OrthoPediatrics Corp.

August 2021

David Bailey, President & CEO
Fred Hite, COO & CFO
Mark Throdahl, Executive Chairman

Disclaimer

Forward-Looking Statements

This presentation includes "forward-looking statements" within the meaning of U.S. federal securities laws. You can identify forward-looking statements by the use of words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "could," "believe," "estimate," "project," "target," "predict," "intend," "future," "goals," "potential,” "objective," "would" and other similar expressions. Forward-looking statements involve risks and uncertainties, many of which are beyond OrthoPediatrics’ control. Important factors could cause actual results to differ materially from those in the forward-looking statements, including, among others: the risks related to COVID-19, the impact such pandemic may have on the demand for our products, and our ability to respond to the related challenges; and the risks, uncertainties and factors set forth under "Risk Factors" in OrthoPediatrics’ Quarterly Report on Form 10-Q filed with the SEC on August 5, 2021, as updated and supplemented by our other SEC reports filed time to time. Forward-looking statements speak only as of the date they are made. OrthoPediatrics assumes no obligation to update forward-looking statements to reflect actual results, subsequent events, or circumstances or other changes affecting such statements except to the extent required by applicable securities laws.

Use of Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures such as adjusted diluted earnings (loss) per share and Adjusted EBITDA, which differ from financial measures calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). Adjusted earnings (loss) per share in this press release represents diluted earnings (loss) per share on a GAAP basis, plus the accreted interest attributable to acquisition installment payables, the fair value adjustment of contingent consideration, non-recurring professional fees and accrued legal settlement costs. The fair value adjustment of contingent consideration is associated with our estimates of the value of earn-outs in connection with certain acquisitions and the non-recurring professional fees are related to our response to a previously disclosed SEC review. We believe that providing the non-GAAP diluted earnings (loss) per share excluding these expenses, as well as the GAAP measures, assists our investors because such expenses are not reflective of our ongoing operating results. Adjusted EBITDA in this release represents net loss, plus interest expense, net plus other expense, provision for income taxes (benefit), depreciation and amortization, stock-based compensation expense, fair value adjustment of contingent consideration, acquisition related costs, nonrecurring professional fees and accrued legal settlements costs. The Company believes the non-GAAP measures provided in this earnings release enable it to further and more consistently analyze the period-to-period financial performance of its core business operating performance. Management uses these metrics as a measure of the Company’s operating performance and for planning purposes, including financial projections. The Company believes these measures are useful to investors as supplemental information because they are frequently used by analysts, investors and other interested parties to evaluate companies in its industry. Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to, or superior to, net income or loss as a measure of financial performance or cash flows from operations as a measure of liquidity, or any other performance measure derived in accordance with GAAP, and it should not be construed to imply that the Company’s future results will be unaffected by unusual or non-recurring items. In addition, the measure is not intended to be a measure of free cash flow for management’s discretionary use, as it does not reflect certain cash requirements such as debt service requirements, capital expenditures and other cash costs that may recur in the future. Adjusted EBITDA contains certain other limitations, including the failure to reflect our cash expenditures, cash requirements for working capital needs and other potential cash requirements. In evaluating these non-GAAP measures, you should be aware that in the future the Company may incur expenses that are the same or similar to some of the adjustments in this presentation. The Company’s presentation of non-GAAP diluted earnings (loss) per share or Adjusted EBITDA should not be construed to imply that its future results will be unaffected by any such adjustments. Management compensates for these limitations by primarily relying on the Company’s GAAP results in addition to using these adjusted measures on a supplemental basis. The Company’s definition of these measures is not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation. The schedules below contain reconciliations of reported GAAP diluted earnings (loss) per share to non-GAAP diluted earnings (loss) and net loss to non-GAAP Adjusted EBITDA.

Highlights

Large Market | **Proprietary Technology** | **Scalable Business**

- **Diversified medical device company focused exclusively on pediatric orthopedics**
- **Protected market opportunity: $1.5 billion U.S., $3.3 billion globally (2020 estimates)**
- **High U.S. procedure concentration: <300 hospitals and ~1,400 surgeons**
- **Focused call point: pediatric orthopedic surgeons are generalists who use all OP products**
- **Sustainable competitive advantage:**
  - Broadest pediatric-specific orthopedic product offering with 36 surgical systems
  - Strong relationships with pediatric orthopedic surgeons
  - Deep commitment to clinical education
  - Sales personnel are a consultative resource who attend surgery
- **Consistent 20+% growth since inception, ex COVID**
  - YTD 2021 revenue of $48.2 million, up 61% vs YTD 2020
  - FY20 revenue of $71.1 million, down 2%
  - FY19 revenue of $72.6 million, up 26%
- **Orthex and ApiFix acquisitions give OP proprietary, leading-edge technology in both external fixation and non-fusion scoliosis markets and expand the Company's total addressable market**

A Company Built on a CAUSE

Cause

Improving the lives of children with orthopedic conditions

Gideon with CMO Emeritus Peter Armstrong, c. 1995.
Gideon's drawing of his girlfriend, 2016.

Company Snapshot

- Treated >215,000 patients since inception
- 36 surgical systems; ~8,125 SKUs; strong pipeline
- 120 direct employees; 182 focused sales reps[2]
- Global sales organization focused on pediatric orthopedic surgeons in 45 countries[1]
- 102 issued patents; 66 patent applications[2]
- Average FDA approval time: < ½ industry average
- History of stable reimbursement

[1] As of June 30, 2021.
[2] As of June 30, 2021. Totals apply to patents issued to and/or applied by OrthoPediatrics or one of its wholly-owned subsidiaries.

