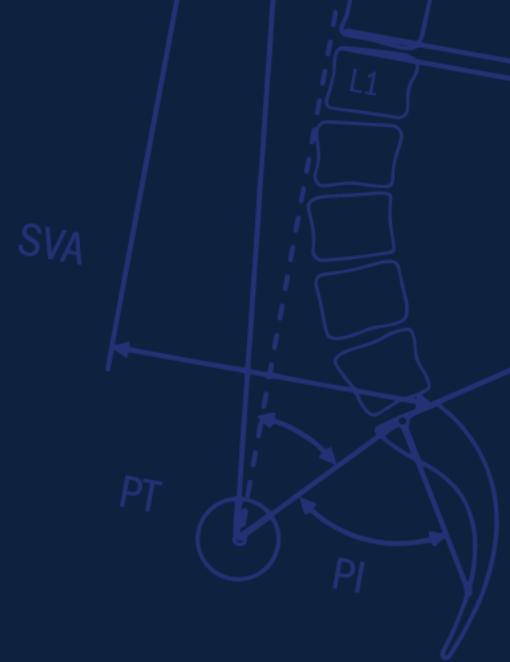




# Investor Presentation

January 2021



## Further Information

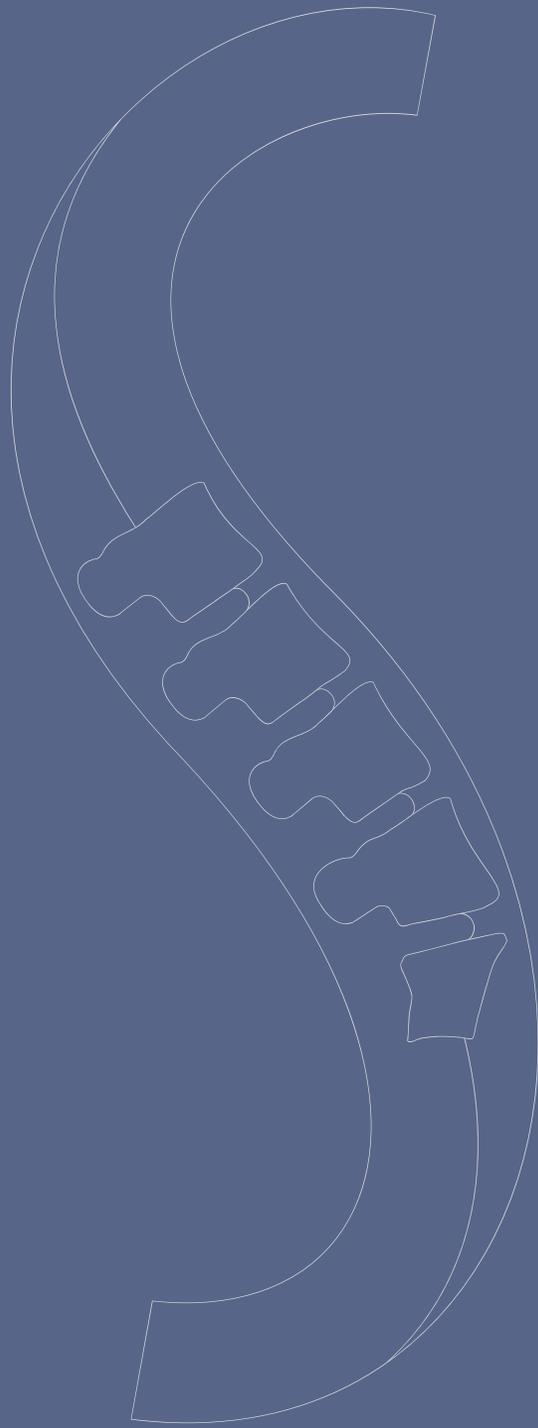
Surgalign Holdings, Inc. (the "Company," "we," or "our") has filed a registration statement (including a preliminary prospectus) on Form S-1 (File No. 333-251828) with the Securities and Exchange Commission ("SEC") for the offering to which this presentation relates. Such registration statement has not yet become effective. The securities proposed to be offered pursuant to such registration statement may not be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective. You should read the preliminary prospectus in such registration statement and the other documents we have filed with the SEC for more complete information about us and the offering. You may obtain these documents for free by visiting the SEC website at <http://www.sec.gov>. Alternatively, copies of the prospectus may be obtained from Piper Sandler & Co., Attn: Prospectus Department, 800 Nicollet Mall, J12S03, Minneapolis, Minnesota 55402, by telephone at (800) 747-3924 or by email at [prospectus@psc.com](mailto:prospectus@psc.com) or from Cantor Fitzgerald & Co., Attention: Capital Markets, 499 Park Avenue, 6th Floor New York, New York 10022 or by email at [prospectus@cantor.com](mailto:prospectus@cantor.com).

## Disclaimer

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current expectations, estimates and projections about our industry, our management's beliefs and certain assumptions made by our management. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements. The forward-looking statements are not guarantees of future performance and are based on certain assumptions including general economic conditions, as well as those within the Company's industry, and numerous other factors and risks identified in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, Quarterly Reports on Form 10-Q for the quarterly periods ended September 30, 2020, June 30, 2020 and March 31, 2020 and other filings with the SEC. Our actual results may differ materially from the anticipated results reflected in these forward-looking statements. Important factors that could cause actual results to differ materially from the anticipated results reflected in these forward-looking statements include risks and uncertainties relating to the following: (i) the ongoing impact of the COVID-19 pandemic and the Company's attempts at mitigation; (ii) the outcome of ongoing litigation and investigations, including the SEC investigation, the EPA investigation, the securities class action and the stockholder derivative suits; (iii) risks relating to other existing and potential future investigations and litigation; (iv) the identification of control deficiencies, including material weaknesses in internal control over financial reporting and the impact of the same; (v) potential reputational damage that the Company has or may suffer as a result of the SEC's and our internal investigations or otherwise; (vi) general worldwide economic conditions and related uncertainties; (vii) the failure by the Company to identify, develop and successfully implement immediate action plans and longer-term strategic initiatives; (viii) the reliability of our supply chain; (ix) our ability to meet obligations under our material agreements; (x) the duration of decreased demand for our products; (xi) whether or when the demand for procedures involving our products will increase; (xii) our ability to obtain, maintain, protect and enforce intellectual property and proprietary protection for our products and technologies; (xiii) the Company's access to adequate operating cash flow, trade credit, borrowed funds and equity capital to fund its operations and pay its obligations as they become due, and the terms on which external financing may be available, including the impact of adverse trends or disruption in the global credit and equity markets; (xiv) our financial position and results, total revenue, product revenue, gross margin, and operations; (xv) failure to realize, or unexpected costs in seeking to realize, the expected benefits of the recent Holo Surgical, Inc. ("Holosurgical") acquisition, including the failure of Holosurgical's products and services to be satisfactorily developed or achieve applicable regulatory approvals or as a result of the failure to commercialize and distribute its products; (xvi) the failure to effectively integrate Holosurgical's operations with our existing operations and retain key personnel; (xvii) the number of shares and amount of cash that will be required in connection with any post-closing payments payable in connection with our acquisitions of Paradigm Spine, LLC and Holosurgical, including as a result of changes in the trading price of the Company's common stock and their effect on the amount of cash needed by the Company to fund any post-closing payments in connection with such acquisitions; (xviii) the diversion of management time and attention on the Holosurgical transaction and subsequent integration; (xix) the effect and timing of changes in laws or in governmental regulations; (xx) the volatility of the trading price of our common stock; (xxi) our ability to secure financing in the future and continue as going concern; (xxii) risks resulting from the Company's reduced cash levels as a result of the recent redemption of Series A Convertible Preferred Stock; and (xxiii) other risks described in our public filings with the SEC. These factors should be considered carefully, and undue reliance should not be placed on the forward-looking statements. Each forward-looking statement in this communication speaks only as of the date of the particular statement. Copies of the Company's SEC filings may be obtained by contacting the Company or the SEC or by visiting Surgalign's website at [www.surgalign.com](http://www.surgalign.com) or the SEC's website at [www.sec.gov](http://www.sec.gov). We undertake no obligation to update these forward-looking statements except as may be required by law.

