TREACE®
Medical Concepts, Inc.

The Leader in Hallux Valgus Surgery™

3Q 2023 Earnings Presentation

November 9, 2023

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, 2022, and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K. 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 expected to be 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. This earning release also presents net loss attributable to common stockholders excluding the debt extinguishment loss on an aggregate and per share basis ("Adjusted Net Loss"). Non-GAAP financial measures such as Adjusted EBITDA and Adjusted Net Loss 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 and Adjusted Net Loss 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 and Adjusted Net Loss. 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 and Adjusted Net Loss 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:
Executing Our Business Strategy to Drive Growth

3Q and YTD 2023 Results Summary

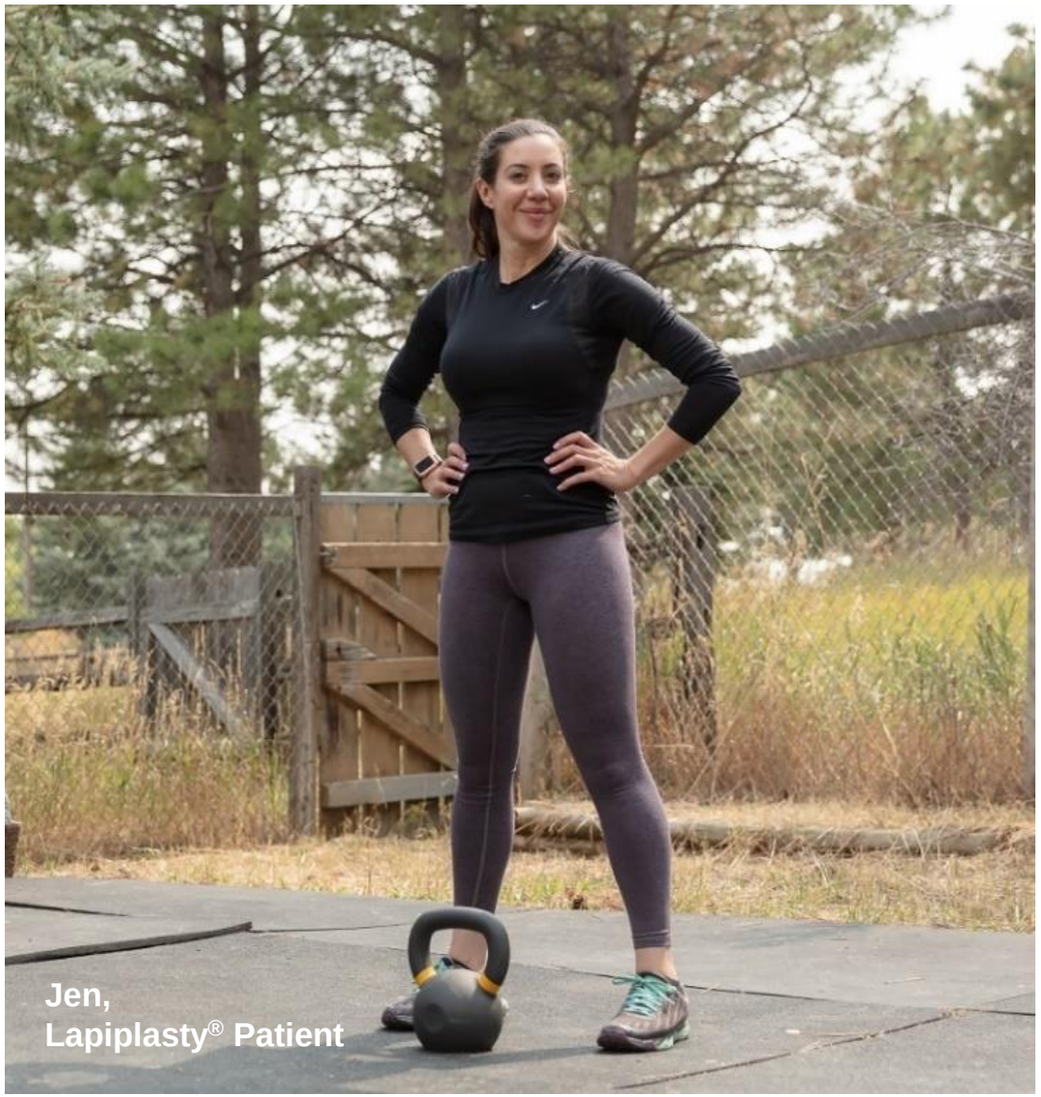
$ in millions, except %	3Q'23	Y-Y Change	YTD 2023	Y-Y Change
Revenue	$40.8	+23%	$124.9	+36%
Gross Margin	80.4%	-120 bps	81.0%	-110 bps
Net Loss	$(17.5)	+44%	$(43.2)	+13%
Non-GAAP Adjusted EBITDA[1]	$(9.2)	+7%	$(27.0)	+10%

(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.