Our Key Idea

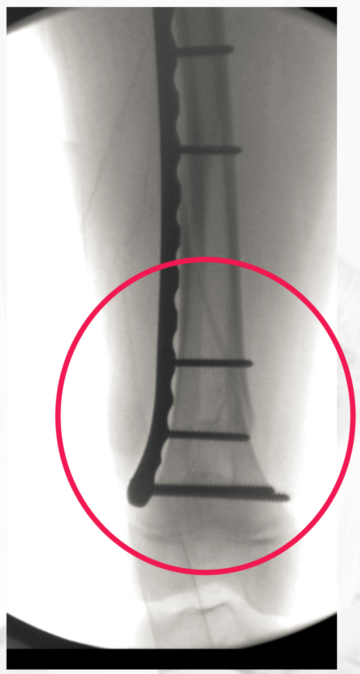
Children Are Not Small Adults

Superior Clinical Outcomes

Re-Purposed Adult Plate

Screws Through Growth Plate

OP's Solution



Screws Parallel To Growth Plate

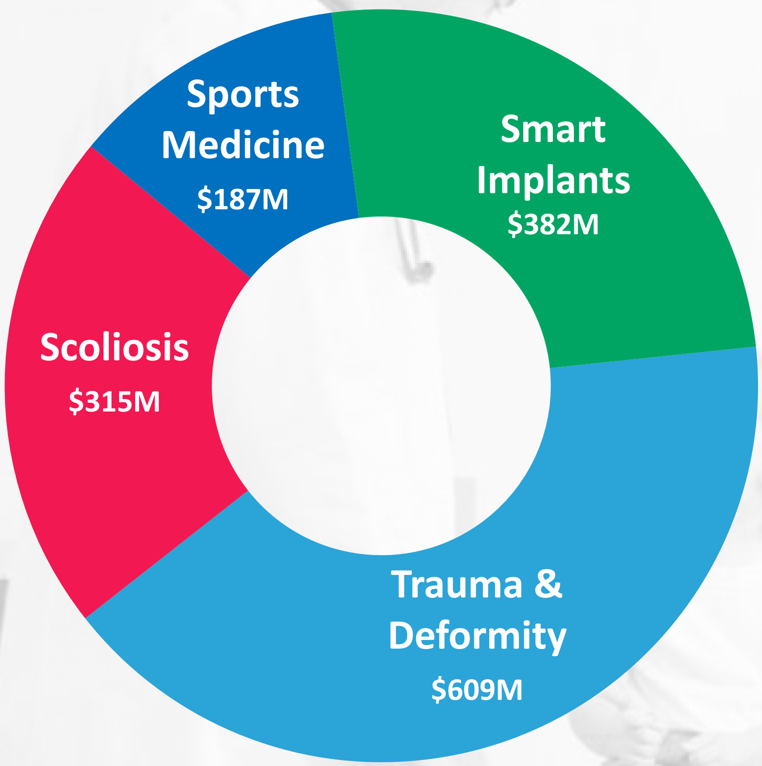
OP's Market Impact

- **Address orthopedic industry's lack of focus on product development, clinical education, and sales presence**
- **Implants and instruments avoid complications of re-purposed adult products**
- **Product development in collaboration with leading pediatric orthopedic surgeons**
- **Dedicated sales support attending surgeries**
- **Clinical education programs that build brand loyalty**

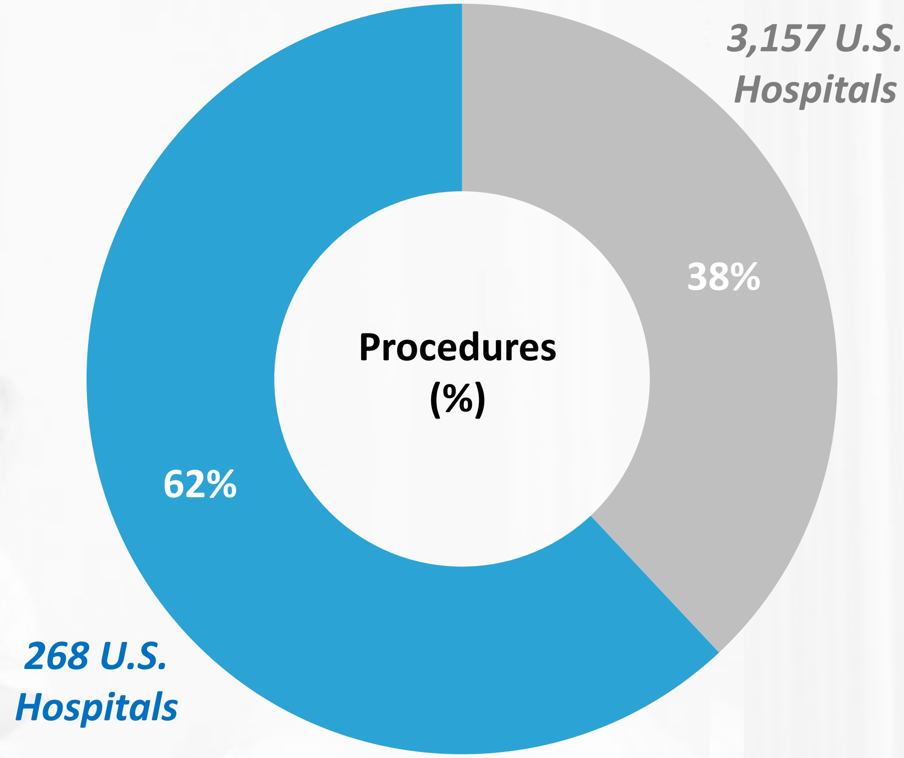
Large and Focused Market

OP'S $3.3 Billion Current Addressable Global Market[1]

$1.5 Billion U.S. Addressable Market[1]



High Concentration of Pediatric Trauma & Deformity and Scoliosis Procedures

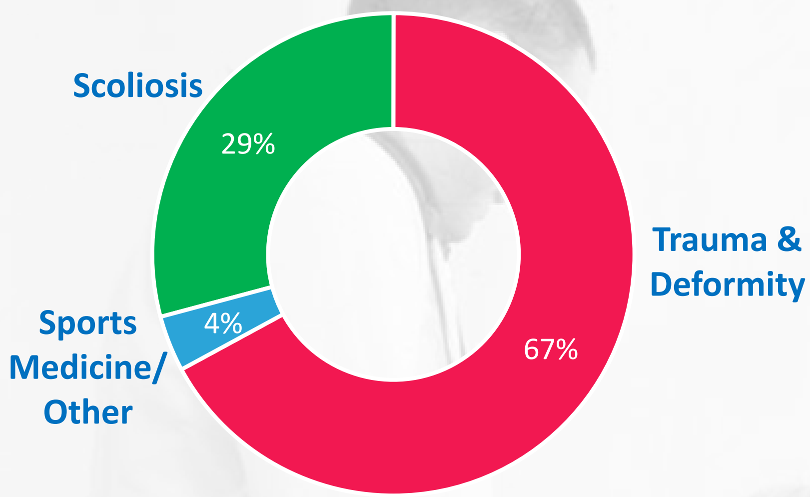


Current products target three of the largest categories in Pediatric Orthopedics
Pipeline products underway to expand addressable market