Additionally, within this presentation, we present various non-GAAP financial measures as defined by the SEC's Regulation G. More information on the non-GAAP financial measures used in this presentation can be found in Appendix A to this presentation.



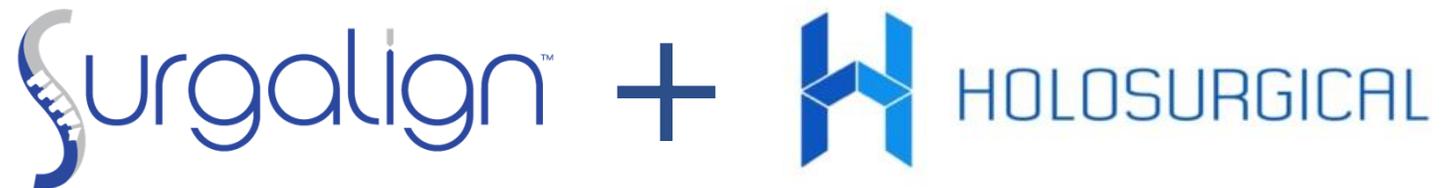


**A global pure-play  
spine company**

## The Launch of Surgalign



- On July 20, 2020, we completed the sale of our former OEM business and became a pure-play spine company with a mission to "align with surgeons to improve patient lives by developing and delivering intelligent solutions for spine disorders."
- Eleven weeks later, announced deal to acquire HoloSurgical and its ARAI digital surgery platform





## BUILD

- Build and optimize a global spine infrastructure and organization



## INNOVATE

- Organically develop new high-value clinically validated solutions that will enhance standard of care



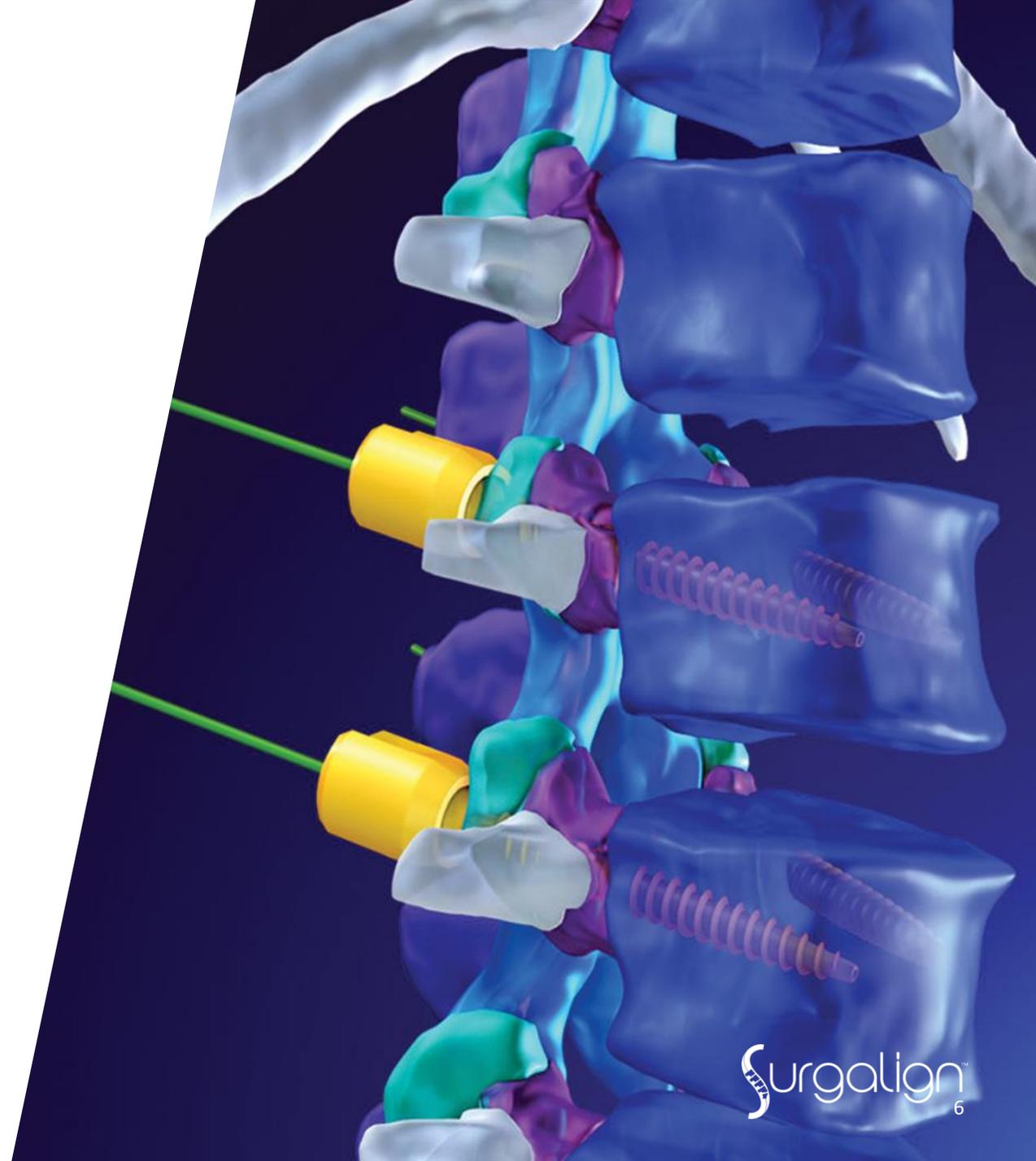
## ACQUIRE

- Acquire to drive differentiation and scale, and add enabling technologies

# STRATEGIC DRIVERS:

## WIN BY IMPROVING PATIENT OUTCOMES

- Leverage our digital strategy to improve patient outcomes and drive adoption of our spine implants and biomaterial products
- Develop and commercialize an increased cadence of innovative spine implants and biomaterial products
- Validate our innovative products with clinical evidence
- Grow our international business
- Strategically pursue acquisitions, license and distribution opportunities



# Spine-Industry Experienced Leadership Team



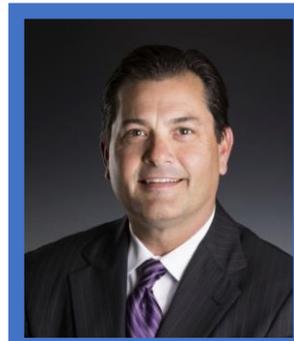
**Terry Rich**  
President & CEO



**Jon Singer**  
Chief Financial & Operating  
Officer



**Kris Siemionow**  
Chief Medical Officer



**Scott Durall**  
Chief Commercial Officer



**Enrico Sangiorgio**  
EVP, International



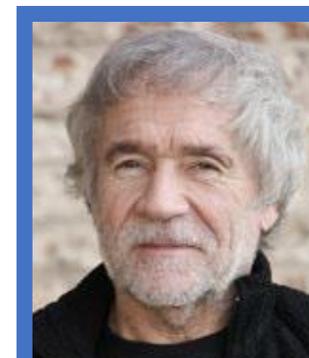
**Doug Bireley**  
EVP, Marketing  
and R&D



