

A modern, multi-story white building with large glass windows, identified by the TREACE logo on its upper facade. Several palm trees are in the foreground, and the sky is clear blue. A large red rounded rectangle is positioned in the upper left corner, partially overlapping the building and the main headline.

On **solid footing** for sustained top-tier growth



Fourth Quarter 2023 Earnings Presentation

February 27, 2024

Forward-Looking Statements

This presentation may include forward-looking statements. All statements other than statements of historical facts contained in this presentation, including statements regarding our future results of operations and financial position, strategy and plans, industry environment, potential growth opportunities, and our expectations for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “design,” “intend,” “expect,” “could,” “plan,” “potential,” “predict,” “seek,” “should,” “would,” or the negative version of these words and similar expressions are intended to identify forward-looking statements.

We have based these forward-looking statements on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, strategy, short- and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. These risks and uncertainties, many of which are beyond our control, include risks described in the section entitled Risk Factors in our filings made with the Securities and Exchange Commission (the “SEC”), including our Form 10-K for the year ended December 31, 2023, and our subsequent SEC filings. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. No representations or warranties (expressed or implied) are made about the accuracy of any such forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. 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. Moreover, except as required by law, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions, and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

By attending or receiving this presentation, you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business.

Non-GAAP Financial Measures

To supplement the financial results presented in accordance with GAAP, this presentation presents Adjusted EBITDA, which the Company defines as net loss before depreciation and amortization expense, interest income, interest expense, taxes, share-based compensation expense, acquisition-related costs and debt extinguishment loss. As of March 31, 2023, in its calculation of Adjusted EBITDA, the Company began subtracting interest income from net loss as interest income is significant for the full-year 2023. Prior period results for Adjusted EBITDA have been updated to be consistent with the updated presentation as described above. Non-GAAP financial measures such as Adjusted EBITDA are presented in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Management uses these non-GAAP financial measures to evaluate the Company's operating performance and trends, as well as for making planning decisions. The Company believes that Adjusted EBITDA helps to identify underlying trends in the Company's business that may otherwise be masked by the effect of the income and expenses and other items that it excludes in its calculation of Adjusted EBITDA. Accordingly, the Company believes these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating the Company's operating results, enhancing the overall understanding of its past performance and future prospects, and allowing for greater transparency with respect to key financial metrics used by the Company's management in their financial and operational decision-making. The Company also presents these non-GAAP financial measures because it believes investors, analysts and rating agencies consider them to be a useful metrics in measuring the Company's performance against other companies and its ability to meet its debt service obligations.

There are limitations related to the use of non-GAAP financial measures such as Adjusted EBITDA because they are not prepared in accordance with GAAP, may exclude significant income and expenses required by GAAP to be recognized in the Company's financial statements, and may not be comparable to non-GAAP financial measures used by other companies. The Company encourages investors to carefully consider its results under GAAP, as well as its supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand its business. Reconciliations between GAAP and non-GAAP results are included at the end of this presentation.

Treace Medical Concepts, Inc.

Hyper-focused

Pure-play medical device company focused on the surgical treatment of bunions and related deformities

57 US PATENTS¹
80 US PENDING PATENTS

Growing

FY 2023 revenue of \$187.1 million (+32% YOY growth)

5-year revenue growth CAGR of +60%

Just getting started

10 new product launches in 2H 2023 and 2024

Clear line-of-sight to near-term profitability – driving towards Adj. EBITDA breakeven for FY 2024 and cash flow positive in 2025

Strong cash & liquidity position – no current need for equity financing

Fastest-growing company in foot and ankle, one of the fastest-growing segments in Orthopaedics²

(1) Patent count as of 2/27/2024

(2) TMCI estimate based on other publicly-traded peers participating in the foot and ankle market