[1] Management's June 30 updates to IMS data from 2016

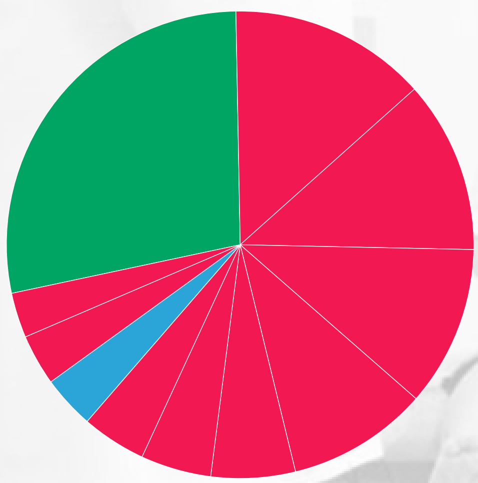
Product Line & Growth Diversification

2020 Revenue by Segment (% Total)

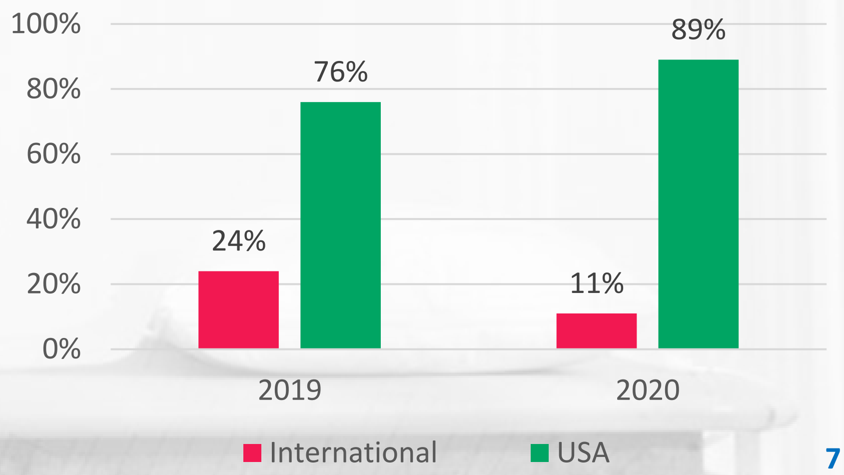


- $71.1 million sales in 2020, decreased 2% vs prior year
- ($2.7) million Dec '20 revenue reduction impacted 2020 growth by negative 4%
- $72.6 million sales in 2019, increasing 26%
- Well diversified product sales and sources of growth
- All products have comparable gross margins

2020 Revenue by Product Family



Revenue by Geography



* Excluding ($2.7) million revenue reduction

A Proven Strategy Since 2011

Sales Focus on Teaching Institutions and High Volume Hospitals	Deploy Instrument Sets	Expand Addressable Procedures	Expand Clinical Education Programs

Goals

- Accelerate sales growth
- Develop and acquire novel technologies

New Systems & Product Launches (2017-2018)

Trauma & Deformity

Titanium PediPlates® System
(Expands physeal tethering offering)

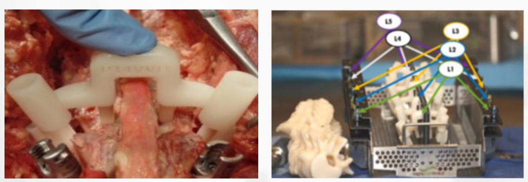
Clavicle Plate System
(First pediatric specific system)

Wrist Fusion Plate System
(First pediatric specific system)

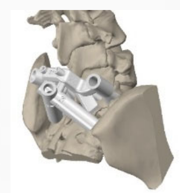
PediFlex Advanced

Pediatric Nailing Platform | FEMUR
(Expands into adolescent cases)

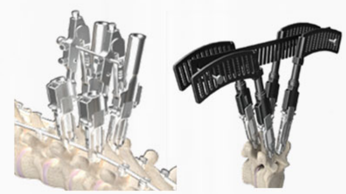
Scoliosis



FIREFLY® Pedicle Screw Navigation Guides
(Complementary to RESPONSE Spine System)

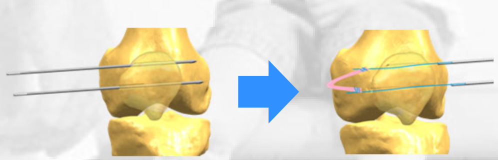


FireFly S2/Alar



RESPONSE 4.5/4.75/5.0mm System
(Maximizes intraoperative flexibility)

Sports Medicine



Medial Patella Femoral Ligament Reconstruction System
(Complementary to ACL Reconstruction System)

Internal Developments & 2 Select Acquisitions

Trauma & Deformity

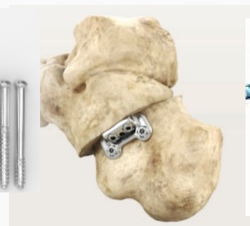
Acquired June'19

Orthex
(External fixation hardware / software)

Launched Sept'19

Next Generation Cannulated Screw Systems

Launched Nov'19

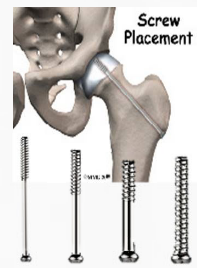


PediFoot
(First pediatric foot system)

Launched Dec'19

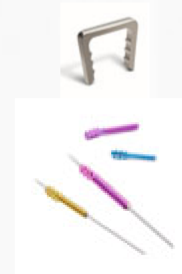
QuickPack™ Bone Void Filler

Launched Mar'20



Large Fragment Cannulated Screw System

Launching 2021



PediFoot Expansion

Launched 2020 / 2021

Orthex AUS / EMEA

Scoliosis

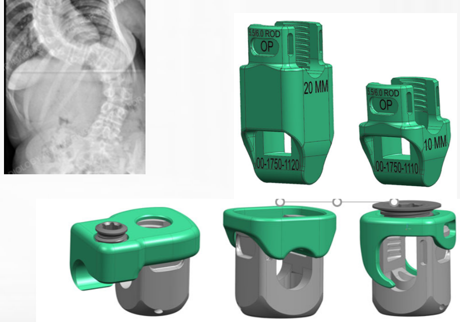
Launched Feb'19


BandLoc DUO System

Acquired Apr'20

ApiFix MID-C System
(Non-fusion technology)