**Robert Watkins**  
Chief Technology Officer



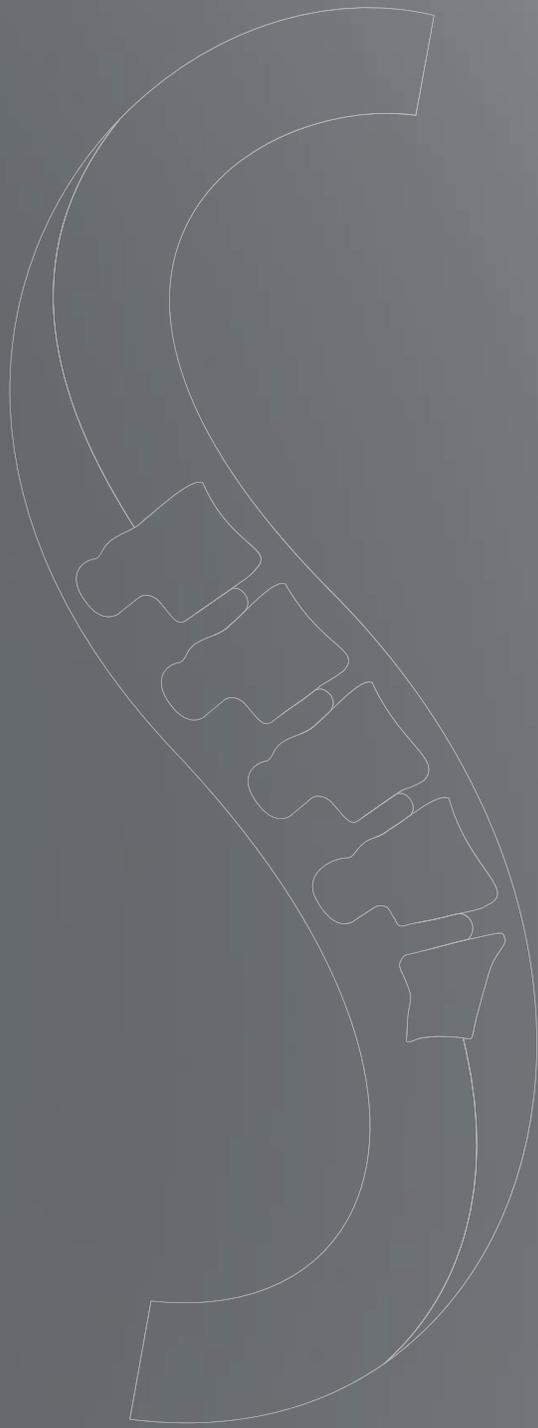
**G. Bryan Cornwall**  
EVP, Research &  
Clinical Affairs



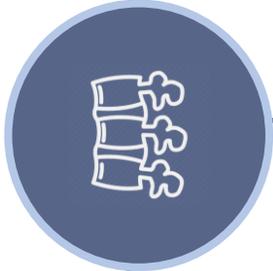
**Dr. Paul Lewicki**  
Director



**Stuart Simpson**  
Chairman



# PORTFOLIO OVERVIEW



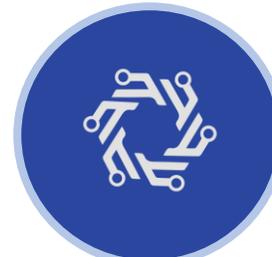
## Spine Implants

- Broad portfolio that covers majority of procedures using spinal hardware implants
- Fusion & Motion Preservation Solutions
- Advanced 3D printing capabilities in both Polymer & Titanium



## Biomaterials

- Rich history of innovation to offer a full range of solutions:
  - Cellular
  - DBM
  - Synthetics
- Ongoing partnership with RTI OEM and Aziyo to bring next-generation solutions to market



## Enabling Technologies

- Positioned to capitalize on the emerging market of digital surgery systems including spine navigation and robotic-assisted systems:
  - ARAI platform



# Current Product Offerings



## Fusion

## Sacroiliac Joint

## Motion Preservation

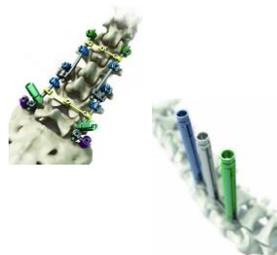
### Core Technologies



**CervAlign®**  
Anterior Cervical Plate System



**Streamline®**  
OCT Posterior Cervical Spinal Fixation System



**Streamline®**  
TL and MIS Spinal Fixation System



**TETRAfuse 3D TECHNOLOGY**  
Fortilink-TS, Fortilink-L, & Fortilink-A Systems



**Simmetry**  
Sacroiliac Joint Fusion System



**coflex®**  
Interlaminar Stabilization

## Cellular Allograft

## Demineralized Bone Matrices

## Synthetic Bone Growth Substitutes

### BioMaterials



**ViBone®**  
Viable Bone Matrix



**BioSet®**  
DBM



**BioReady®** DBM Putty and Putty with Chips



**BioAdapt®** DBM



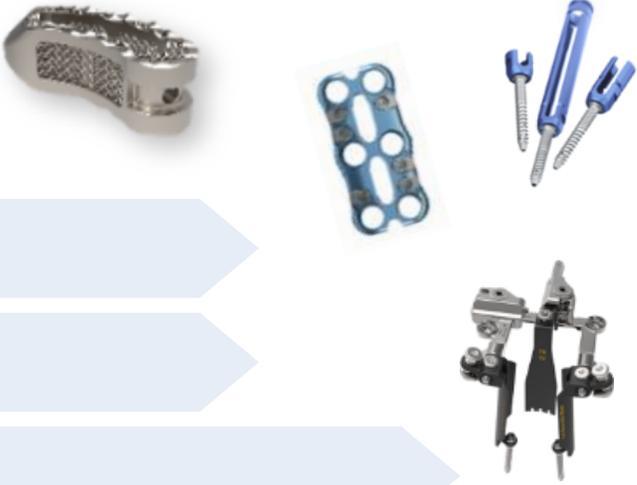
**nanOss®** Advanced Bone Graft Substitute



**nanOss 3D® Plus** Advanced Bone Graft Substitute

**Spinal Implants**

- 3D Titanium Interbodies
- Posterior Retractor
- Expandable TLIF
- Anterior Cervical Plate
- Next Gen Posterior Fixation
- SI Fusion Next Gen Procedure

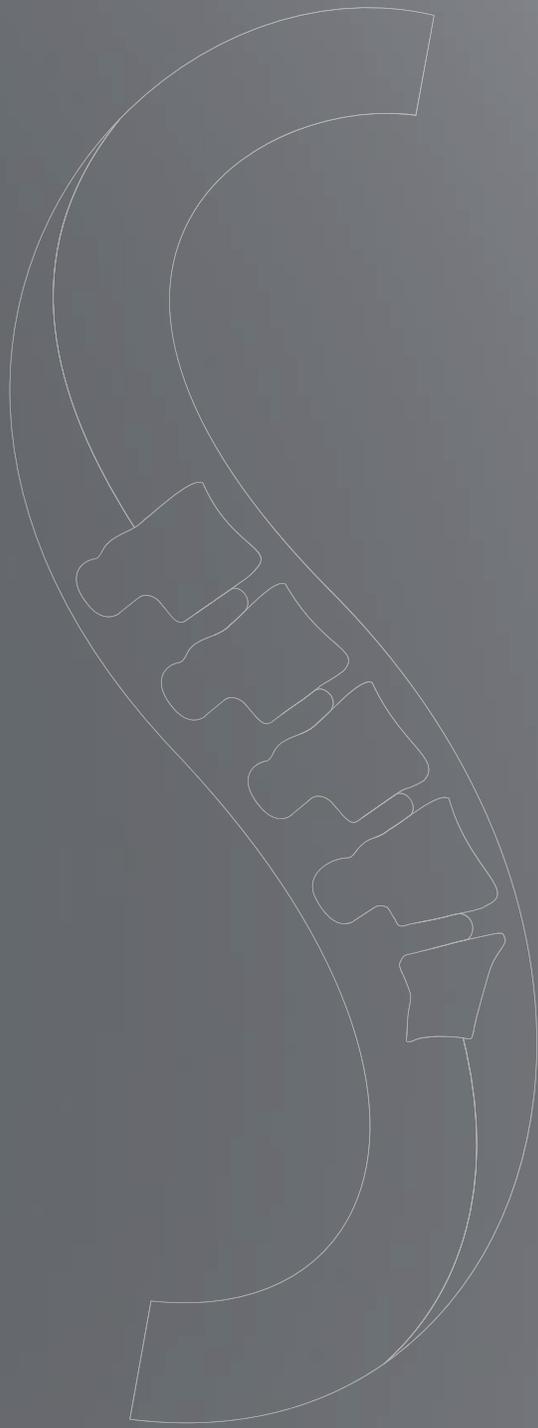


**Biomaterials**

- Growth Factor / GF + DBM
- Graft Delivery Device
- Next Gen Synthetic & DBM Biomaterials



*Investing in research and development to drive an increased cadence of new innovative products*



**HOLOSURGICAL**

- The main barriers to the development of next generation MIS systems are **limited visualization** and a **lack of patient anatomy recognition and data analytics**, restricting functionality and prolonging surgery time.