- **Continued to advance key** performance metrics
- **Revenue results impacted by prioritized travel and vacations** for our patient demographic, which led to lower than anticipated demand for our Lapiplasty® procedure in the quarter
- **Added 304 new surgeons YTD** and 110 new surgeons in Q3'23; matched all-time record for surgeon adds in month of September
- **Sold 6,459 Lapiplasty® procedure kits** in the third quarter, +13% increase compared to same quarter last year
- **Record blended average selling price of $6,311** in 3Q'23; +9% increase over prior year

3Q 2023 Key Messages

- Continued to **advance key performance metrics**
- Revenue growth **+23%** vs. tough prior year comp and 1 less selling day
- Ended Q3 with **2,691 active surgeons, +21% year-over-year**
- Blended average revenue per Lapiplasty® procedure kit sold was **record high $6,311**, +9% increase over same period last year
- Initiated **commercialization** of several new technologies, including the **2nd generation SpeedPlate™ fixation platform**, Hammertoe PEEK Fixation System, and LapiTome™ and RazorTome™ sterile instruments
- Milestone **50th U.S. Patent** issued in September
- Confident that we have the right strategy in place **to outpace our competitors, drive continued market penetration and deliver strong growth** for remainder of 2023 and beyond
- **Continued progress on pathway to profitability** – potential for adj. EBITDA breakeven for full-year 2024 and positive cash flow in 2025



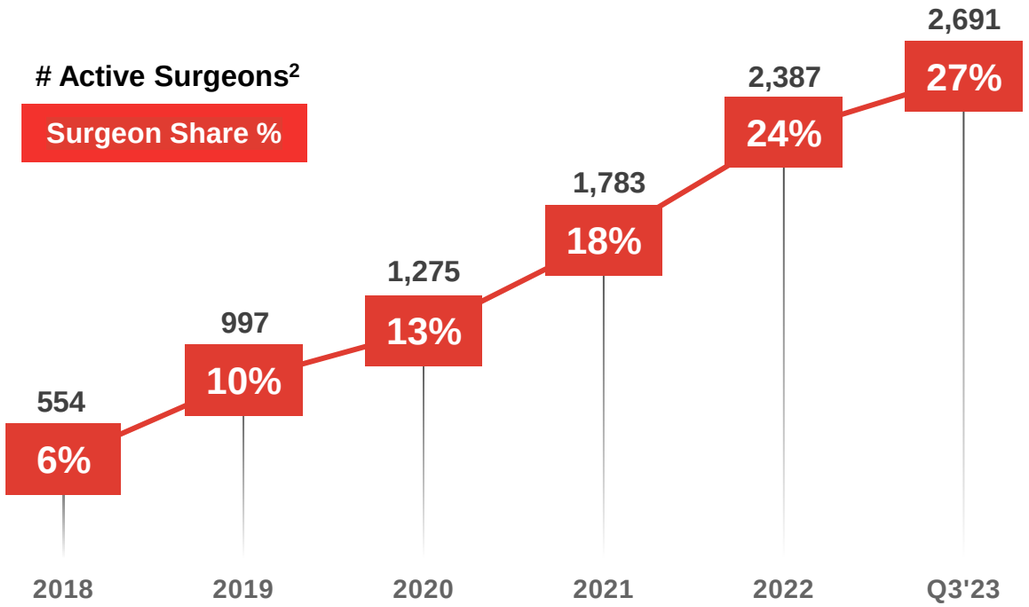
Significant Momentum Capturing Market

Goal

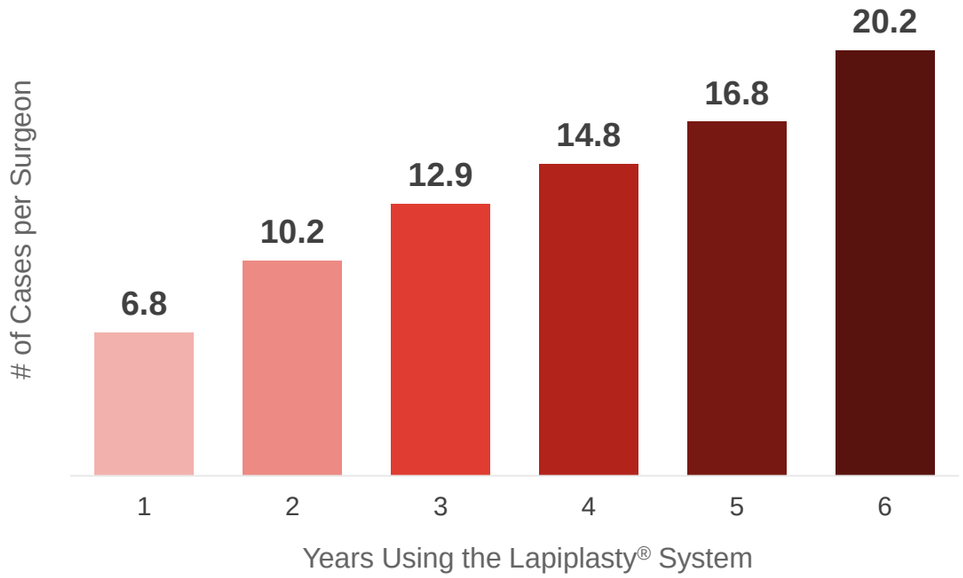
Establish novel **Lapiplasty® 3D Bunion Correction®** procedure as the standard of care for bunion treatment