4Q and Full-Year 2023 Results Summary

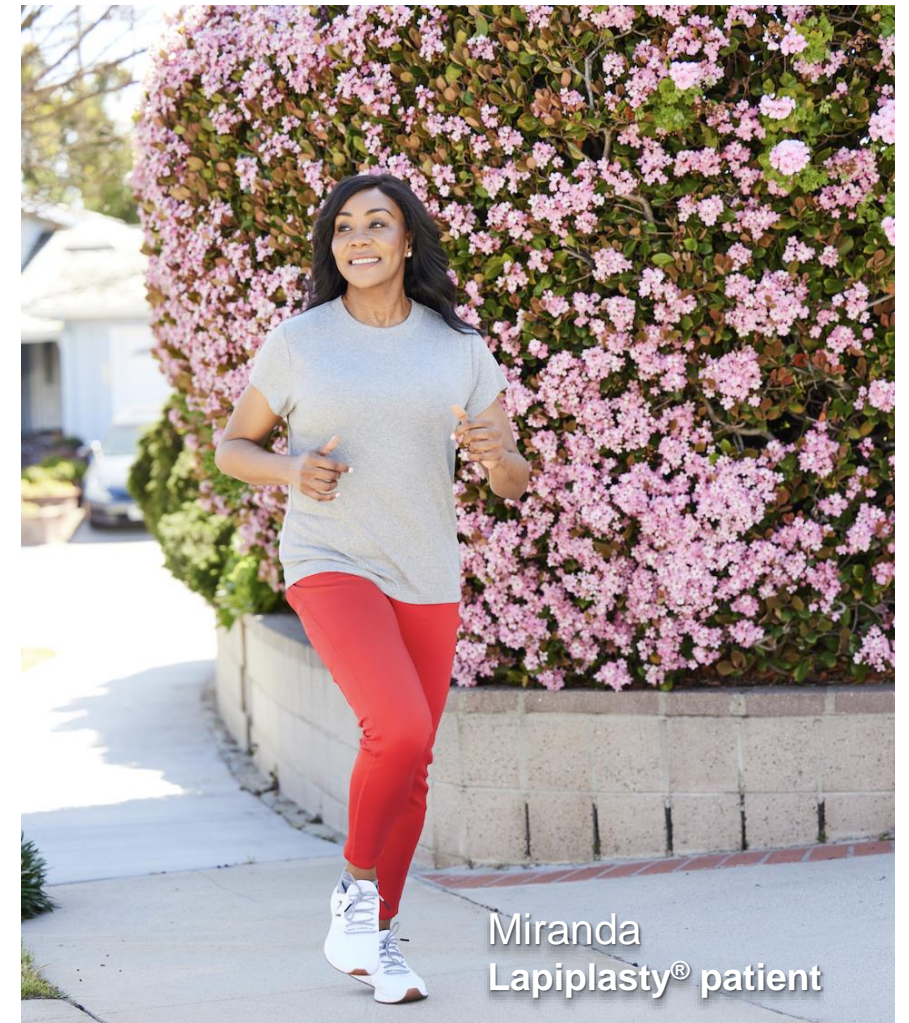
\$ in millions, except %	4Q'23	Y-Y Change	FY 2023	Y-Y Change
Revenue	\$62.2	+25%	\$187.1	+32%
Gross Margin	81.6%	-30 bps	81.2%	-80 bps
Net Loss	\$(6.3)	-42%	\$(49.5)	-16%
Non-GAAP Adjusted EBITDA ¹	\$2.6	+663%	\$(24.4)	+2%

(1) The Company defines Non-GAAP Adjusted EBITDA as net loss before depreciation and amortization expense, interest income, interest expense, taxes, share-based compensation expense, acquisition-related costs and debt extinguishment loss.

- **Added 164 surgeons in 4Q'23 and ended 2023 with 2,855 active surgeons**, +20% compared to prior year and ~29% of the estimated 10K U.S. surgeons performing bunion surgery
- **Sold 9,665 Lapiplasty® procedure kits in 4Q'23**, (+15% compared to 4Q'22) and **29,675 Lapiplasty® procedure kits in 2023** (+20% over 2022)
- **Record blended average selling price of \$6,437 in 4Q'23** (+9% over 4Q'22) and **\$6,306 in 2023** (+10% over 2022)
- **Surgeon utilization increased** to 10.4 kits in 4Q'23 and 2023, up from 10.3 kits in 4Q'22 and 2022
- **Direct Sales Reps** totaled 227 reps at YE 2023 vs. 168 reps at YE 2022 (+35%)
- **~82% and 81% of revenue mix** came from direct channel in 4Q'23 and 2023, respectively