## OPEN SURGERY



1950s-1990s

## MIS & Navigation



1990s-2020s

## ROBOTS



2010s-2020s

## SURGERY 4.0 (Intelligent Surgery)

Augmented Reality

3D Real-Time Visualization



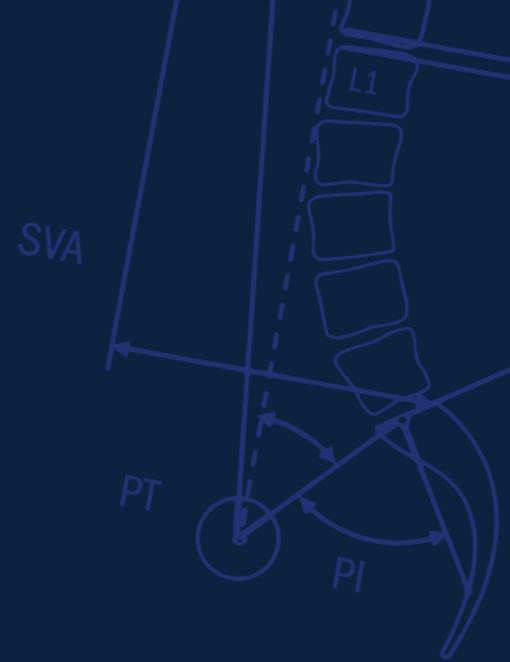
Smart Instruments /  
Next Gen Robotics

Artificial  
Intelligence

2020s +

**HoloSurgical taught the computer anatomy**

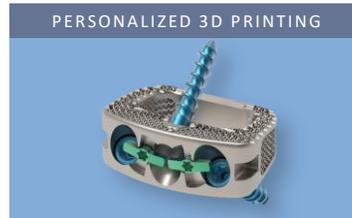
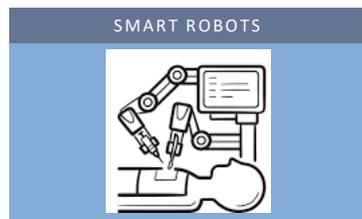
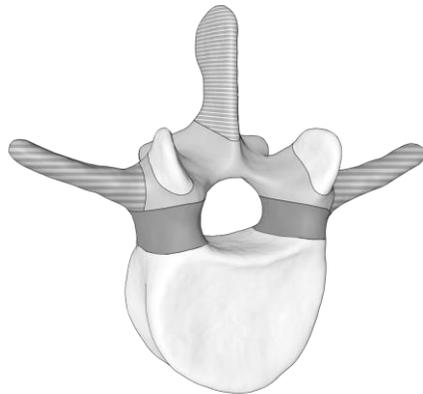
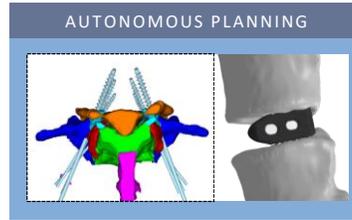
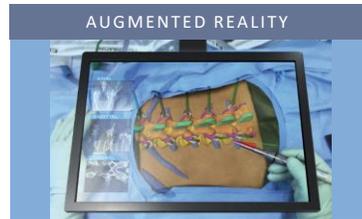
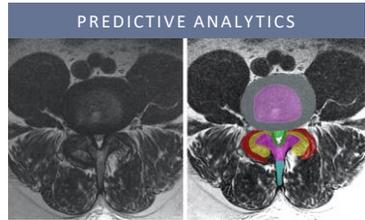
**Once you teach the computer anatomy . . .**



# HoloSurgical - A Digital Surgery Company Focused on Spine



- We have acquired an AI-based surgery platform technology designed to be applicable across **ALL of orthopedics, soft tissue and general surgery**

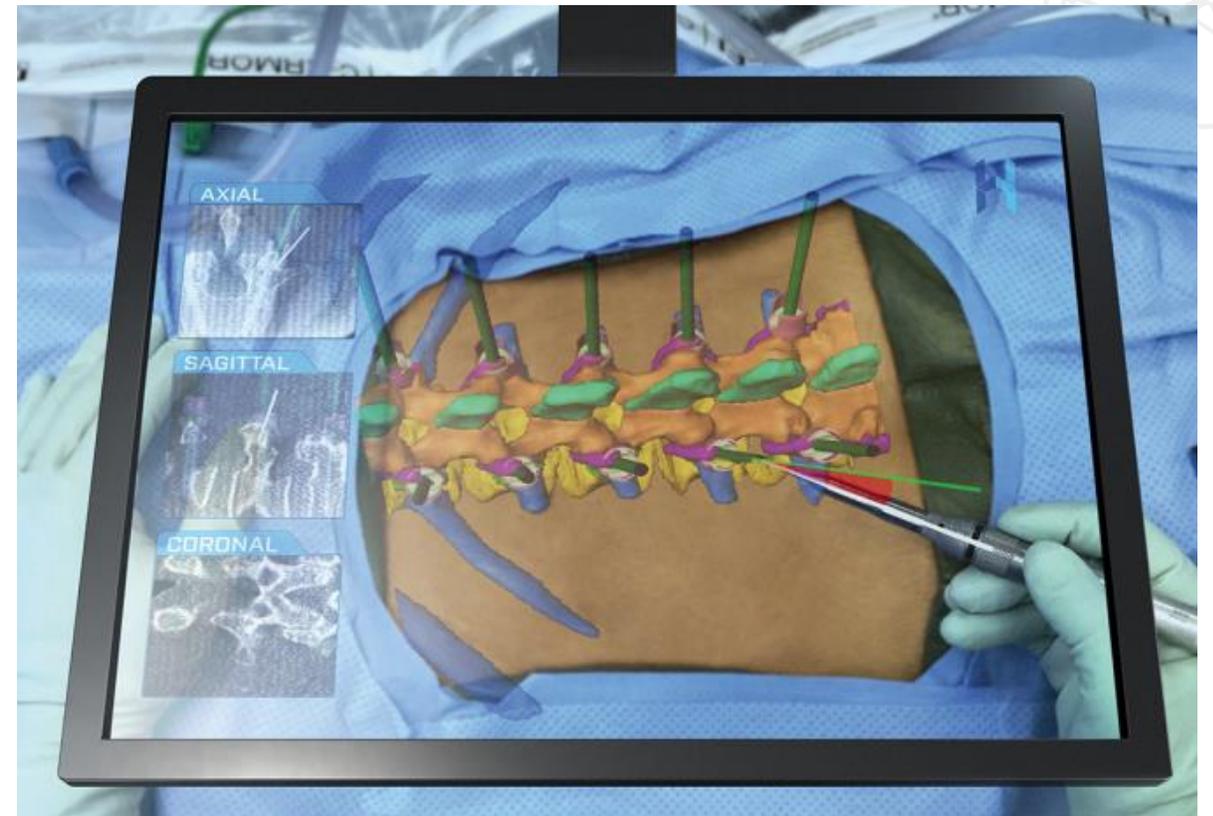


# HOLOSURGICAL

# Holosurgical: Next Generation Surgical Guidance Platform



- We believe the Holosurgical ARAI digital surgery platform is one of the most advanced surgical guidance platforms, which combines:
  - o **3D visualization**
  - o **data analytics**
  - o **artificial intelligence**
- Designed to:
  - o **improve outcomes**
  - o **reduce surgical time**
  - o **decrease complications**



# HOLO PROVIDES 5 KEYS TO DIGITAL SURGERY CAPABILITY

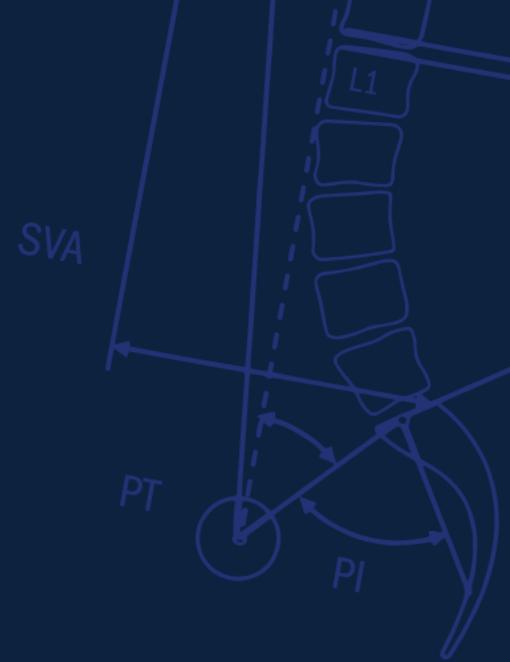
1. Automatic Image Processing/Segmentation
2. Smart Instruments
3. Augmented Reality + Advanced Visualization
4. Patient Specific Procedures
5. Artificial Intelligence + Predictive Analytics

