proceedings remains uncertain.

On August 29, 2025, Paragon 28, Inc. and Disior Oy filed a lawsuit in the United States District Court for the District of Delaware (captioned *Paragon 28, Inc. et al v. Treace Medical Concepts, Inc. et al.* Case No. 1:25-cv-01092-GBW) against us and RPM-3D alleging RPM-3D improperly acquired, used, and disclosed confidential and trade secret technology from Disior's software to develop software acquired by us and seeking injunctive relief and damages. On December 18, 2025, Paragon 28, Inc. and Disior Oy filed an amended complaint adding patent and copyright infringement to their claims. We filed an answer to the amended complaint, including defenses and declaratory judgment of invalidity and non-infringement counterclaims, on February 17, 2026. On March 10, 2026, the plaintiffs filed an answer to our counterclaims, and we filed motions to sever and consolidate the patent claims into C.A. No. 25-592-CBW, our patent infringement case against Zimmer Biomet Holdings, Inc. and Paragon 28, Inc. We filed an amended answer on March 27, 2026, and the plaintiffs filed an amended answer on April 9, 2026. On October 6 and October 14, we filed inter-partes review petitions IPR2027-00007, -00008, -00013 and -00014 for review of the four patents asserted against us in this lawsuit. The PTAB is expected to issue decisions on institution in the first quarter of 2027. We filed a motion to stay the patent claims pending PTAB review on October 22, 2026. The case has continued, and discovery is ongoing. Based on the preliminary nature of the proceedings in this action, the outcome remains uncertain, and we cannot estimate the potential impact, if any, on our business or financial statements at this time.

Item 1A. Risk Factors.

There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K under "Part I, Item 1A. Risk Factors" for the year ended December 31, 2025, filed with the SEC on February 27, 2026.

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

Issuer Purchases of Equity Securities

The following table presents information with respect to the Company's repurchases of stock during the three months ended September 30, 2026.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
July 1 to July 31, 2026	—	$ —	—	—
August 1 to August 31, 2026[1][2]	63,169	4.67	—	—
September 1 to September 30, 2026[1][2]	25,457	4.44	—	—
Totals	88,626	$ 4.60	—	—

(1) Represents shares withheld pursuant to the terms of awards under the Company's share-based compensation plans to offset tax withholding obligations that occur upon vesting and release of shares.
(2) The value of the shares withheld is the closing price of the Company's common stock on the date the relevant transaction occurs.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit No.	Description
3.1	Amended and Restated Bylaws of Treace Medical Concepts, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Form 10-Q, as filed by the Company with the SEC on August 7, 2026).
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1†	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2†	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

† The certifications attached as Exhibit 32.1 and 32.2 to this Quarterly Report are deemed furnished and not filed with the U.S. Securities and Exchange Commission and are not to be incorporated by reference into any filing of Treace Medical Concepts, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements 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.

Treace Medical Concepts, Inc.

Date: November 6, 2026

By: /s/ John T. Treace

Name: John T. Treace

Title: Chief Executive Officer (Principal Executive Officer)

Date: November 6, 2026

By: /s/ Mark L. Hair

Name: Mark L. Hair

Title: Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John T. Treace, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Treace Medical Concepts, 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.

Date: November 6, 2026

By: /s/ John T. Treace

John T. Treace
Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark L. Hair, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Treace Medical Concepts, 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.

Date: November 6, 2026

By: /s/ Mark L. Hair

Mark L. Hair
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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 on Form 10-Q of Treace Medical Concepts, Inc. (the "Company") for the quarter ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my 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 the Company.

Date: November 6, 2026

By: /s/ John T. Treace
John T. Treace
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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 on Form 10-Q of Treace Medical Concepts, Inc. (the "Company") for the quarter ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my 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 the Company.

Date: November 6, 2026

By: /s/ Mark L. Hair
Mark L. Hair
Chief Financial Officer
(Principal Financial Officer)