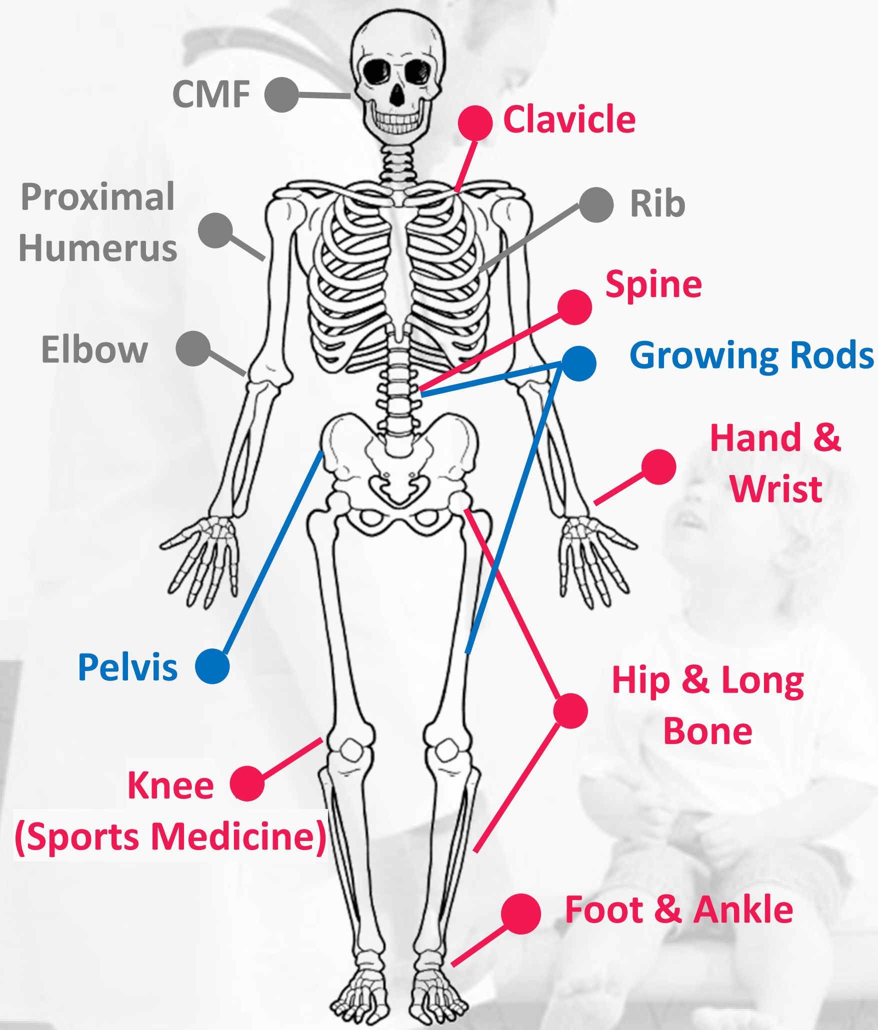
Neuromuscular Launched Jun'21

RESPONSE™ Neuromuscular System

Strong Pipeline

Expanding Our Addressable Market



Demonstrated ability to expand portfolio to full array of pediatric surgeries

- OP Today
- OP Tomorrow
- Now Under Development

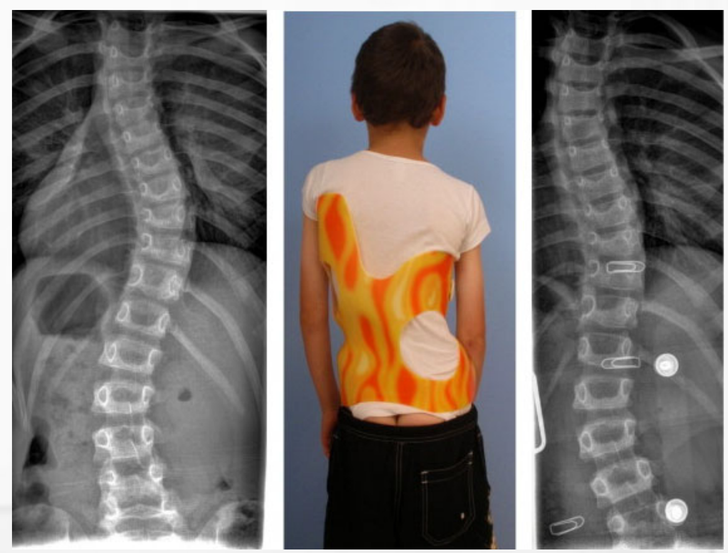
Leading Edge Systems in Development

Smart Implants

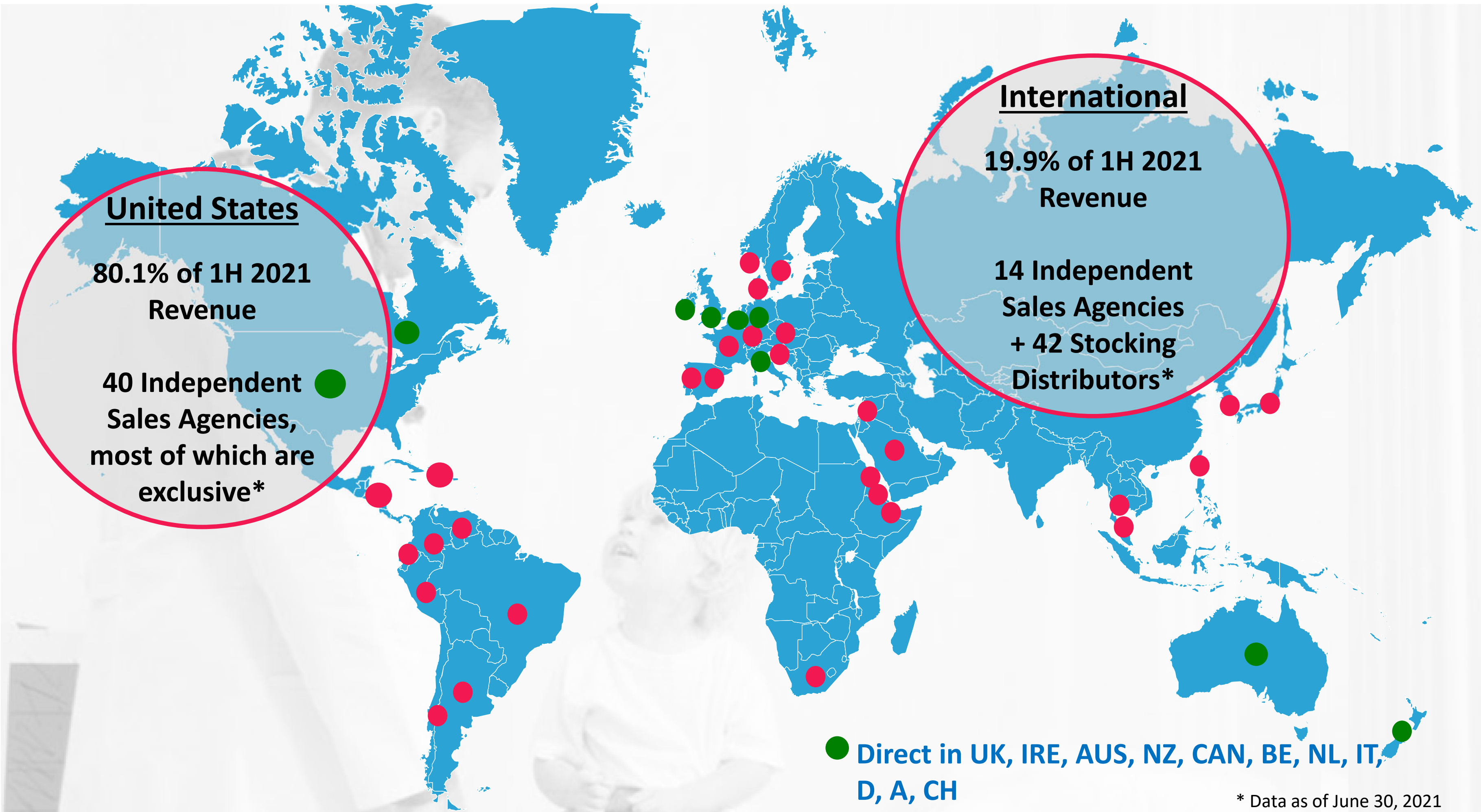
- Proof of concept established in 2018 with substantial development in 2019
- 2 embodiments: (1) scoliosis (2) intramedullary nailing
- OP will offer significant improvements to current technology