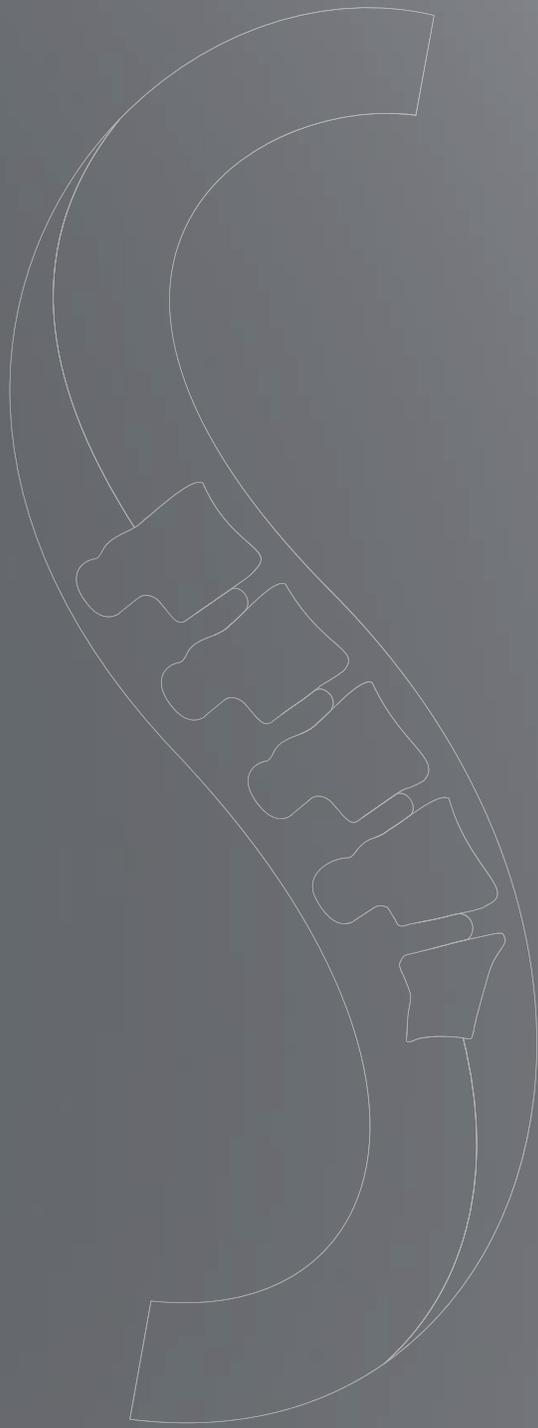
\*Holosurgical digital surgery and ARAI digital surgery platform have not been evaluated by the FDA

**HoloSurgical taught the computer anatomy**

**Once you teach the computer anatomy . . .**

*Surgalign + HoloSurgical = MORE THAN POSSIBLE.™*



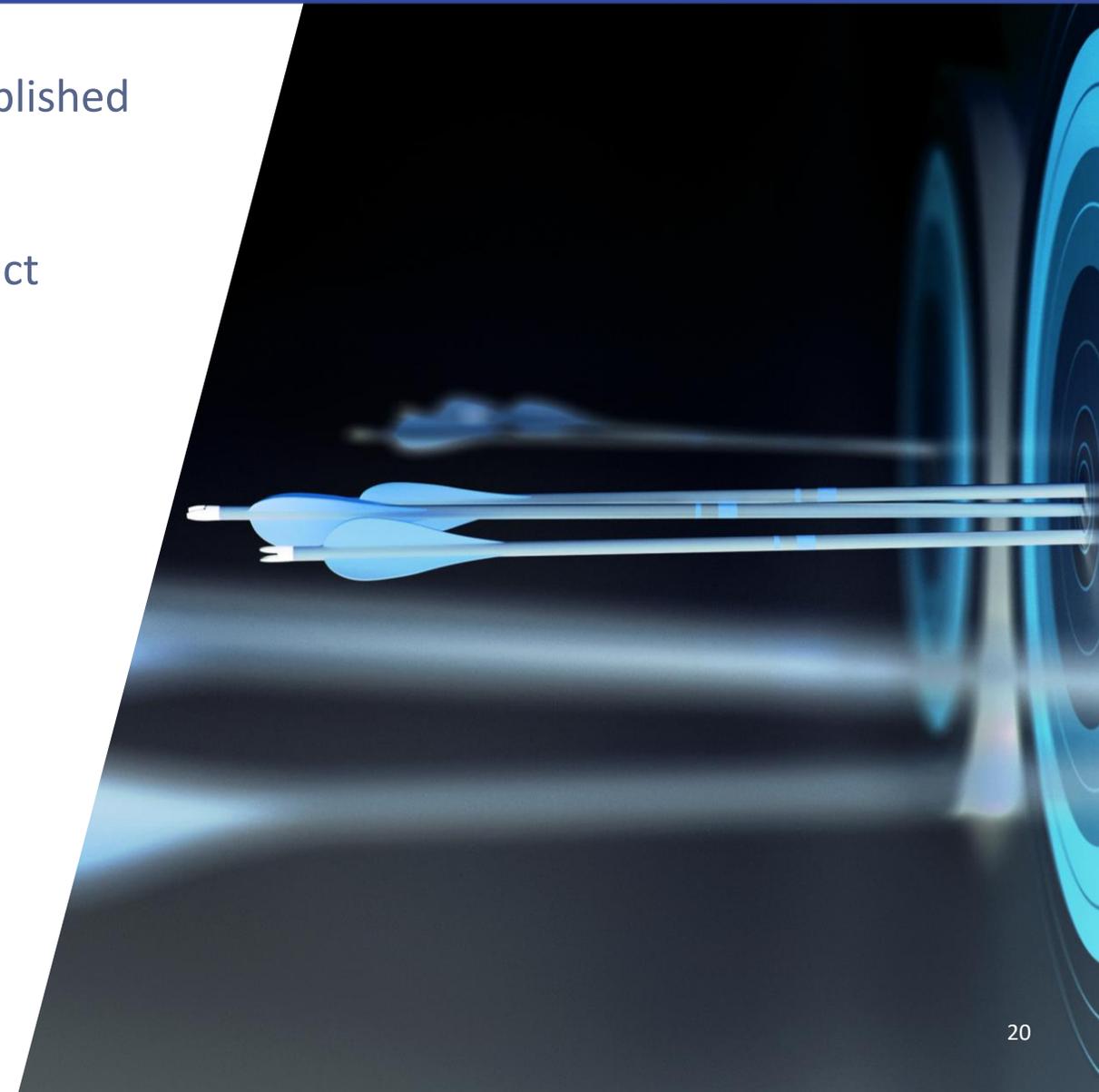


# DELIVERING ON GROWTH INITIATIVES

## Key Accomplishments for 2020



- Completed disposition of OEM businesses and established Surgalign as a global pure-play spine company
- Navigated the initial global COVID-19 business impact
- Built a leadership team with depth of spine market experience
- Designed New Product Road Map
- Initiated Salesforce integration
- Acquired a position in the future of digital spine surgery



# Multiple Drivers of Growth

1. Portfolio refresh and new product introductions
2. Reinforce commitment to clinical evidence
3. Strengthen distribution and leverage contractual access
4. Leverage international platform
5. Holo launch, designed to improve patient outcomes to accelerate growth

# 1. Portfolio refresh and new product introductions

## Short Term Opportunities



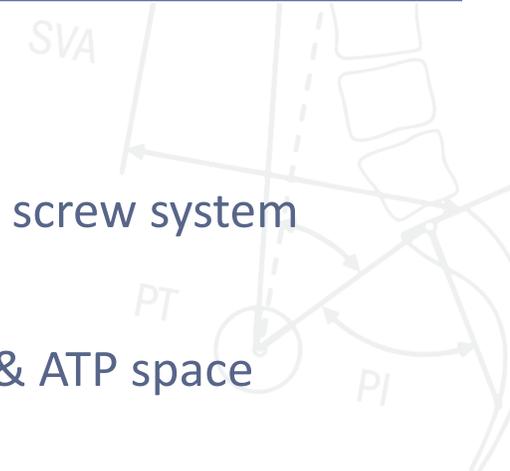
3D printed Ti Cage Market



Biomaterials Expansion

## Pipeline Strategy

- Develop best-in-class posterior screw system
- Compete in traditional Lateral & ATP space
- Build upon our position in SI Joint fusion
- Expand differentiated Biomaterials portfolio
- Create seamless integration with Holosurgical Digital Platform



# 2. Reinforce commitment to clinical evidence



- Positive MDR audit & certificate
- Focus on clinical outcomes: >100 peer-reviewed clinical publications spanning our portfolio (Coflex, HPS 2.0, TETRAfuse, ARAI, etc.)
- Leverage previous research experience for future Hologaugal digital platform publication strategy



### The 2-Level Experience Follow-Up of the Experience Cohort

RACHEL B. SIMON, BA, CH...

