



# **Investor Presentation**

## **Biorez Acquisition**

**Curt R. Hartman**  
Chair of the Board, President, and Chief Executive Officer

**Todd W. Garner**  
Executive Vice President and Chief Financial Officer

**August 1, 2022**

# Forward-Looking Information

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This press release may contain forward-looking statements based on certain assumptions and contingencies that involve risks and uncertainties, which could cause actual results, performance, or trends to differ materially from those expressed in the forward-looking statements herein or in previous disclosures. For example, in addition to general industry and economic conditions, factors that could cause actual results to differ materially from those in the forward-looking statements may include, but are not limited to, the risks posed to the Company's business, financial condition, and results of operations by the COVID-19 global pandemic and the various government responses to the pandemic, including deferral of surgeries, reductions in hospital and ambulatory surgery center operating volumes, disruption to potential supply chain reliability; the ability of CONMED to advance Biorez's product lines following the Merger, including challenges and uncertainties inherent in product research and development, and the uncertain impact, outcome and cost of ongoing and future clinical trials and market studies; uncertainties as to the timing for completion of the Merger; the possibility that various conditions to complete the Merger may not be satisfied or waived; transaction costs in connection with the Merger; the potential effects of the Merger on relationships with employees, customers, other business partners or governmental entities; any assumptions underlying any of the foregoing; as well as risk factors discussed in the Company's Annual Report on Form 10-K for the full year ended December 31, 2021 and other risks and uncertainties which may be detailed from time to time in reports filed by CONMED with the SEC. CONMED's shareholders and other investors are cautioned that any such forward-looking statements are not guarantees of future performance and to not place undue reliance on these forward-looking statements, as actual results may differ materially from those currently anticipated. All forward-looking statements are based on information currently available to CONMED, and CONMED undertakes no obligation to update any such forward-looking statements as a result of new information, future developments or otherwise, except as expressly required by law.

The Company believes that all forward-looking statements made by it have a reasonable basis, but there can be no assurance that management's expectations, beliefs or projections as expressed in the forward-looking statements will actually occur or prove to be correct.

# Shortcomings of the Sports Medicine Market

The natural healing process for ligaments and tendons can be long and slow due to low cellular activity and low vascularity within these tissues. As a result, rehabilitation and recovery are long, often incomplete, and risk of re-tear or re-injury remains high



ACL  
250,000 Surgeries  
Up to 29% graft failure <sup>(1)</sup>



Rotator Cuff  
460,000 Surgeries  
Up to 54% re-tear <sup>(2)</sup>



Other  
290,000 Surgeries  
Up to 16% re-tear <sup>(3)</sup>

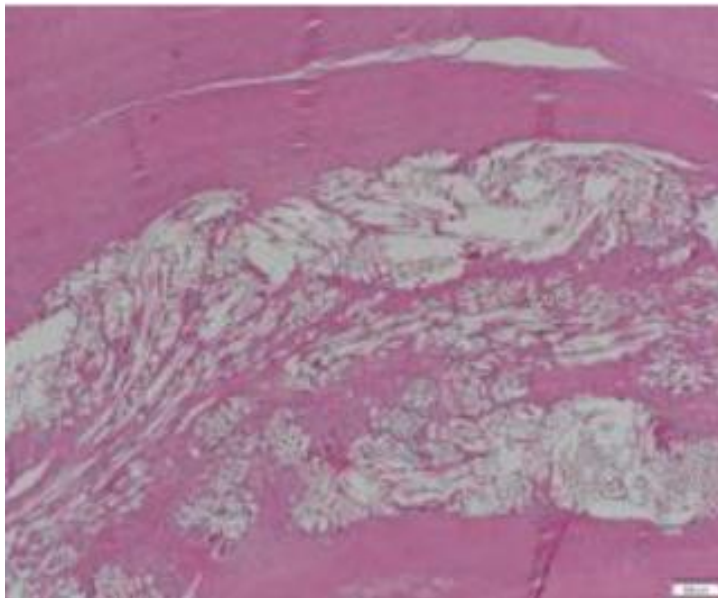
(1) Barrett et al. Am J Sports Med. 2011