- 34% 4-year CAGR in Active Surgeons[1]
- 27% of the 10,000 US bunion surgeons using Lapiplasty®
- Increased experience leads to increased utilization

Surgeon Share & Growth



Last Twelve Months Average Surgeon Usage[1]

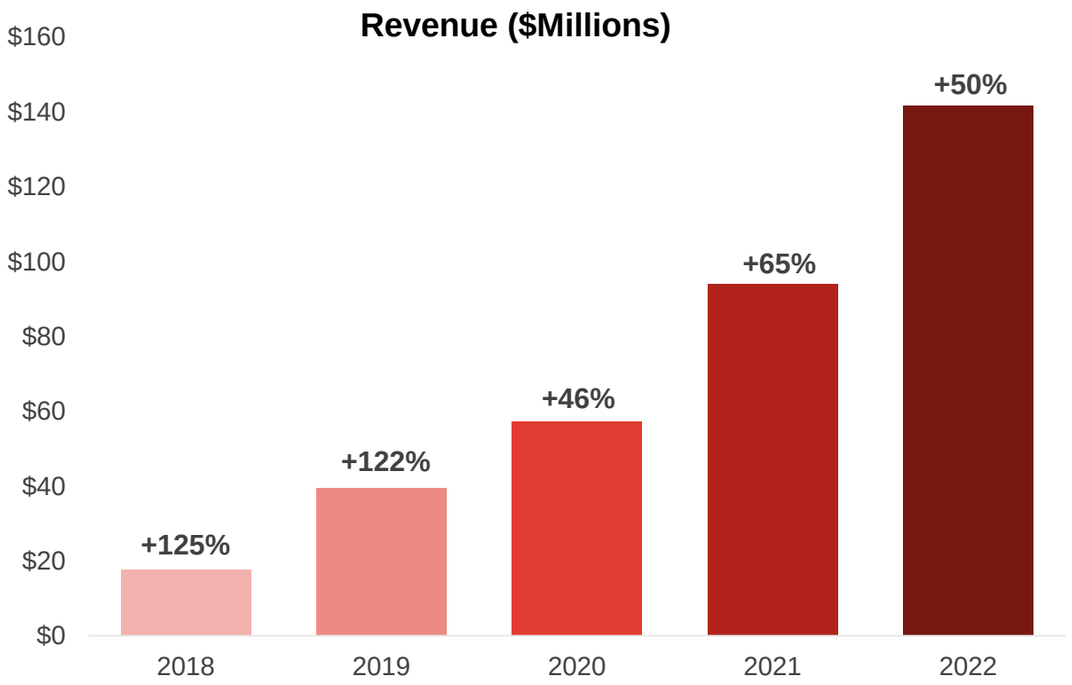


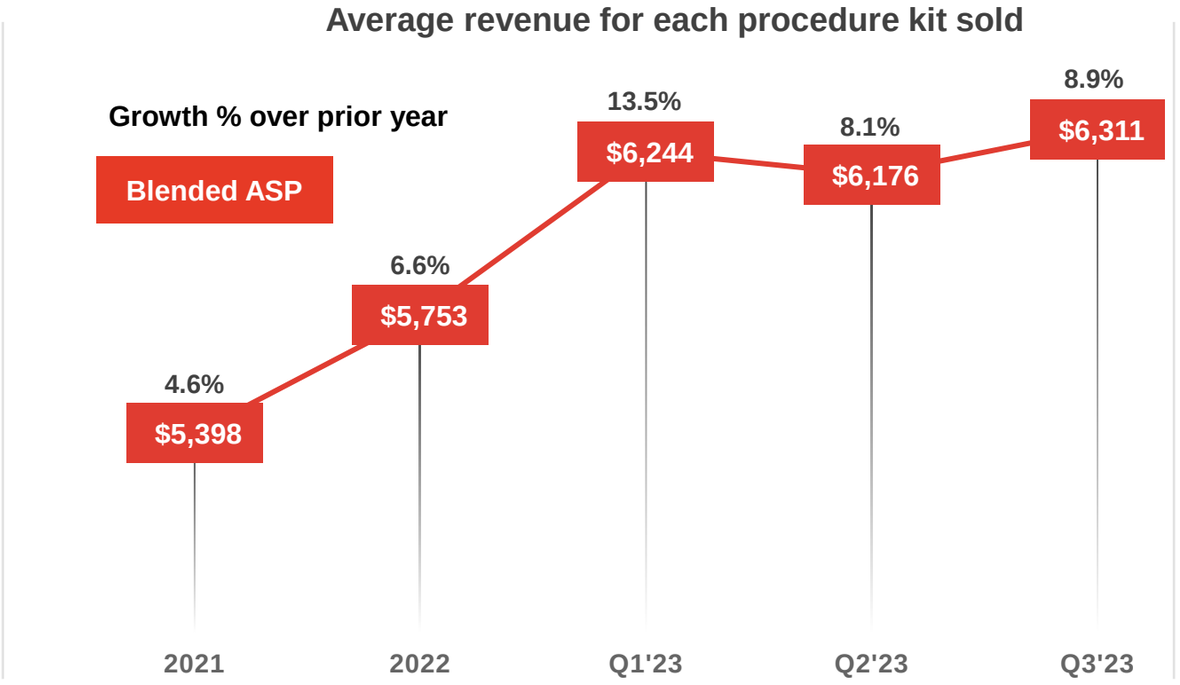
(1) 4-yr CAGR reflects Q3 2019 to Q3 2023
(2) Active Surgeons perform at least one Lapiplasty® procedure in trailing twelve months