**Background:** To allow...  
**Methods:** Of the...  
**Results:** The...  
**Conclusion:**...

### Evaluation of Decompression and Interlaminar Stabilization Compared with Decompression and Fusion for the Treatment of Lumbar Spinal Stenosis: 5-year Follow-up of a Prospective, Randomized, Controlled Trial

Abstract  
Introduction  
Methods  
Results  
Conclusion

### PODIUM PRESENTATION ABSTRACTS

24 Using a Novel Augmented Reality and Artificial Intelligence Surgical Guidance System for Pedicle Screw Placement: A Cadaveric Study

### Augmented reality and artificial intelligence in surgical navigation: Technique and study

Abstract  
Purpose  
Methods  
Results  
Conclusion  
Keywords

### Original Article

#### Autonomous image segmentation and identification of anatomical landmarks from lumbar spine intraoperative computed tomography scans using machine learning: A validation study

Abstract  
Purpose  
Methods  
Results  
Conclusion  
Keywords

### Risk of adjacent segment disease after 'topping-off' multi-level lumbar fusions with posterior dynamic stabilisation: an observational cohort

William R. Sears<sup>1,2</sup>, Ann C. Solerbeck<sup>3</sup>, Jennifer A. Kos<sup>1</sup>

Received 11 June 2020 / Revised 5 September 2020 / Accepted 5 October 2020 / Springer-Verlag GmbH Germany part of Springer Nature 2020

**Abstract**  
**Purpose:** To determine whether 'topping-off' lumbar fusions, using posterior dynamic stabilisation devices (PDSs) with specific biomechanical parameters, reduces the risk of adjacent segment disease (ASD).  
**Methods:** Survival analysis of two non-randomised cohorts, with or without 'topping-off' (TO) or non-TO (NoTO), compared the risk of further surgery for ASD following multi-level posterior lumbar interbody fusion (PLIF). The study sample comprised consecutive patients, aged 55+ years, with degenerative pathology at 2-3 adjacent levels. The NoTO cohort underwent surgery between August 1993 and September 2019 (n=425) and the TO cohort between September 2011 and September 2019 (n=146). Comparison of ASD risk between cohorts used Cox proportional hazards (CPH) modelling and Kaplan-Meier survival analysis.  
**Results:** Analysis was completed on 571 operations across 507 patients. Median follow-up was 63 months (range 0.3-196) and 37 months (range 1.7-98) for the NoTO and TO cohorts, respectively. Of 423 patients, 125 (29.6%) patients in the NoTO cohort underwent further surgery for ASD and 103 (51.1%) in the TO cohort. The hazard ratio (TO: NoTO) from the CPH model was 0.42 (95% CI: 0.24-0.74, P=0.003). Mean annual incidence across the first 5 years was 5.0% in the NoTO cohort compared with 2.8% in the TO cohort (P=0.029). No patient required surgery or developed ASD at a 'topped-off' level. Two patients developed asymptomatic pedicle screw loosening at the level of the PDS device. PDSMs were similar between cohorts.  
**Conclusion:** This large, non-randomised, observational study found an approximately 60% reduction in further surgery for ASD with the use of the PDS to 'top-off' PLIF fusion. PDS device-related complications were very low.

**Keywords:** Topping-off · Adjacent segment disease · Spinal fusion · Posterior dynamic stabilisation

**Introduction**  
Spinal fusion is an important treatment option in the management of lumbar degenerative conditions, and the annual number of fusion operations continues to grow [1]. While there is evidence for the efficacy of fusion in certain conditions [1], the segments adjacent to a fusion may subsequently degenerate [2]. This degeneration may be radiological and asymptomatic or may progress to clinical disease and require further surgery [3]. A 2014 systematic review of published research into adjacent segment disease (ASD) concluded that the prevalence of radiological adjacent segment degeneration after lumbar fusion surgery is 32.8% and approximately 14.1% of radiological degeneration progresses to clinical disease [4].

While the clinical and laboratory evidence for the fusion itself contributing to ASD is controversial [5, 6], it is likely that the aetiology of ASD is multi-factorial and involves inherited, demographic and acquired risk factors [1]. The placement of posterior dynamic stabilisation (PDS) devices immediately above a fusion—'topping-off'—may reduce the risk of developing ASD [7]. However, the results of



### 3. Strengthen Distribution and Leverage Contractual Access

#### CURRENT

- Broad hospital/IDN/GPO contractual access
- Multiple specialized sales teams
- Separate/conflicting distribution channels

#### FUTURE

- Salesforce expansion, integration & alignment
  - Surgeon & distributor penetration



## 4. Leverage International Platform

### PRIORITY MARKETS CAN DELIVER:

- Attractive growth
- Healthy contribution margins
- Near Term Opportunities
  - 12 anticipated key product launches over the next 36 months
- Operational growth Enablers
  - Complete unified salesforce in key territories
  - One customer service team

POTENTIAL VALUE

**\$1B**

Estimated opportunity in key international markets

### EUROPEAN OPERATIONS

Warsaw • Poland

- Holosurgical ARAI digital surgery platform

Wurmlingen • Germany

- Known as “Spine Valley”
- Houses our experienced R&D team
- Expertise in Motion Preservation

