November 5, 2026

Shoulder Innovations Reports Third Quarter 2026 Financial Results and Raises Full Year Outlook

52% Year-to-Date 2026 Revenue Growth

GRAND RAPIDS, Mich., Nov. 5, 2026 /PRNewswire/ -- Shoulder Innovations, Inc. (Shoulder Innovations, or the company) (NYSE: SI), a commercial-stage medical technology company exclusively focused on transforming the shoulder surgical care market, today reported financial results for the third quarter ended September 30, 2026.



Third Quarter Financial Highlights

- Generated net revenue of $16.2 million in the third quarter, a 38% increase over the third quarter of 2025
- Achieved gross margin of 78.5% for the third quarter compared to 76.2% for the third quarter of 2025
- Increased average selling price of our implant systems to $7,616 in the third quarter, a 2% increase over the third quarter of 2025
- Increased full year 2026 net revenue guidance to $68 million to $70 million, representing growth of approximately 44% to 48% over full year 2025 net revenue

Recent Business Highlights

- Sold 2,126 total implant systems in the third quarter, an approximate 34% increase over the third quarter of 2025
- Completed the first surgical cases with InSet® Go, the company's next-generation InSet® anatomic glenoid implant
- Received FDA 510(k) clearance for and initiated commercial launch of the N-22 humeral head, extending the company's N-22 line for patients with metal hypersensitivity to anatomic procedures
- Announced exclusive partnership with ALM Ortho to develop additively manufactured solutions for severe deformity and complex revision cases
- Continued to expand the commercial leadership organization to support new territory expansion
- Promoted Jon Osborne to Chief Commercial Officer with responsibility for all elements of the company's commercial organization

- Announced a settlement agreement with Catalyst OrthoScience Inc. to resolve all outstanding patent litigation between the two companies

"Our third quarter results reflect the consistency of our commercial model, as we added new surgeons ahead of plan, grew volume within our existing customer base, and kept our product roadmap moving," said Rob Ball, CEO of Shoulder Innovations. "This performance enabled us to again raise our outlook for the full year, and confirmed our conviction regarding our ability to grow market share through a differentiated approach to shoulder surgical care."

Mr. Ball continued, "From a new product standpoint, we're pleased to have recently completed the first successful cases with InSet Go, our next-generation glenoid implant. Beyond our own pipeline, our partners are extending what our platform can offer, with a new partnership bringing bespoke solutions for the most complex revision cases and our soft tissue relationship positioning us to serve more of each shoulder specialist's practice. As we head into the final quarter of 2026, the commercial organization we've built continues to perform, our pipeline has never been deeper, and we look forward to finishing the year strong and building on that momentum into 2027, including the planned FDA submission of InSet Neo, our shoulder-specific robotic platform."

Third Quarter 2026 Financial Results

Net revenue in the third quarter of 2026 increased 38% to $16.2 million, compared to $11.8 million in the third quarter of 2025. The increase was primarily due to an increase in the number of implant systems sold, driven by new surgeon customers and higher utilization among existing customers, as well as an increase in the average selling price of implant systems.

Gross margin in the third quarter of 2026 was 78.5%, compared to 76.2% in the third quarter of 2025. The increase was due to increases in the average selling price of implant systems, as well as benefits from cost reduction programs.

Selling, general and administrative expenses in the third quarter of 2026 increased 14% to $17.1 million, compared to $15.1 million in the third quarter of 2025. The increase was primarily due to investments in the commercial organization and higher variable selling expenses, partially offset by lower legal expenses.

Research and development expenses in the third quarter of 2026 increased 107% to $3.2 million, compared to $1.5 million in the third quarter of 2025. The increase was due to investment in new product development efforts, including substantial work related to the InSet Neo robotic platform.

Operating loss in the third quarter of 2026 and 2025 was unchanged at $7.6 million, as higher gross profit was offset by increased operating expenses. Net loss in the third quarter of 2026 was $7.0 million, compared to a net loss of $8.7 million in the third quarter of 2025. The decrease in net loss was primarily due to changes in the fair value of the company's preferred stock warrant liability and convertible notes in the prior year.

Adjusted EBITDA in the third quarter of 2026 was a loss of $5.5 million, compared to a loss of $7.5 million in the third quarter of 2025. The decrease in the loss was primarily due to higher gross profit, partially offset by the aforementioned operating expenses. In addition, the prior year included changes in the fair value of the company's preferred stock warrant liability and convertible notes.

As of September 30, 2026, cash and cash equivalents, and marketable securities totaled $92.3 million.