4Q 2023 Key Messages

- Revenue YoY growth of **+25% in 4Q'23** and **+32% in 2023** above high-end of previous guidance range
- Positive Adj. EBITDA of **\$2.6 million in 4Q'23**; **Adj. EBITDA margin improved 460 bps** in 2023 vs. 2022
- Results demonstrate **underlying strength and effectiveness of strategic investments** into direct sales channel, targeted R&D initiatives and direct-to-consumer programs
- Initiated **commercialization** of several new technologies, including the **SpeedPlate™ fixation platform**, Hammertoe Fixation System, and LapiTome™ and RazorTome™ sterile instruments
- Presented **three-year interim data** from **ALIGN3D™ study** at ACFAS Annual Scientific Conference demonstrating sustained, positive results post-Lapiplasty® 3D correction
- Driving towards **Adj. EBITDA breakeven for full-year 2024** and positive cash flow in 2025
- Confident we have the **right strategies** in place to **continue to deliver industry-leading foot and ankle growth** and **profitably scale our business** in 2024 and beyond



Miranda
Lapiplasty® patient

Strong presence at ACFAS Annual Scientific Conference

The Leader in 3D Bunion Correction*

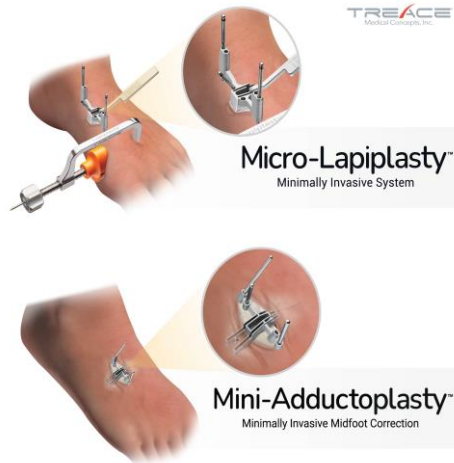
2,500+ surgeon users
21 clinical publications
90,000+ patients treated*

Patents: www.treace.com/patents
*Data on File



Visit Lapiplasty.com to learn more.

TREACE
Medical Concepts, Inc.



Micro-Lapiplasty™
Minimally Invasive System

Mini-Adductoplasty™
Minimally Invasive Midfoot Correction

SpeedPlate™ Rapid Compression Implants

Dynamic Compression
offers continuous compression
across the fusion site

Titanium Alloy
implant does not contain nickel¹

Anatomic Contour
implant shape accommodates
intercuneiform joint and tibialis
anterior insertion

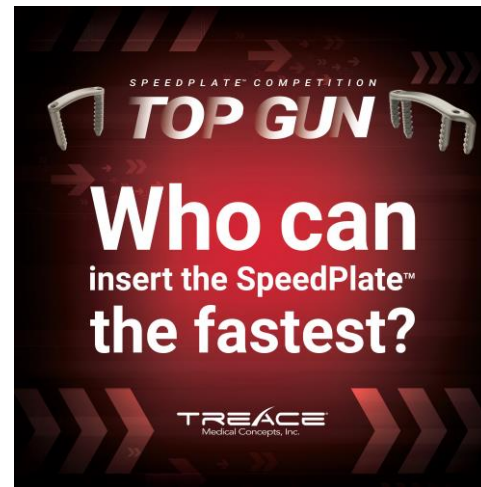


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Medical Concepts, Inc.

1. For complete information see ASTM F136-13, Standard Specification for Wrought Titanium-6Aluminum-4Vanadium ELI (Extra Low Interstitial) Alloy for Surgical Implant Applications (UNS R56401)



**American College of
Foot and Ankle Surgeons®**
Proven leaders. Lifelong learners. Changing lives.



RedPoint
Medical

TREACE
Medical Concepts, Inc.

Delivering another breakthrough innovation for bunion correction

Treace Medical Acquires 3D Technology Enabling Patient Specific Instrumentation:



Pre-Operative Planning
AI-enabled software utilizes the
patient's CT scan data to create
a 3D plan for correcting the
patient's deformity



Patient-Specific Cut Guide
A patient-specific, 3D-printed cut
guide is produced, customized to
fit the patient's unique
foot anatomy



**Customized Intra-
Operative Assistance**
The patient-specific guide and
associated instrumentation
are designed to streamline the
surgical approach for accurate,
corrective cuts

View [Press Release](#)