The Netherlands

- Specialist 3PL based out of the Netherlands



## 5. Holo launch, designed to improve patient outcomes to accelerate growth



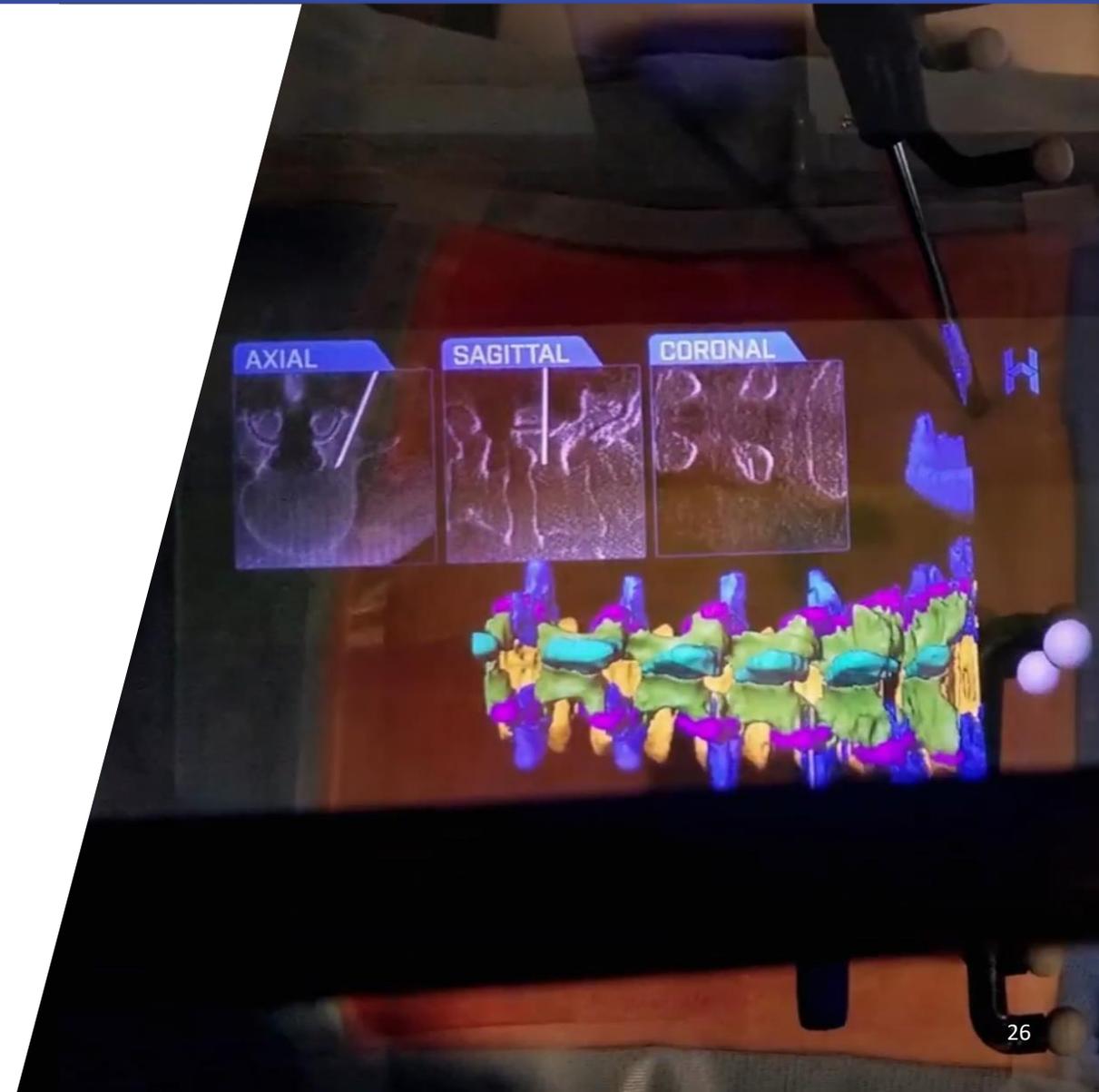
HOLOSURGICAL

### 2021 Development and Commercial Milestones

- FDA 510(k) premarket submission and approval
- Launch IRB studies, if regulatory clearance is received

### Commercial Strategy

- Direct-to-Surgeon engagement
  - Digital Surgery Education & Training program
    - o Comprehensive procedural solutions
- Full-line distribution partners
- Expanded Hospital Access & Committed Purchasing Agreements

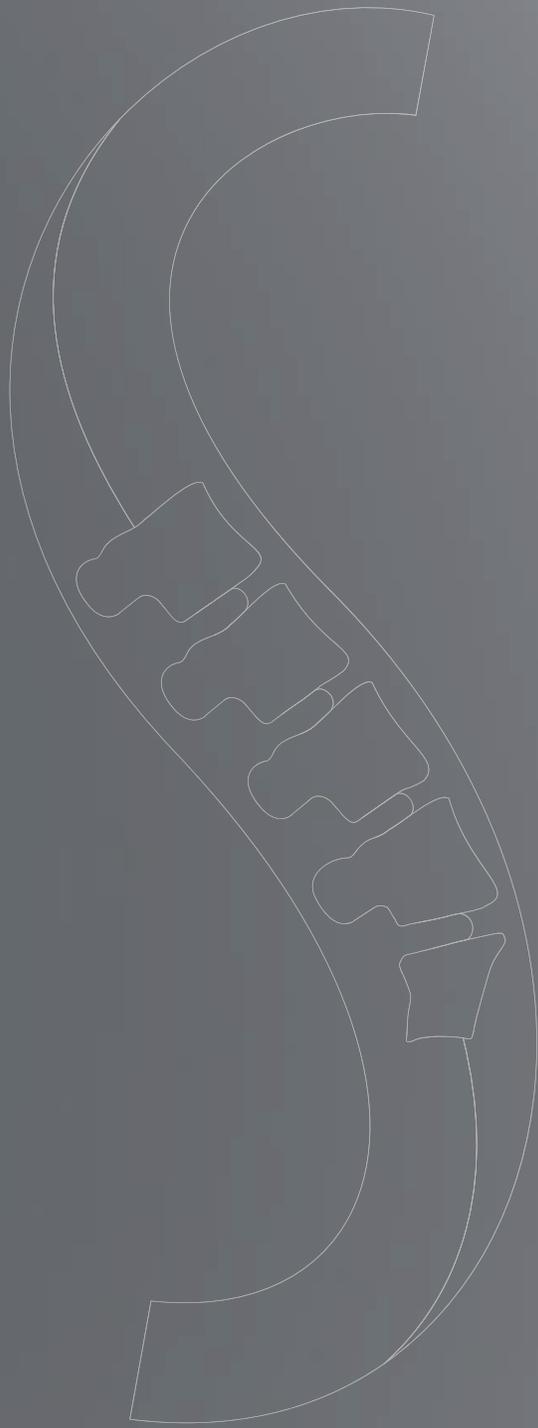


# Milestones for 2021



- Salesforce integration and continue optimization
- Accelerate our innovation agenda
- FDA 510(k) premarket submission and clearance for HoloSurgical ARAI digital surgery platform
- Launch multiple IRB studies, if regulatory clearance is received to build clinical evidence and to continue development of intelligent surgery
- Return to growth – position us for accelerated growth in 2022 and beyond





# FINANCIAL HIGHLIGHTS

# Key Financial Highlights



Pro Forma Spine Revenue



Pro Forma Adjusted Gross Profit and Gross Margins



YTD references financial information for 9 months ended September 30, 2019 and September 30, 2020

Pro forma financial information takes into account the disposition of our OEM businesses

Gross profit and gross margins are adjusted for inventory write-offs and purchase price adjustments (see 10-Q for period ended September 30, 2020 and 8-k filed December 30, 2020 for further details): See appendix A for reconciliation.

# Statement of Operations



	Year Ended December 31,			Year-to-Date September 30,	
	2017	2018	2019	2019	2020
<i>(\$ in thousands)</i>					
<b>Revenues</b>	<b>\$90,281</b>	<b>\$92,112</b>	<b>\$117,423</b>	<b>\$85,849</b>	<b>\$75,562</b>
Costs of processing and distribution	\$36,441	\$33,593	\$32,777	\$24,711	\$30,336
<b>Gross profit</b>	<b>\$53,840</b>	<b>\$58,519</b>	<b>\$84,646</b>	<b>\$61,138</b>	<b>\$45,226</b>
Non-GAAP gross profit <sup>1</sup>	\$53,840	\$66,695	\$88,232	\$62,890	\$51,086
<i>Non-GAAP gross margin</i>	<i>60%</i>	<i>72%</i>	<i>75%</i>	<i>73%</i>	<i>68%</i>
<u>Expenses:</u>					
Marketing, general and administrative	\$90,790	\$98,152	\$135,396	\$95,450	\$97,095
Research and development	\$13,315	\$14,410	\$16,836	\$12,475	\$9,764
Other expenses <sup>2</sup>	\$12,412	\$10,771	\$175,220	\$12,428	\$17,813
Total operating expenses	\$116,517	\$123,333	\$327,542	\$120,353	\$124,672
<b>Loss from operations</b>	<b>(\$62,677)</b>	<b>(\$64,814)</b>	<b>(\$242,896)</b>	<b>(\$59,215)</b>	<b>(\$79,446)</b>
Non-GAAP loss from operations <sup>3</sup>	(\$50,265)	(\$45,867)	(\$64,000)	(\$45,039)	(\$43,136)
Other income	\$46	\$6	\$39	\$73	\$64
Income tax (provision) benefit	\$18,227	\$15,159	(\$5,921)	\$9,955	\$3,492
<b>Net loss from continuing operations</b>	<b>(\$44,404)</b>	<b>(\$49,649)</b>	<b>(\$248,778)</b>	<b>(\$49,187)</b>	<b>(\$75,890)</b>
Non-GAAP net loss from continuing operations <sup>3</sup>	(\$32,990)	(\$33,121)	(\$67,674)	(\$37,397)	(\$41,117)
<b>Net loss per share (from continuing operations) – Basic</b>	<b>(\$0.83)</b>	<b>(\$0.85)</b>	<b>(\$3.55)</b>	<b>(\$0.71)</b>	<b>(\$1.04)</b>