Significant Momentum Capturing Market

Revenue growth driven by increasing surgeon utilization, new surgeon users and higher Blended ASP

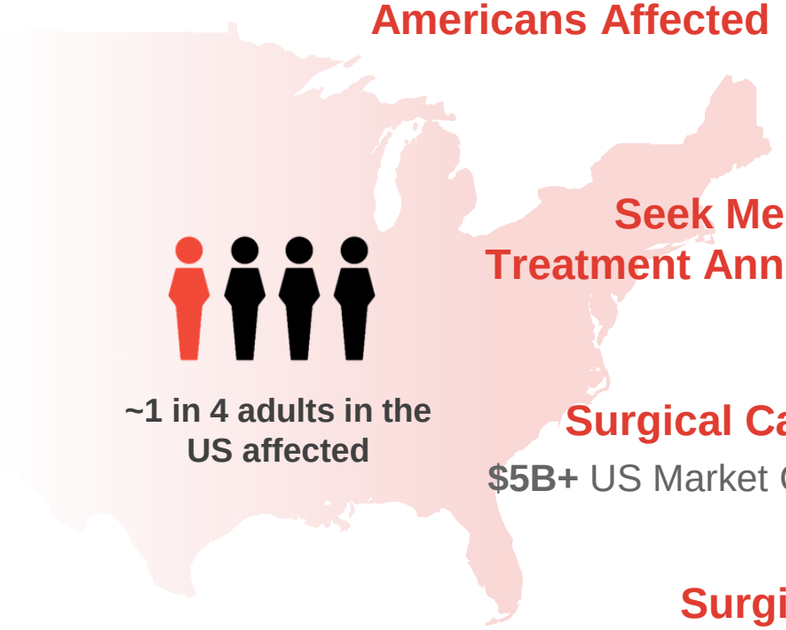
Blended ASP expansion driven by next-gen Lapiplasty® technologies and complementary product usage





Large and Underserved US Market Opportunity

- One of the largest and most underserved markets in orthopaedics
- 10,000 US Bunion Surgeons: ~7,400 surgical podiatrists + ~2,600 orthopaedic foot & ankle specialists



Americans Affected

~1 in 4 adults in the US affected

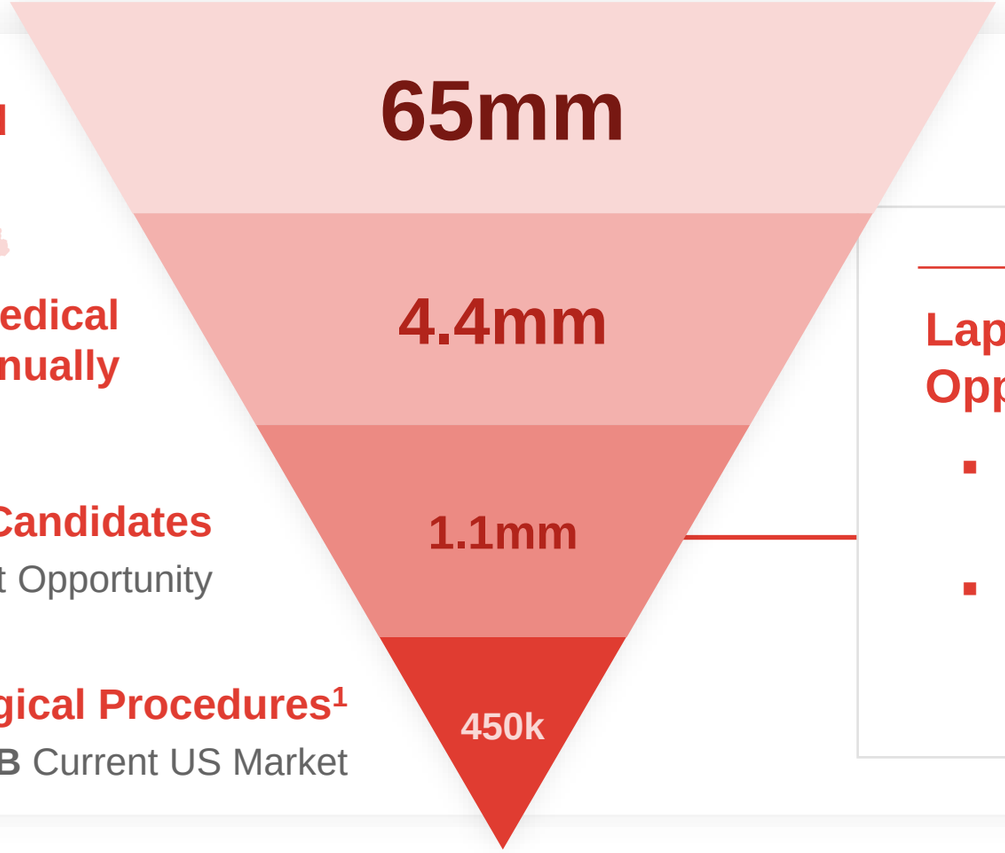
Seek Medical Treatment Annually

Surgical Candidates

$5B+ US Market Opportunity

Surgical Procedures[1]