(2) Rashid et al. Acta Orthop. 2017

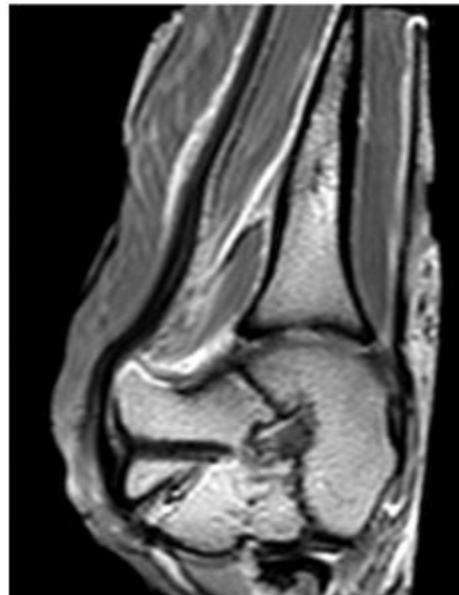
(3) Rettig et al. Am J Sports Med. 2005

# BioBrace® Demonstrated Robust Healing & Strength in Preclinical Testing<sup>1</sup>

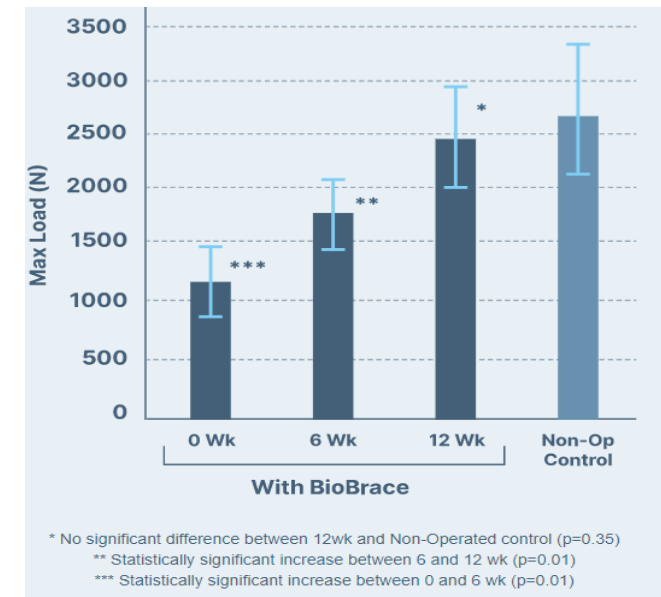
Rapid biologic  
integration 6 weeks  
(histology)



Thicker tendon at 6  
and 12 weeks  
(MRI & histology)



Repair as strong as  
native tendon by 12  
weeks (biomechanics)



(1) Walsh, Arciero et al. ORS. 2021

# BioBrace Platform Technology

Broad indication: “for reinforcement of soft tissue where weakness exists”

- Two implant sizes cleared by FDA :
  - Patch – 23x30mm
  - Ligament – 5x250mm
  - 100% scalable design – additional sizes can be added efficiently



## Rotator Cuff Repair



## ACL Reconstruction

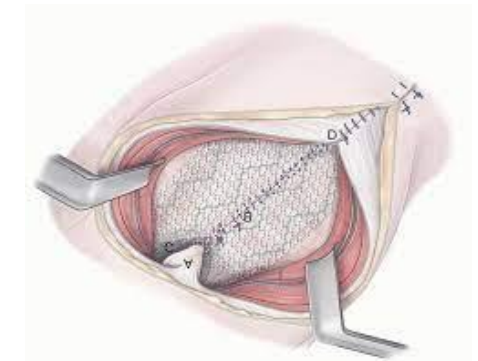


## Other Potential Future Applications

### Foot & Ankle



### Hernia Repair



# Financial Summary of the Acquisition

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## Company

- Biorez, Inc., a private, soft tissue augmentation company, headquartered in New Haven, CT. Their bio-inductive implant encourages new tissue growth, resulting in improved soft tissue to bone incorporation and thicker resultant repaired tissue.

## Payments

- We are paying \$85 million up front with milestone payments tied to revenue growth over four years, totaling an additional maximum of \$165 million.

## Revenue and Gross Margin

- We expect revenue from August to December 2022 to total approximately \$1 million, with gross margins above 80%.

## Profitability

- Impact to adjusted cash EPS is expected to be negative \$0.10 to \$0.15 for both the remainder of 2022 and the full year 2023, and to be accretive thereafter.

# Updated Financial Guidance

## Revenue Guidance:

- We expect approximately \$1 million in revenue from the acquisition from August to December 2022.

	<u>Low</u>	<u>High</u>		
<i>Organic</i>	1,088.1	1,128.0	<b>7.7%</b>	<b>11.6%</b>
<i>In2Bones</i>	22.1	22.1	Actual June plus estimate \$20M in 2nd half 2022	
<i>FX</i>	(15.2)	(10.1)	1.5% to 2.0% in 2H = 1.0% to 1.5% for full year	
<i>Q2 Guide</i>	1,095.0	1,140.0		
<i>Biorez</i>	1.0	1.0	About \$1 million from August to December	
<b><i>New Guide</i></b>	<b>1,096.0</b>	<b>1,141.0</b>	<b>8.4%</b>	<b>12.9%</b>

## Adjusted Cash EPS Guidance:

- Updated full-year adjusted cash EPS guidance to \$3.25-\$3.45, due to \$0.10 to \$0.15 in dilution in 2022.

	<u>Low</u>	<u>High</u>		
<i>Operational</i>	\$ 3.60	\$ 3.70	<b>12.1%</b>	<b>15.3%</b>
<i>In2Bones</i>	\$ (0.10)	\$ (0.05)		
<i>FX</i>	\$ (0.10)	\$ (0.10)		
<i>Q2 Guide</i>	\$ 3.40	\$ 3.55		
<i>Biorez</i>	\$ (0.15)	\$ (0.10)		
<b><i>New Guide</i></b>	<b>\$ 3.25</b>	<b>\$ 3.45</b>	<b>1.2%</b>	<b>7.5%</b>



# Closing Thoughts

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- Intense focus on solving unmet needs for healthcare customers drives increased market share
- Large and attractive markets provide CONMED with ample opportunities for above-average revenue and profitability growth
- Aggregating growth over the long term can drive meaningful shareholder value
- At CONMED, we are focused on doing things the right way and being good corporate citizens