2026 Financial Outlook

Shoulder Innovations expects net revenue for the full year 2026 to be in the range of $68 million to $70 million, representing growth of approximately 44% to 48% over full year 2025 net revenue. This compares to prior guidance of $67 million to $69 million, representing growth of approximately 42% to 46% over full year 2025 net revenue.

Conference Call

Management will host a conference call today, November 5, 2026, at 4:30 p.m. ET / 1:30 p.m. PT to discuss the company's third quarter 2026 financial results. Those interested in listening to the conference call may do so by dialing (877) 407-8216 for domestic callers or (412) 902-1015 for international callers and providing access code 13762885. A live and archived webcast of the event will be available in the "Investor Relations" section of the Shoulder Innovations website at https://ir.shoulderinnovations.com.

Use of Non-GAAP Financial Measures and Key Business Metrics

In addition to our results and measures of performance determined in accordance with U.S. GAAP, we believe that non-GAAP financial measures can be useful in evaluating and comparing our financial and operational performance over multiple periods, identifying trends affecting our business, formulating business plans and making strategic decisions. We use and present Adjusted EBITDA for these purposes. We define Adjusted EBITDA as net loss before interest (income) expense, net, income tax expense, loss on extinguishment of debt, depreciation and amortization, and stock-based compensation expense. We have reconciled our historic non-GAAP financial measures to the applicable most comparable GAAP measures in this press release.

We believe that Adjusted EBITDA, together with a reconciliation to net loss, provides meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations, or outlook. However, Adjusted EBITDA has limitations as an analytical tool, and you should not consider this measure in isolation or as a substitute for analysis of our financial results as reported under U.S. GAAP. Some of these potential limitations include: (i) other companies, including companies in our industry which have similar business arrangements, may report Adjusted EBITDA, or similarly titled measures but calculate them differently, which reduces their usefulness as comparative measures; (ii) although depreciation and amortization expenses are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditures for such replacements or for new capital expenditure requirements; (iii) Adjusted EBITDA also does not reflect changes in, or cash requirements for, our working capital needs or the potentially dilutive impact of stock-based compensation; and (iv) Adjusted EBITDA does not reflect the interest (income) expense, net, or the cash requirements necessary to service interest or principal payments, on existing or future debt that we may incur. Because of these and other limitations, you should consider Adjusted EBITDA only as supplemental to other GAAP-based financial measures.

In addition, we believe that the number of implant systems sold is a key business metric and a useful indicator of our ability to drive demand for our implant systems, generate net

revenue and expand our business. We regularly review a number of operating and financial metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate our business plan and make strategic decisions.

About Shoulder Innovations

Shoulder Innovations is a commercial-stage medical technology company exclusively focused on transforming the shoulder surgical care market, with a current offering of advanced implant systems for shoulder arthroplasty. These systems are a core element of Shoulder Innovations' ecosystem, which is designed to improve core components of shoulder surgical care – preoperative planning, implant design and procedural efficiency – to benefit each stakeholder in the care chain. Shoulder Innovations' ecosystem is also comprised of enabling technologies, efficient instrument systems, specialized support and surgeon-to-surgeon collaboration. Together, these elements seek to address the long-standing clinical and operational challenges in the shoulder surgical care market by delivering predictable outcomes, procedural simplicity, and efficiency across all sites of care.

Forward-Looking Statements

This press release contains, and other communications of the company may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "believe," "expect," "anticipate," "intend," "estimate," "project," "outlook," "forecast," "target," "trend," "plan," "goal," or other words of comparable meaning or future-tense or conditional verbs such as "may," "will," "should," "would," or "could."

Statements concerning the company's future are forward-looking statements, and are based on management's current expectations, assumptions and beliefs about the company's business, financial performance, creation of long-term shareholder value, operating results, the industry in which we operate and possible future events. These statements include, but are not limited to, statements regarding the company's anticipated growth prospects and future operating and financial performance. Forward-looking statements convey the company's expectations, intentions, or forecasts about future events, circumstances, results, or aspirations. Forward-looking statements are not guarantees of future results and are subject to risks, uncertainties, assumptions and other important factors, which may change over time and many of which are beyond the company's control, and which could cause the company's actual results to materially and adversely differ from those expressed in any forward-looking statement, including (i) our history of significant net losses; (ii) failure to manage the growth of our business; (iii) our inability to compete successfully against our existing or potential competitors; (iv) failure to develop, retain, or expand an effective dedicated commercial leadership team; (v) risks associated with litigation; (vi) our dependence upon the adoption of our implant systems by hospitals, ambulatory surgery centers, surgeons and patients; (vii) our ability to enhance our implant systems, expand our indications and develop and commercialize additional products in a timely manner; (viii) risks associated with our third-party manufacturers and suppliers; (ix) demand forecasts for our implant systems; (x) our ability to demonstrate to shoulder specialists or key opinion leaders the merits of our implant systems; (xi) federal and state healthcare laws and government regulation and oversight over our devices and operations; (xii) our ability to obtain and maintain patent and other intellectual property protection over our products; (xiii) risks associated with our common stock; and (xiv) the other important factors described in our

most recently filed Annual Report on Form 10-K and subsequent other filings with the Securities and Exchange Commission.