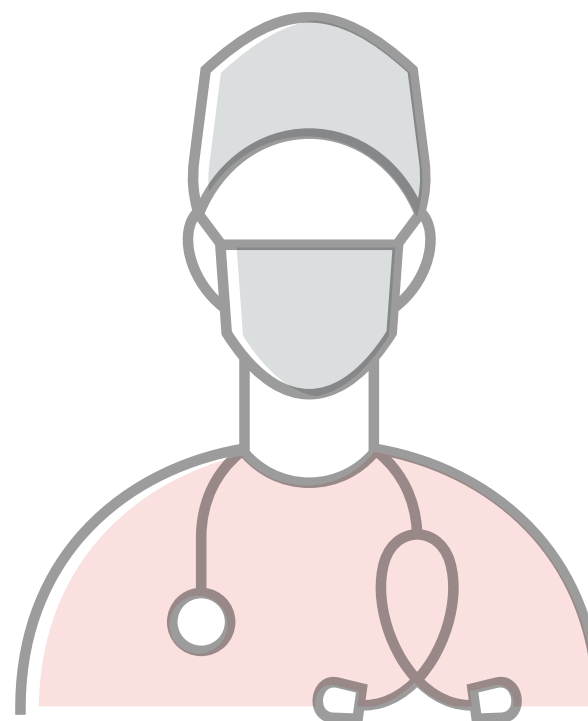
View [Clinical Presentations](#)

Taking Bold Steps to Capture the Market

30% 4-year CAGR in Active Surgeons¹

Approaching **30%** bunion surgeons using Lapiplasty[®] procedure

Early in utilization curve: nearly **40%** of surgeons added in last two years



	Active Surgeon Users ²	Surgeon Base Penetration
2023	2,855	~29%
2021	1,783	~18%
2019	997	~10%

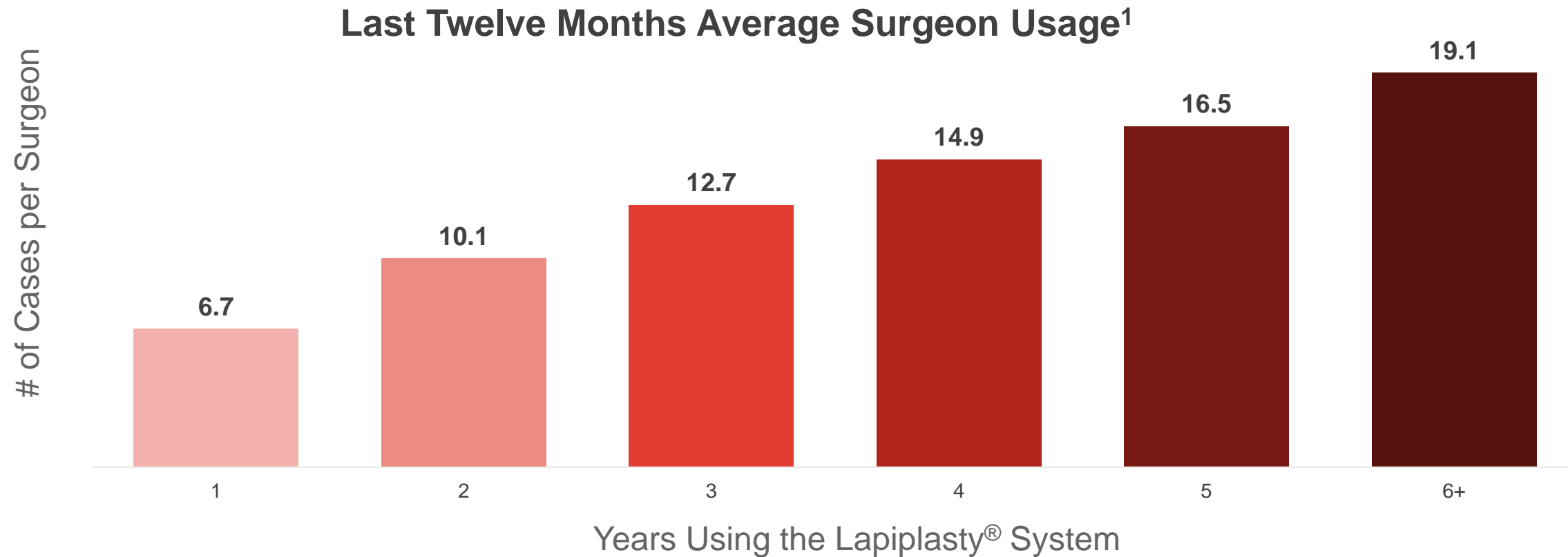


Increased experience leads to increased utilization

(1) 4-year CAGR reflects Q4 2019 to Q4 2023

(2) Active Surgeons perform at least one Lapiplasty[®] procedure in trailing 12 months