1) Gross profit and gross margins are adjusted for inventory write-offs and purchase price adjustments (see 10-Q for quarter ended September 30, 2020 and 8-K filed December 30, 2020 for further details). See Appendix A for reconciliation

2) Other expenses include the following items: severance and restructuring costs, gain on acquisition contingency, executive transition costs, asset impairment and abandonments, goodwill impairment, acquisition and integration expenses and acquired in-process research and development and related costs

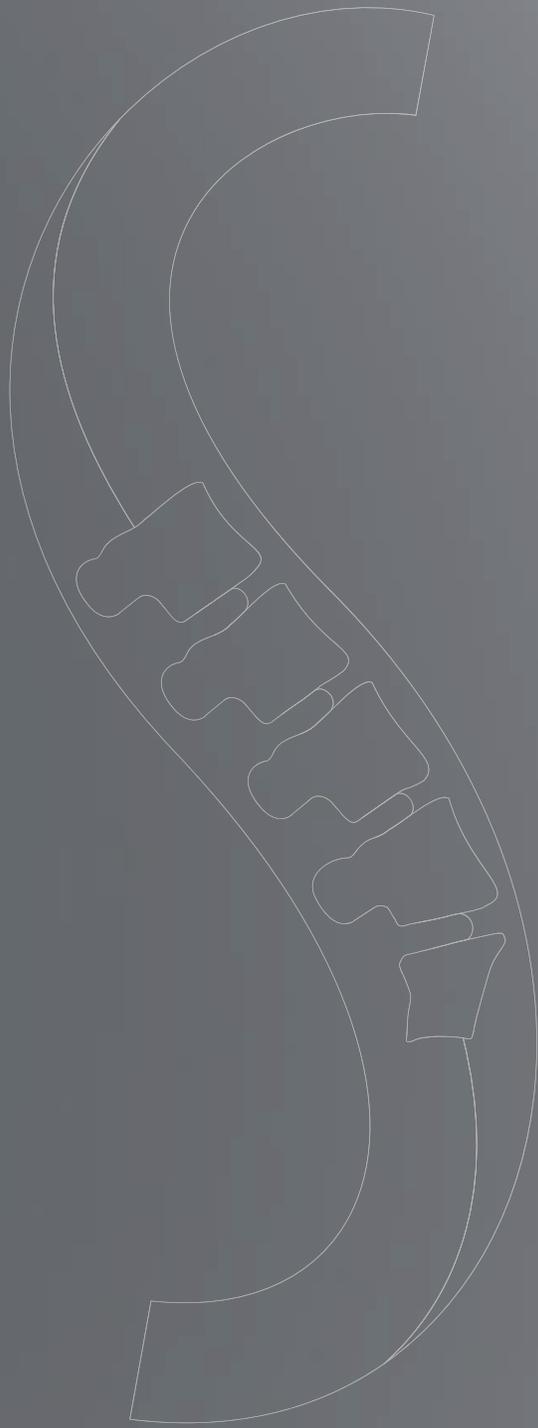
3) Non-GAAP loss from operations and non-GAAP net loss from continuing operations include adjusted gross margins and exclude other expenses. See Appendix A for reconciliation

# Investment Highlights



- Targeting a **\$12.7B+** global spine market opportunity
- **Diversified** portfolio of hardware and BioMaterials products
- Focused **R&D spend** to increase cadence of innovation
- **Differentiated digital spine surgery platform** designed to address limitations of existing computer-assisted and robotic systems
- Deep-rooted **relationships** with thought-leading surgeons
- Opportunity to accelerate growth **internationally**
- Compelling **pipeline** of innovative technologies that will integrate with our digital surgery platform





# APPENDIXES

# Non-GAAP Reconciliation—Gross Profit



	Year Ended December 31,			Year-to-Date September 30,	
	2017	2018	2019	2019	2020
<i>(\$ in thousands)</i>					
GAAP Gross Profit	\$53,840	\$58,519	\$84,646	\$61,138	\$45,226
Inventory purchase price adjustment	—	\$594	\$3,225	\$1,752	\$2,229
Inventory write-off	—	\$7,582	\$361	—	\$3,631
<b>Non-GAAP Gross Profit</b>	<b>\$53,840</b>	<b>\$66,695</b>	<b>\$88,232</b>	<b>\$62,890</b>	<b>\$51,086</b>
GAAP Gross Margin	60%	64%	72%	71%	60%
<b>Non-GAAP Gross Margin</b>	<b>60%</b>	<b>72%</b>	<b>75%</b>	<b>73%</b>	<b>68%</b>

# Non-GAAP Reconciliation—Loss From Operations



(\$ in thousands)	Year Ended December 31,			Year-to-Date September 30,	
	2017	2018	2019	2019	2020
<b>GAAP Loss From Operations</b>	<b>(\$62,677)</b>	<b>(\$64,814)</b>	<b>(\$242,896)</b>	<b>(\$59,215)</b>	<b>(\$79,446)</b>
<i>Severance and restructuring</i>	\$8,522	\$773	—	—	—
<i>Executive transition costs</i>	\$2,818	—	—	—	—
<i>Gain on acquisition contingency</i>	—	—	(\$76,033)	(\$1,590)	(\$130)
<i>Asset impairment and abandonments</i>	\$442	\$5,070	\$97,341	\$15	\$12,117
<i>Goodwill impairment</i>	—	—	\$140,003	—	—
<i>Inventory purchase price adjustment</i>	—	\$594	\$3,225	\$1,752	\$2,229
<i>Inventory write-off</i>	—	\$7,582	\$361	—	\$3,631
<i>Restatement and related expenses</i>	—	—	—	—	\$12,637
<i>Acquisition and integration expenses</i>	\$630	\$4,928	\$13,999	\$13,999	\$5,826
<b>Non-GAAP Loss From Operations</b>	<b>(\$50,265)</b>	<b>(\$45,867)</b>	<b>(\$64,000)</b>	<b>(\$45,039)</b>	<b>(\$43,136)</b>

# Non-GAAP Reconciliation—Net Loss From Continuing Operations



	Year Ended December 31,			Year-to-Date September 30,	
	2017	2018	2019	2019	2020
<i>(\$ in thousands)</i>					
<i>GAAP Net Loss From Continuing Operations</i>	<i>(\$44,404)</i>	<i>(\$49,649)</i>	<i>(\$248,778)</i>	<i>(\$49,187)</i>	<i>(\$75,890)</i>
<i>Severance and restructuring</i>	<i>\$8,522</i>	<i>\$773</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>Executive transition costs</i>	<i>\$2,818</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>Gain on acquisition contingency</i>	<i>—</i>	<i>—</i>	<i>(\$76,033)</i>	<i>(\$1,590)</i>	<i>(\$130)</i>
<i>Asset impairment and abandonments</i>	<i>\$442</i>	<i>\$5,070</i>	<i>\$97,341</i>	<i>\$15</i>	<i>\$12,117</i>
<i>Goodwill impairment</i>	<i>—</i>	<i>—</i>	<i>\$140,003</i>	<i>—</i>	<i>—</i>
<i>Inventory purchase price adjustment</i>	<i>—</i>	<i>\$594</i>	<i>\$3,225</i>	<i>\$1,752</i>	<i>\$2,229</i>
<i>Inventory write-off</i>	<i>—</i>	<i>\$7,582</i>	<i>\$361</i>	<i>—</i>	<i>\$3,631</i>
<i>Restatement and related expenses</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>\$12,637</i>
<i>Acquisition and integration expenses</i>	<i>\$630</i>	<i>\$4,928</i>	<i>\$13,999</i>	<i>\$13,999</i>	<i>\$5,826</i>
<i>Net change in valuation allowance</i>	<i>—</i>	<i>\$3,093</i>	<i>\$48,115</i>	<i>—</i>	<i>—</i>
<i>Tax effect on new tax legislation</i>	<i>\$2,187</i>	<i>(\$650)</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>Tax effect on other adjustments</i>	<i>(\$3,185)</i>	<i>(\$4,862)</i>	<i>(\$45,907)</i>	<i>(\$2,386)</i>	<i>(\$1,597)</i>
<b>Non-GAAP Net Loss From Continuing Operations</b>	<b>(\$32,990)</b>	<b>(\$33,121)</b>	<b>(\$67,674)</b>	<b>(\$37,397)</b>	<b>(\$41,177)</b>



# Surgalign™

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