Early Onset Scoliosis

- Emerging surgical trends not being pursued by major spine companies
- Intervention in patients as young as 10
- Reversible, non-fusion procedures
- Developing IP portfolio
- Working with panel of leading surgeons



Sales Coverage in the U.S. and 45 Countries



OP's U.S. business shifted from hybrid model to 100% indirect in 2016
Sales agencies are independent legal entities that take title to and resell product very rarely
Converting to agency model in select markets has significantly increased volumes, ASPs, and gross margin

Vilex Acquisition

Transaction Details

- **Acquisition:** In June 2019 OP purchased Vilex[1] and its Orthex Hexapod[2] system with proprietary point-and-click planning software, for $60 million ($50 million cash + $10 million shares)
- **Divestiture:** In December 2019 OP sold the adult assets and Orthex license for non-pediatrics market to Squadron Capital for $25 million cash.
- **Net:** Orthex Hexapod investment of $35 million

Benefits

- Expands OP's Trauma & Deformity business into new segment valued at $200 million globally
- Expands Trauma & Deformity's breadth from 60% to 80% of addressable market
- Increases surgeon reach to limb reconstruction specialists who treat pediatric patients beyond children's hospitals, generating pull-through of other products
- Divestiture allows OP to remain committed solely to pediatrics with cross license rights

[1] Vilex generated $6.7 million of revenue in 2018 (most of which was adult)
[2] Hexapod had 50% annual revenue growth since FDA clearance in mid-2016; generated $5.1 million of revenue in 2018

Orthex Advantages

Disruptive Technology

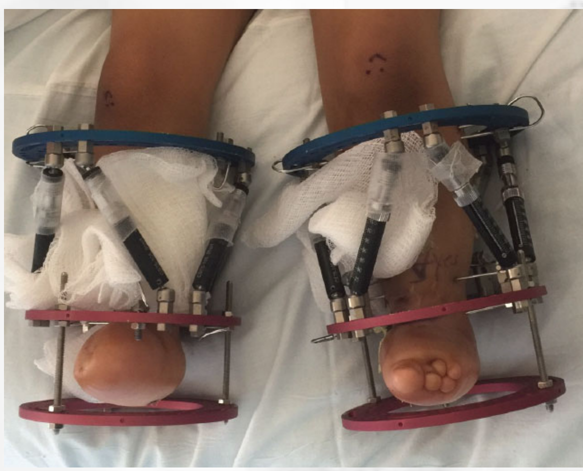
- Construct allows 90° angulation
- Unique calibrated structs and HA-coated pins
- Patented point and click software
- Significantly simplifies surgery planning and subsequent alignments

Dror Paley, MD – Pediatric orthopedic KOL

- Introduced Ilizarov method in U.S.

Defend competitive position and risk

- Defend other potential acquirers from entering the pediatric space



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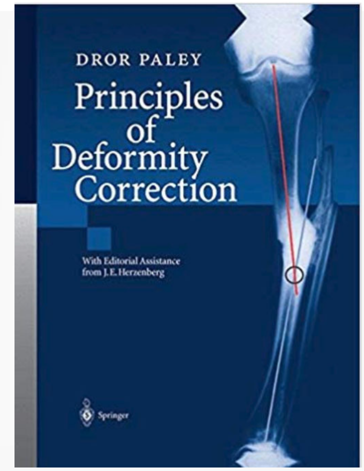
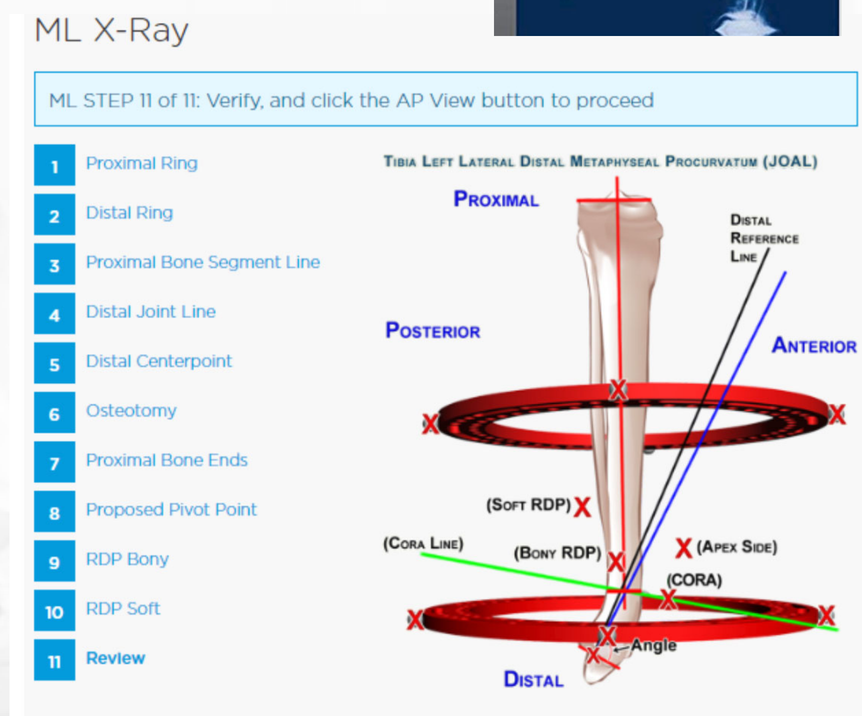




ApiFix Acquisition

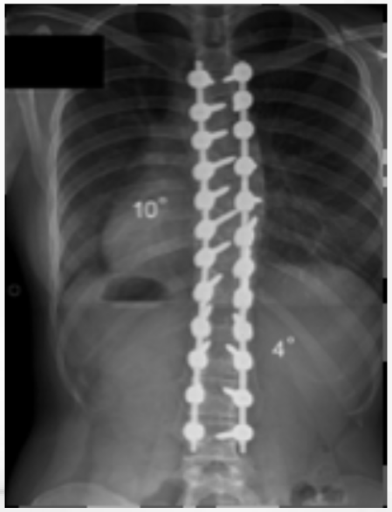
Transaction Details

- Acquisition: In April 2020, OP purchased ApiFix[1] and its MID-C minimally invasive deformity correction system, for 934,768 shares of common stock and $2 million in cash paid at closing, plus milestone payments and an earnout over a period of four years