$2.3B Current US Market



Lapiplasty® System Opportunity

- 450k surgical procedures[1] per year
- 650k additional patients in need of surgical treatment

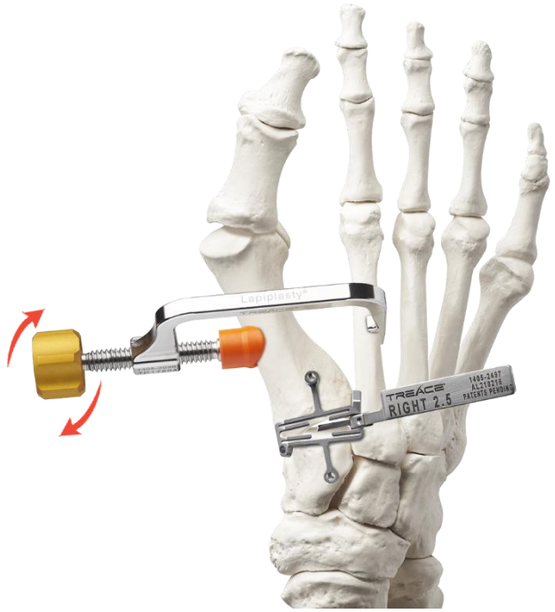
(1) iData Research, Inc., 2022

Our Novel Solution: Lapiplasty® 3D Bunion Correction® System

- Patented 3D procedure for the 3D problem
- Addresses the root cause of the bunion (unstable joint)
- Early return to weight bearing at avg 8.4 days[1,2]
- Low recurrence rate (0.7% at 24 months and 1.1% at 36 months)[1,3]

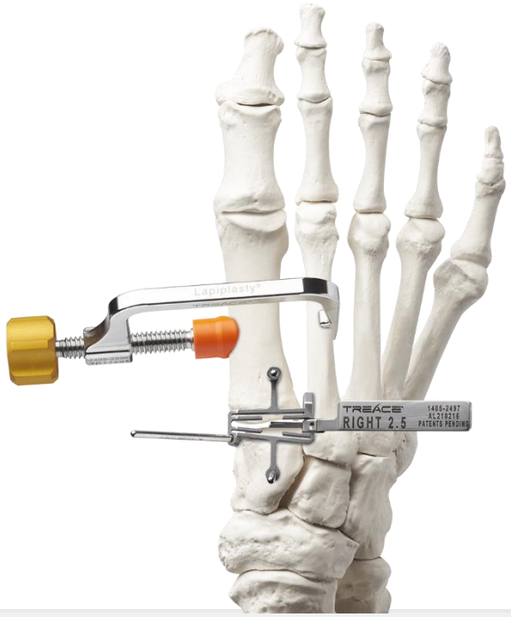
Correct.

Make correction *before* you cut



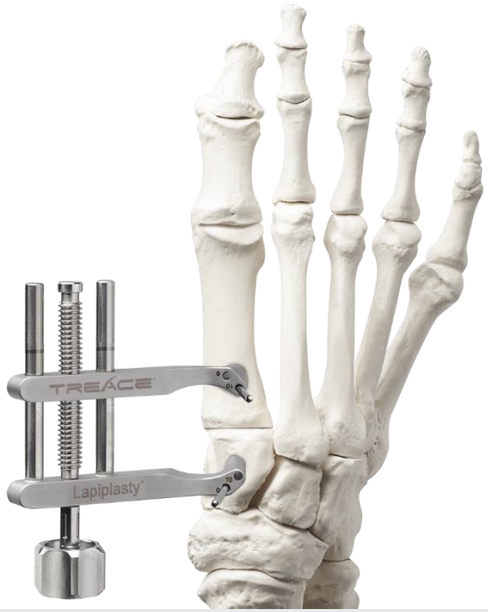
Cut.

Perform precision cuts with confidence



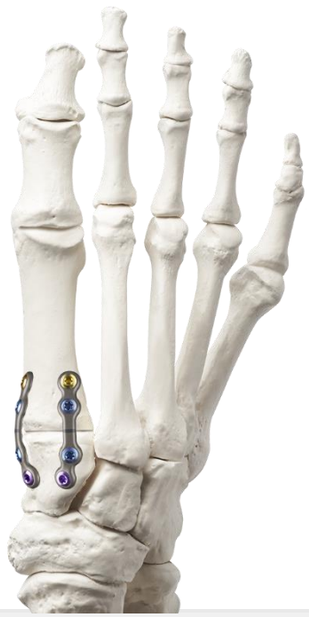
Compress.

Achieve controlled compression of joint surfaces



Fixate.