Increased Experience Leads to Increased Utilization

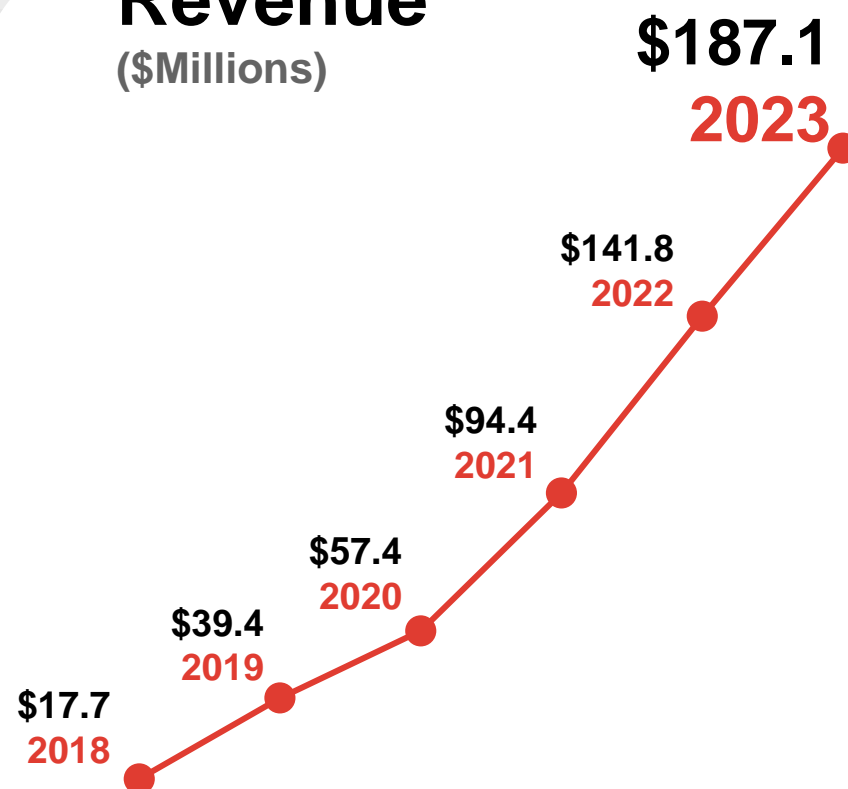


(1) Data as of December 31, 2023. Active Surgeons perform at least one Lapiplasty[®] procedure in trailing 12 months. The usage in this chart represents the average surgeon utilization rate for the last 12 months. More than 12 months must have elapsed from the date of the surgeon's first use for the surgeon to be included in the year 1 column. Usage shown excludes our Surgeon Advisory Board members.

Market-capturing momentum A Step Ahead

Tom
Lapiplasty® patient

Revenue (\$Millions)



Increasing blended ASP for each procedure kit sold

Growth % over prior year		Blended ASP
10%	2023	\$6,306
7%	2022	\$5,753
5%	2021	\$5,398

Revenue growth driven by increasing surgeon utilization, new surgeon users and higher blended average sales prices (BASP)

BASP expansion driven by next-gen Lapiplasty® technologies and complementary product usage

SURGEONS SAY:

“The biggest thing from Treace since Lapiplasty®”

“Total game changer”

SpeedPlate™

Fixation Platform, a giant step forward

SpeedPlate™ - a **new standard** for foot and ankle fixation for Lapiplasty®, Adductoplasty® and **BEYOND**. We expect it to fuel continued revenue growth and new surgeon additions.



**SpeedPlate™ Implants
shown in Lapiplasty® and
Adductoplasty® procedure**



**“I’d like the slowest
recovery possible”**

...and other things no patient ever says

Through continued refinement and innovation, the Lapiplasty® procedure can now be performed through a micro 2cm incision



Lapiplasty® Procedure
~7cm Incision; 2015



Mini-Incision™ System
~3.5cm Incision; 2021



Micro-Lapiplasty™ System
~2cm Incision; Q1 2024

**Uses
SpeedPlate™
fixation with
premium ASP**



Building on our strengths

Powerful Future Pipeline

Coming in 2H 2024



REDPOINT™ PSI TECHNOLOGY

Pre-operative planning and patient-specific cut guides

Strengthens market leadership position and competitive differentiation

First to U.S. market with FDA-cleared PSI solution for bunion and midfoot deformity correction