Benefits

- Expands OP's Scoliosis business into non-fusion market, the holy grail of pediatric scoliosis surgery
- One of only two non-fusion technologies approved by the U.S. FDA and granted pediatric HDE
- Least invasive, unilateral system that acts as an internal brace with motion-preserving capabilities to avoid permanently limiting spinal range of motion
- Measurable reductions in surgery time, blood loss, hospitalization, recovery time, and complication rates
- Extremely high sales/dollar of set inventory
- Strong global IP protection: 46 granted patents and 26 patent applications[2]

ApiFix Procedure

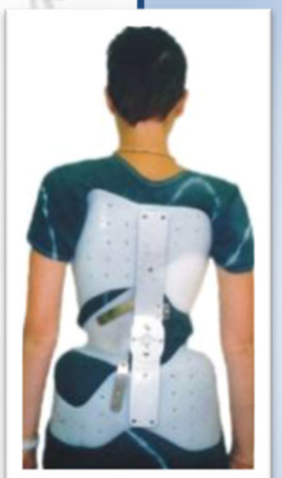


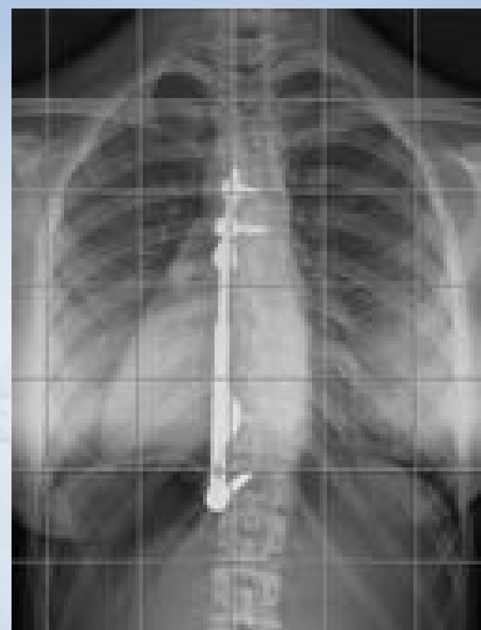
Fusion Procedure

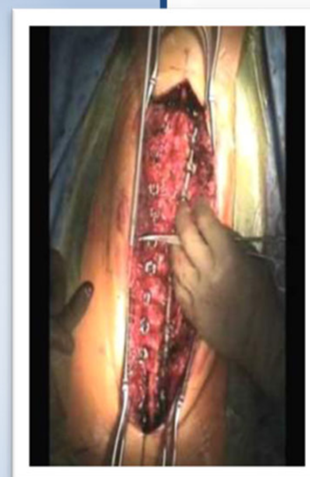
[1] ApiFix generated $0.5 million of revenue in 2019
[2] As of June 30, 2021

A Game-Changing Surgical Option

ApiFix is a Viable Alternative to Failed Bracing and Spinal Fusion for the Treatment of Progressive Scoliosis (AIS)







Exercise	Brace	ApiFix System	Fusion Surgery
Curves < 25º	Curves 25º- 40º	Curves 35º - 60º	Curves > 50º

ApiFix Procedure Advantages

Minimally Invasive Deformity Correction (MID-C) System for Scoliosis

- Viable alternative to failed bracing and spinal fusion with motion-preserving technique
  - Self-adjusting rod and novel polyaxial joints
- Least invasive surgical solution
  - Placed posteriorly and unilaterally on the concave aspect of the curvature
  - No thoracic surgeon; no need to collapse the lung
- Removable (burns no bridges)
- Surgery time 1-2 hours with blood loss <50cc
- Post-surgery hospital stays of 1-2 days
  - Patient recovery measured in days, not months
- Low complication and revision rates
- FDA and CE Mark approved procedure backed by clinical data on 450+ patients and long-term (8 year) data

New Competitors Would Face Formidable Obstacles

“The ship has sailed.”

- Product breadth
- Surgeon relationships
- Sales and distribution network
- Clinical education programs
- Pediatric brand equity
- Reputation with pediatric orthopedic societies
- Dynamic culture

What Does Category Leadership Mean?

Surgeon relationships and clinical education

- **Relationships with surgeons** who use entire portfolio
- Major provider of **clinical education**
- **Leading supporter** of surgical societies
- **Custom instruments**

Broadest, most innovative product offering

- 14 years' clinical understanding
- **New product pipeline**
- **Pediatric Market Gateway** for distributed products and joint product developments