These documents are available in the Investor Relations section of the company's website at www.shoulderinnovations.com (information on the website is not incorporated by reference into this press release and should not be considered part of this document).

You should not place undue reliance on forward-looking statements. The information in this press release is provided as of today's date only, and, except as required by federal securities law, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changing circumstances or for any other reason after today.

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Shoulder Innovations, Inc.
Condensed Statements of Operations and Comprehensive Loss
(Unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net revenue	$ 16,191	$ 11,756	$ 50,074	$ 32,901
Cost of goods sold	3,486	2,795	10,942	7,756
Gross profit	12,705	8,961	39,132	25,145
Selling, general, and administrative expenses	17,137	15,077	55,431	38,428
Research and development expenses	3,165	1,525	10,310	4,514
Operating loss	(7,597)	(7,641)	(26,609)	(17,797)
Other (income) expense				
Interest (income) expense, net	(574)	78	(1,683)	661
Change in fair value of convertible notes, net	—	2,217	—	2,217
Change in fair value of Series E purchase option	—	—	—	11,719
Loss on extinguishment of debt	—	—	589	—
Other (income) expense, net	25	(1,207)	65	193
Total other (income) expense	(549)	1,088	(1,029)	14,790
Loss before income tax expense	(7,048)	(8,729)	(25,580)	(32,587)
Income tax expense	—	—	—	—
Net loss	$ (7,048)	$ (8,729)	$ (25,580)	$ (32,587)
Other comprehensive loss, net				
Unrealized loss on marketable securities	(17)	(43)	(238)	(158)
Total other comprehensive loss, net	(17)	(43)	(238)	(158)
Comprehensive loss	$ (7,065)	$ (8,772)	$ (25,818)	$ (32,745)

Net loss per share attributed to common stock – basic and diluted:				
Net loss per share	$ (0.34)	$ (0.64)	$ (1.23)	$ (7.00)
Weighted average shares outstanding				
Weighted average common shares outstanding – basic and diluted	20,844,461	13,604,556	20,745,098	4,652,825

Shoulder Innovations, Inc.
Condensed Balance Sheets
(Unaudited)
(in thousands, except share and per share amounts)

	September 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 36,416	$ 26,871
Marketable securities	55,918	97,434
Trade accounts receivable, net of allowance for credit losses	9,286	8,268
Inventories, net	24,380	21,591
Prepaid expenses	2,590	1,518
Other current assets	2,494	1,483
Total current assets	131,084	157,165
Property and equipment, net	13,768	12,532
Operating lease right-of-use asset	60	110
Other assets	648	—
Intangible assets, net	14	100
Total assets	$ 145,574	$ 169,907
Liabilities, convertible preferred stock, and stockholders' equity		
Current liabilities		
Accounts payable	$ 4,560	$ 8,874
Current operating lease obligations	37	62
Accrued liabilities	7,679	5,259
Total current liabilities	12,276	14,195
Long-term liabilities		
Long-term debt	14,848	14,911
Other long-term liabilities	24	51
Total long-term liabilities	14,872	14,962
Total liabilities	$ 27,148	$ 29,157
Commitments and contingencies		
Stockholders' equity		
Common stock, $0.001 par value, 730,000,000 shares authorized and 20,922,204 and 20,623,457 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	$ 21	21
Preferred stock, $0.001 par value, 20,000,000 shares authorized and no shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	—	—

Additional paid-in capital	241,506	238,012
Accumulated deficit	(122,980)	(97,400)
Accumulated other comprehensive income (loss)	(121)	117
Total stockholders' equity	118,426	140,750
Total liabilities, convertible preferred stock, and stockholders' equity	$ 145,574	$ 169,907

Shoulder Innovations, Inc.

Reconciliation of Reported Net Loss to Adjusted EBITDA

(Unaudited)

(in thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net loss	$ (7,048)	$ (8,729)	$ (25,580)	$ (32,587)
Interest (income) expense, net	(574)	78	(1,683)	661
Income tax expense	—	—	—	—
Loss on extinguishment of debt	—	—	589	—
Depreciation and amortization expense	1,117	843	3,382	2,228
Stock-based compensation expense	1,018	298	2,825	615
Adjusted EBITDA	$ (5,487)	$ (7,510)	$ (20,467)	$ (29,083)

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