NEW TECHNOLOGY PLATFORM

Expected to: Drive further penetration into bunion market

Attract new physicians

Fuel higher utilization rates



Coming in 2H 2024

Mini-Adductoplasty™ System



Mini-Adductoplasty™

Minimally Invasive Midfoot Correction



**DESIGNED TO FURTHER REDUCE
INCISION SIZE AND TISSUE DISSECTION**

Designed to be performed through ~50% smaller incision

Leverages SpeedPlate™ technology for fixation

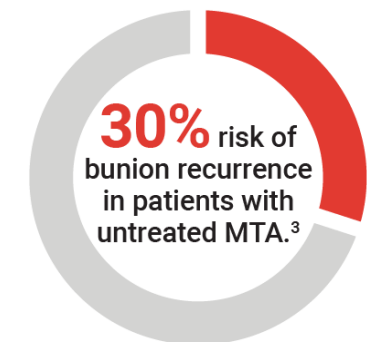
Bunions are a **progressive disorder** and do not go away on their own without surgical correction.¹

~1 in 4

US adults
suffer from
bunions.²



Up to 30% of patients
with bunions also have MTA.^{3,4}



**Addressing MTA decreases
the risk of bunion recurrence.³**

MTA: Metatarsus adductus

(1) American College of Foot and Ankle Surgeons Website

(2) Nix S, et al. J Foot Ankle Res 2010; Sep 27:3:21

(3) Aiyer AA, et al. FAI 2016; 37:165-171

(4) Aiyer AA, et al. FAI 2014; 35:1292-1297

Solidly on Pathway Towards Sustainable Profitability¹



Jen
Lapiplasty® patient

Adjusted EBITDA (\$ in millions)



Driving towards Adjusted EBITDA breakeven in 2024 and cash flow positive in 2025

Total available access to liquidity, including debt facility, is ~\$190 million

Meaningful leverage opportunities to drive profitability

Continued focus on operating expense leverage & management

Scalability of business

Technology-enabled efficiencies

(1) The Company defines Non-GAAP Adjusted EBITDA as net loss before depreciation and amortization expense, interest income, interest expense, taxes, share-based compensation expense, acquisition-related costs and debt extinguishment loss.

Full-Year 2024 Guidance

Guidance (as of February 27, 2024)	Full-Year 2024¹
Revenue	<p>\$220 million to \$225 million</p> <ul style="list-style-type: none"> Guidance range represents 18% to 20% growth vs. prior year
Adjusted EBITDA	<p>Company expects to make significant progress towards Adjusted EBITDA breakeven for full-year 2024</p> <ul style="list-style-type: none"> Anticipates Adjusted EBITDA to improve ~50% compared to full-year 2023

(1) Guidance range communicated on 2/27/2024. The fact that we include these projections in this presentation should not be taken to mean that these amounts continue to be our projections as of any subsequent date. See slide 2 entitled "Forward-Looking Statements" for more information.

Solid footing, setting the pace

Fastest-growing company in foot and ankle

one of the fastest-growing segments in Orthopaedics¹

Differentiated technology and innovative procedures

backed by compelling clinical evidence

Multiple growth drivers:

- + *new surgeons*
- + *surgeon utilization*
- + *new products*
- + *sales rep productivity*
- + *BASP increases*

Positioned to deliver sustainable, strong

~20%+ revenue growth
in 2024 and beyond

Driving towards Adj. EBITDA breakeven

for full-year 2024 and
free cash flow positive in 2025

(1) TMCI estimate based on other publicly-traded peers participating in the foot and ankle market



www.treace.com

NASDAQ: TMCI

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

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GAAP to Non-GAAP Reconciliations

Treace Medical Concepts, Inc.
Reconciliation of GAAP Net Loss to EBITDA & Adjusted EBITDA
(in thousands)
(unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Net loss	\$ (6,281)	\$ (4,412)	\$ (49,527)	\$ (42,815)
Adjustments:				
Interest income	(1,709)	(753)	(6,726)	(1,313)
Interest expense	1,304	1,311	5,167	4,398
Taxes	—	—	—	—
Depreciation & Amortization	1,769	917	5,352	2,133
EBITDA	\$ (4,917)	\$ (2,937)	\$ (45,734)	\$ (37,597)
Share-based compensation expense	5,872	2,470	17,352	8,111
Acquisition-related costs	1,674	—	3,996	—
Debt extinguishment loss	—	—	—	4,483
Adjusted EBITDA	<u>\$ 2,629</u>	<u>\$ (467)</u>	<u>\$ (24,386)</u>	<u>\$ (25,003)</u>