OrthoPediatrics®
Leading Innovation in Pediatric Orthopedics

Robust organic growth opportunities

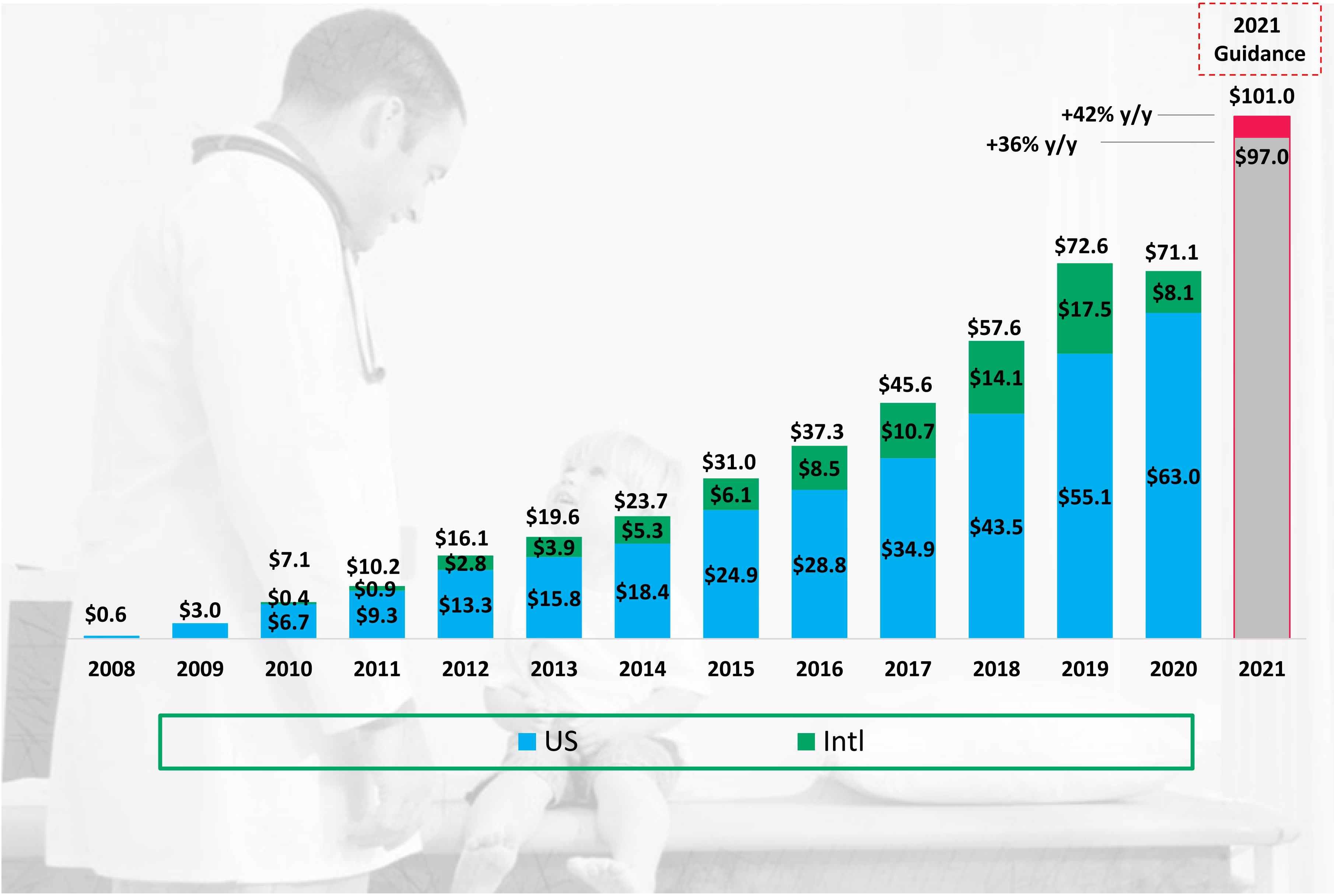
- $3.3 billion addressable global market
- Limited focused competition
- Focused, experienced distribution
- **Instrument set placements drive growth**

Attractive growth and margin profile

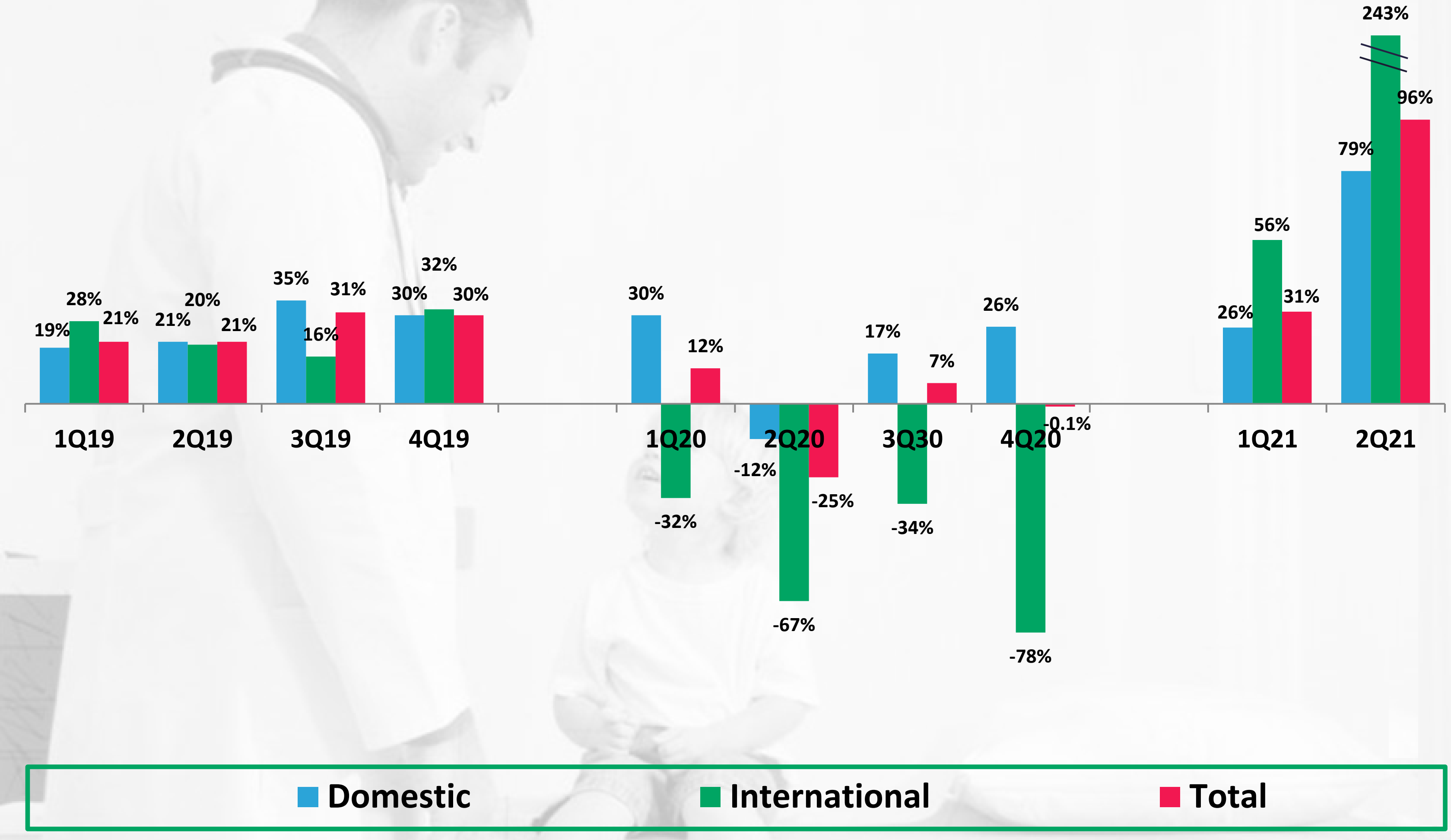
- **Consistent growth since inception**
- **77% gross margin in FY 2020**
- **History of efficient capital utilization**