Apply multiplanar fixation for robust stability

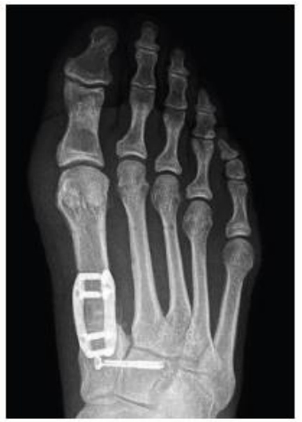


(1) Interim ALIGN3D™ study report, AOFAS 2023
(2) In a post-operative boot
(3) 0.7% of patients (1 of 151 patients) at 24 months and 1.1% (1 of 95 patients) at 36 months

Lapiplasty® Just Got Even Better: Introducing SpeedPlate™ Fixation Platform

Now Available!

- **Dynamic Compression**
  designed to deliver stability of a titanium locking plate[1] with speed & compression of a staple
- **Platform Technology**
  for Micro-Lapiplasty™ (2cm incision), Lapiplasty® & Adductoplasty® procedures and beyond
- **Significant opportunity outside of core procedures**
  leveraging innovative technology and sales channel



SpeedPlate™ Key Surgical Steps

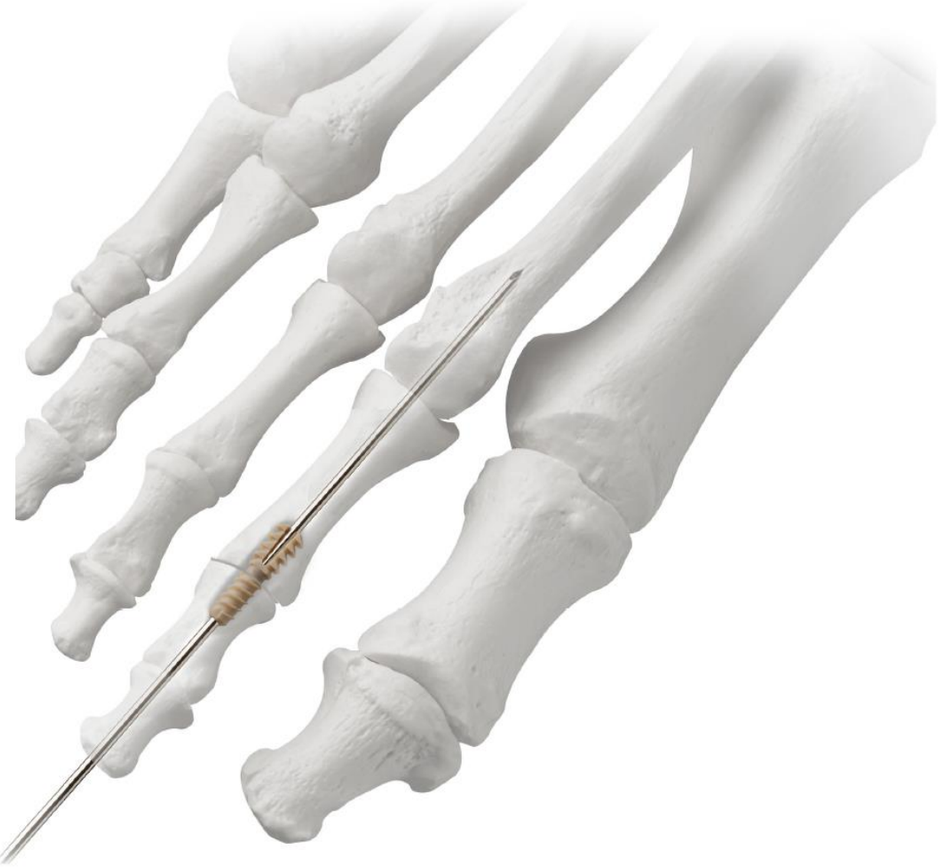
(1) Encompasses locking plate and screw construct.

Rapid, Focused Innovation: Hammertoe Correction

Hammertoe PEEK Fixation System

- Designed to address hammertoe, claw toe and mallet toe deformities
- PEEK implant offers radiolucency and mechanical properties comparable to bone[1,2]
- Cannulated system to facilitate streamlined insertion and allow for accurate implant placement
- Sterile-packed kit

Full Launch in 4Q 2023



Hammertoes often present with bunions - **one of the most prevalent deformities in the foot** resulting in approximately 700,000 surgical repairs per year in the U.S.[3]

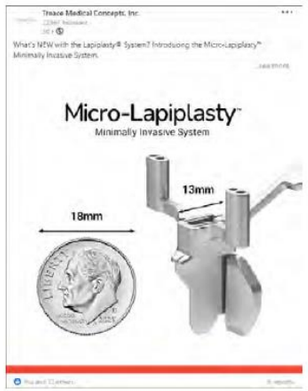
(1) Treace Medical Concepts data on file.
(2) Dong, X. N., et al. (2012). *Journal of Biomechanics, 45*(16), 2829–2834.
(3) iData Research.

Strong presence at AOFAS Annual Meeting in September

AMERICAN ORTHOPAEDIC FOOT & ANKLE SOCIETY®

Dynamic. Decisive. Dedicated.

