



ATEC Reports Fourth Quarter and Full Year 2021 Financial Results and Recent Corporate Highlights

- Revenue growth of 68% for full year 2021, including organic revenue growth of 50%
- U.S. organic revenue 3-year CAGR of 36%
- Fourth quarter EOS imaging-related revenue of \$12.8 million

CARLSBAD, Calif., March 1, 2022 – Alphatec Holdings, Inc. (Nasdaq: ATEC), a provider of innovative solutions dedicated to revolutionizing the approach to spine surgery, today announced financial results for the quarter and full year ended December 31, 2021, and recent corporate highlights.

Fourth Quarter and Full Year 2021 Financial Results

	Quarter Ended December 31, 2021	Year Ended December 31, 2021
Total revenue	\$74.0 million	\$243.2 million
GAAP gross margin	61.1%	64.9%
Non-GAAP gross margin	70.5%	72.8%
Operating expenses	\$83.4 million	\$285.8 million
Non-GAAP operating expenses	\$66.2 million	\$225.6 million
GAAP operating loss	(\$38.1) million	(\$128.1) million
Non-GAAP adjusted EBITDA	(\$7.5) million	(\$28.1) million
Ending cash balance	\$187.2 million	

Recent Highlights

- Accelerated adoption of Prone Trans-Psoas (PTP) Technique, with ATEC lateral procedures delivering over 40% of Q4 revenue growth;
- Expanded momentum of the recently launched ALIF System advancing anterior column prowess;
- Trained over 400 surgeons in 2021, contributing to a 23% increase in surgeon users in Q4 compared to prior year;
- Generated \$12.8 million in EOS-related revenue, with significant momentum in sales, product development and data management since close of transaction.

“2021 marks the highest revenue on record for ATEC and another year of sector-leading growth,” remarked Pat Miles, Chairman and Chief Executive Officer. “The magnitude and consistency of our growth is a direct reflection of our ability to earn surgeon trust. That trust is a result of our relentless commitment to creating clinically distinct technology that improves the predictability and reproducibility of spine surgery. In 2022, we will continue to expand the lateral market with PTP, advance our distribution network, and place EOS imaging systems while driving portfolio-wide adoption. ATEC is becoming a force in the spine industry.”

Financial Outlook for the Full Year 2022



The Company continues to expect total revenue for the fiscal year ended December 31, 2022, to approximate \$305 million, reflecting growth of approximately 25% compared to the full year 2021. This includes organic revenue growth of 23% and approximately \$45 million of revenue related to EOS imaging.

Investor Webcast

ATEC will present these results via a live webcast today at 1:30 p.m. PT / 4:30 p.m. ET. The live webcast can be accessed by visiting the [Investor Relations Section](#) of ATEC's Corporate Website.

To dial-in to the webcast, please register via [this link](#).

A replay of the webcast will remain available through the Investor Relations section of ATEC's Corporate Website at investors.alphatecspine.com for twelve months. In addition, a dial-in replay will be available beginning two hours after the webcast's completion until March 8, 2022. The replay dial-in numbers are (800) 585-8367 for domestic callers and (416) 621-4642 for international callers. Please use the replay conference ID number 6548679.

Non-GAAP Financial Information

To supplement the Company's financial statements presented in accordance with generally accepted accounting principles in the United States of America (GAAP), the Company reports certain non-GAAP financial measures, including non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating loss, and non-GAAP adjusted EBITDA. The Company believes that these non-GAAP financial measures provide investors with an additional tool for evaluating the Company's core performance, which management uses in its own evaluation of continuing operating performance, and a baseline for assessing the future earnings potential of the Company. The Company's non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in the Company's industry, as other companies in the industry may calculate non-GAAP financial results differently, particularly related to non-recurring, unusual items. Non-GAAP financial results should be considered in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Included below are reconciliations of the non-GAAP financial measures to the comparable GAAP financial measures.

About Alphatec Holdings, Inc.

ATEC, through its wholly owned subsidiaries, Alphatec Spine, Inc., EOS imaging S.A. and SafeOp Surgical, Inc., is a medical device company dedicated to revolutionizing the approach to spine surgery through clinical distinction. ATEC's Organic Innovation Machine™ is focused on developing new approaches that integrate seamlessly with the Company's expanding AlphaInformatiX Platform to better inform surgery and more safely and reproducibly achieve the goals of spine surgery. ATEC's vision is to become the Standard Bearer in Spine. For more information, visit us at www.atecspine.com.

Forward Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainty. Such statements are based on management's current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ



materially from those described in the forward-looking statements. The Company cautions investors that there can be no assurance that actual results will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors. Forward-looking statements include, but are not limited to: references to the Company's revenue and growth outlook; planned product launches, introductions, regulatory submissions or clearances; efforts to transform sales and distribution channels; the Company's ability to compel surgeon adoption; the Company's future ability to finance its operations and sufficiency of its cash runway; and statements about the potential benefits and synergies of the acquisition of EOS imaging, S.A. Important factors that could cause actual operating results to differ significantly from those expressed or implied by such forward-looking statements include, but are not limited to: the uncertainty of success in developing new products or products currently in the pipeline; the uncertainties in the Company's ability to execute upon its strategic operating plan; the uncertainties regarding the ability to successfully license or acquire new products, and the commercial success of such products; failure to achieve acceptance of the Company's products by the surgeon community; failure to obtain FDA or other regulatory clearance or approval or unexpected or prolonged delays in the process; continuation of favorable third-party reimbursement; unanticipated expenses or liabilities or other adverse events affecting cash flow or the Company's ability to achieve profitability; uncertainty of additional funding; the Company's ability to compete with other products or with emerging technologies; product liability exposure; an unsuccessful outcome in any litigation; patent infringement claims; claims related to the Company's intellectual property; the Company's ability to meet its financial obligations; the impact of the COVID-19 pandemic on the Company and economy; and uncertainties and risks related to the integration of EOS imaging, S.A. A further list and description of these and other factors, risks and uncertainties can be found in the Company's most recent annual report, and any subsequent quarterly and current reports, filed with the Securities and Exchange Commission. ATEC disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law.

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