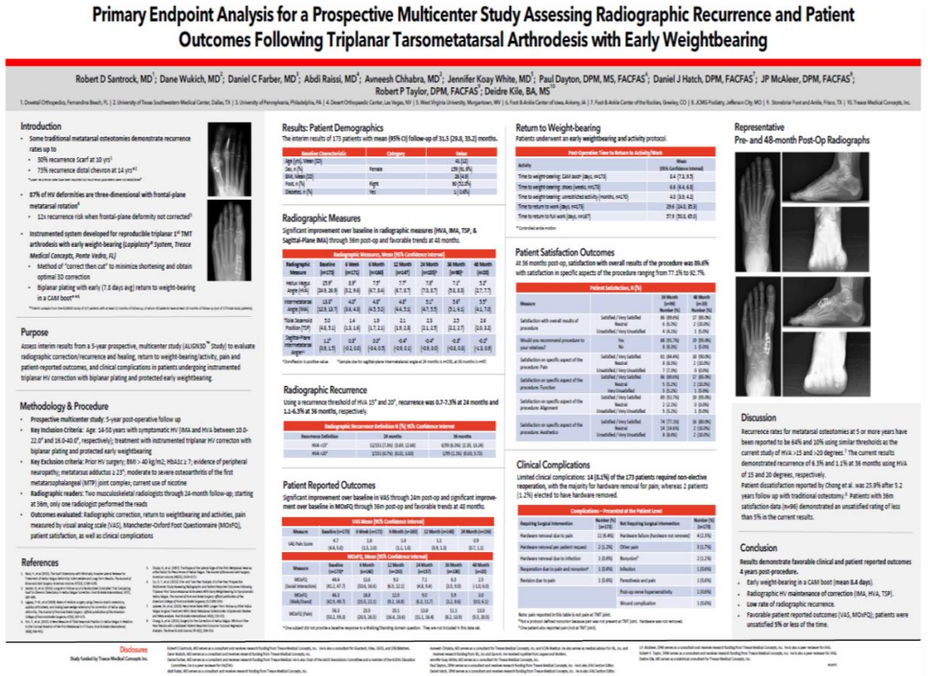
The Top Gun SpeedPlate™ challenge was a huge success



Read the Press Release

Watch the AOFAS 2023 Video

ALIGN3D™ Study:
Sustained, Clinical Outcomes Presented at AOFAS Annual Meeting



Primary Endpoint Analysis for a Prospective Multicenter Study Assessing Radiographic Recurrence and Patient Outcomes Following Triplanar Tarsometatarsal Arthrodesis with Early Weightbearing

Robert D Santrock, MD[1]; Dane Wukich, MD[2]; Daniel C Farber, MD[3]; Abdi Raissi, MD[4]; Avneesh Chhabra, MD[5]; Jennifer Koay White, MD[3]; Paul Dayton, DPM, MS, FACFAS[6]; Daniel J Hatch, DPM, FACFAS[7]; JP McAleer, DPM, FACFAS[8]; Robert P Taylor, DPM, FACFAS[9]; Deidre Kile, BA, MS[10]

Introduction

Purpose

Methodology & Procedure

References

Results: Patient Demographics

Radiographic Measures

Radiographic Recurrence

Patient Reported Outcomes

Return to Weight-bearing

Patient Satisfaction Outcomes

Clinical Complications

Representative Pre- and 48-month Post-Op Radiographs

Discussion

Conclusion

Disclosures

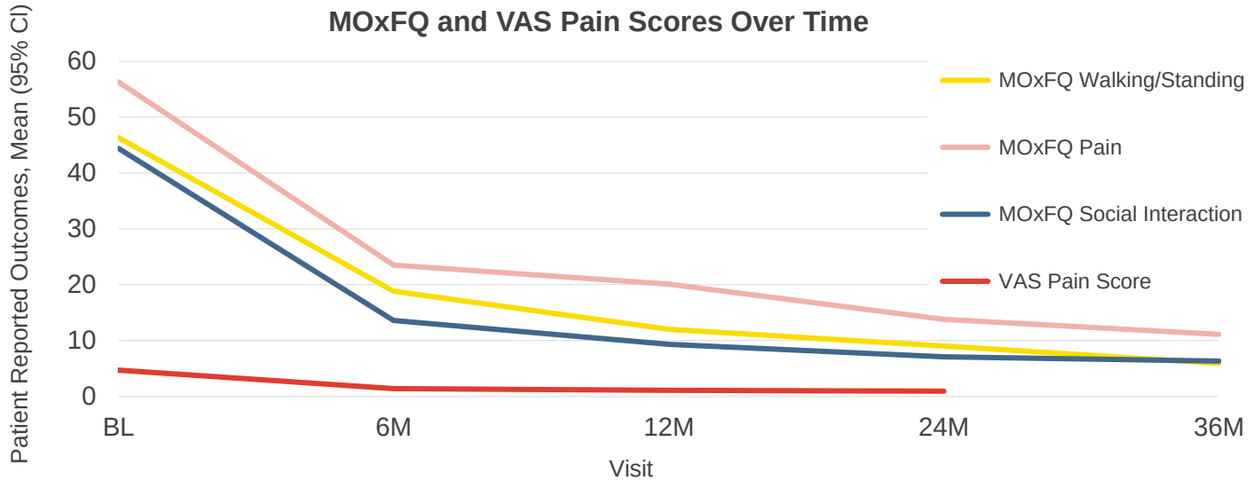
Study funded by Treace Medical Concepts Inc.

View White Paper

ALIGN3D™ Multicenter Prospective Study[1]

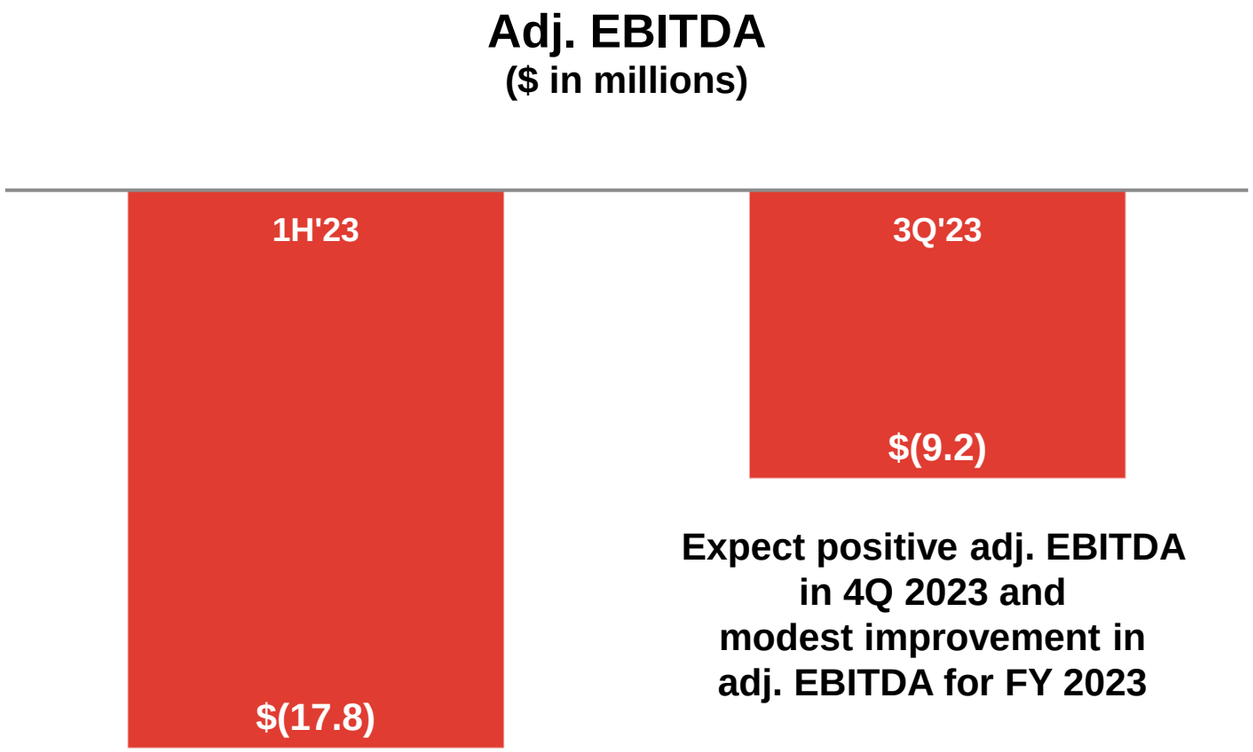
7 centers, 13 surgeons,173 patient report, average follow-up of 33.4 months

- Early return to weight bearing at avg 8.4 days (n=173);[2]
- Recurrence rate of 0.7% (1 of 151 patients) at 24 months and 1.1% (1 of 95 patients) at 36 months;
- 81% pain reduction (VAS)[3] & 92% and 93% improvement in walking/standing and social interaction scores, respectively[4]



(1) Interim ALIGN3D™ study report, AOFAS 2023
(2) In a post-operative boot
(3) VAS at 24 months post-procedure (n=156). VAS scores only collected to 24 months.
(4) MOxFQ at 36 months (n=100)

Solidly on pathway towards sustainable profitability[1]



(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.

Total available access to liquidity, including debt facility, is approximately $214 million

Updated Full-Year 2023 Guidance

Guidance (as of November 9, 2023)	Full-Year 2023[1]
Revenue	**$182 million to $186 million** (was $191 million to $197 million) • Midpoint of guidance range represents 30% growth vs. prior year
Adj. EBITDA	Modest improvement in adjusted EBITDA for full-year 2023 compared to 2022

(1) Guidance range communicated on 11/9/2023. 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.

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GAAP to Non-GAAP Reconciliations

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss	$ (17,521)	$ (12,133)	$ (43,246)	$ (38,403)
Adjustments:				
Interest income	(1,570)	(420)	(5,017)	(560)
Interest expense	1,296	1,190	3,863	3,087
Taxes	—	—	—	—
Depreciation & Amortization	1,564	459	3,583	1,216
EBITDA	$ (16,231)	$ (10,904)	$ (40,817)	$ (34,660)
Share-based compensation expense	5,192	2,269	11,480	5,641
Acquisition-related costs	1,802	—	2,322	—
Debt extinguishment loss	—	—	—	4,483
Adjusted EBITDA	$ (9,237)	$ (8,635)	$ (27,015)	$ (24,536)