Financial Review

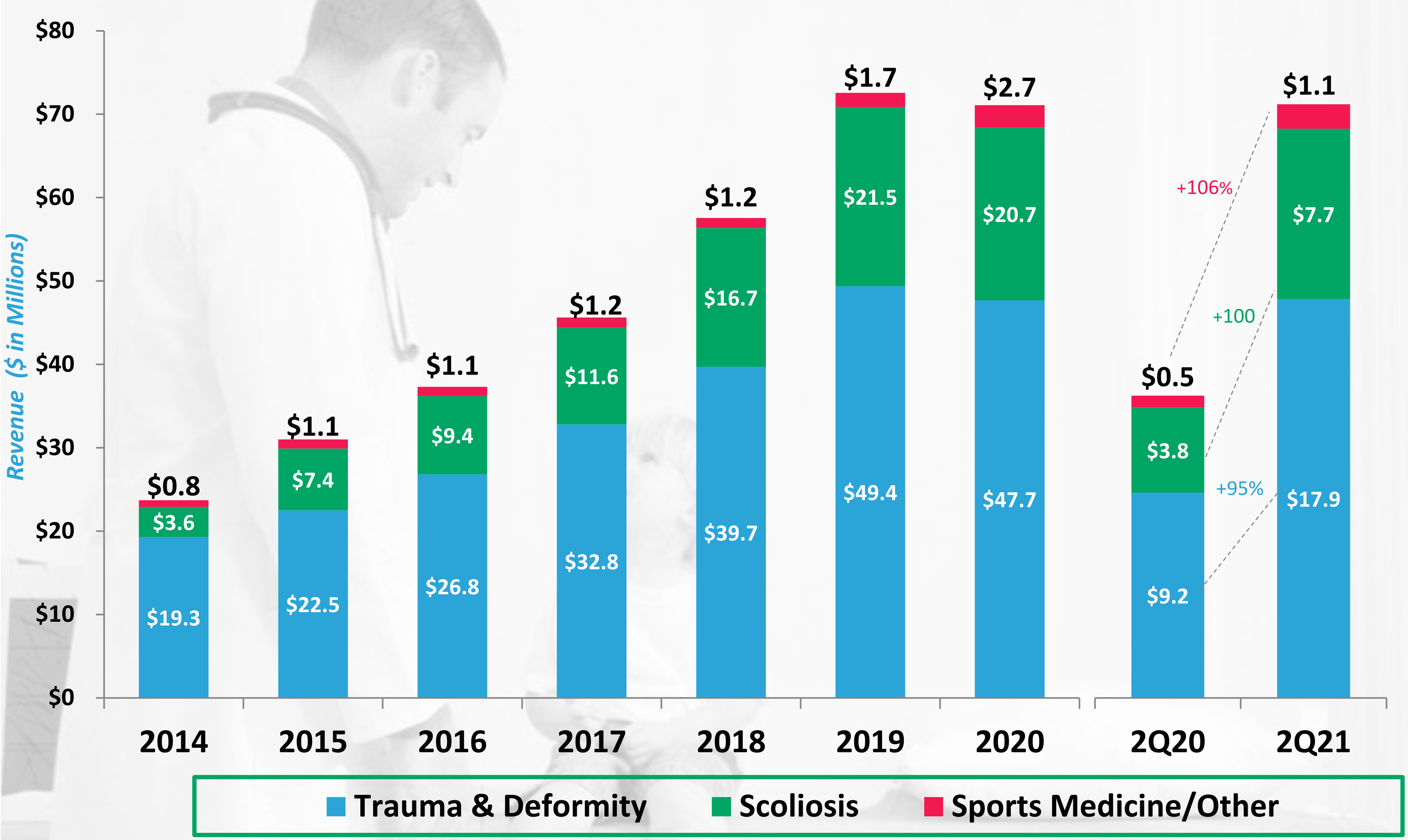
Consistent 20+% Revenue Growth Since Inception



Growth by Geography

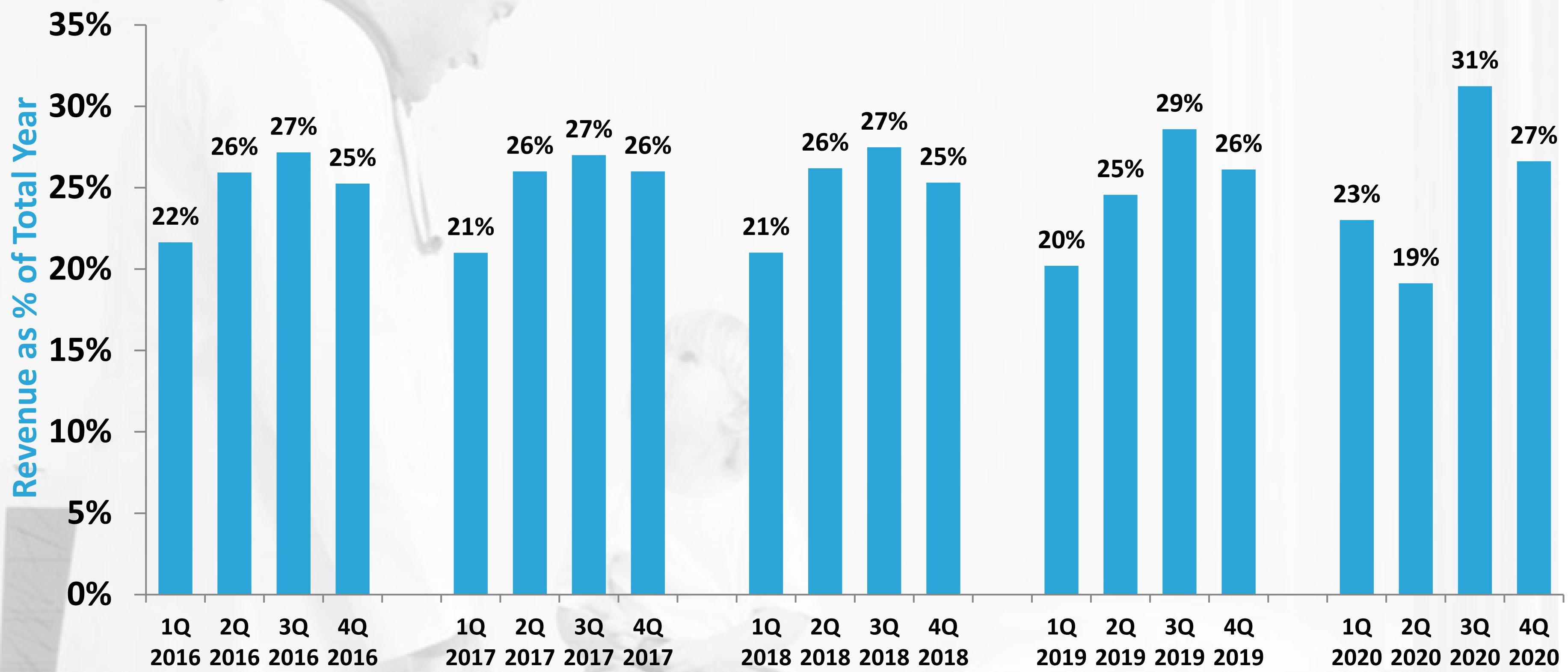


Category Revenue Summary



Revenue Seasonality

Seasonality Drives Stronger Performance in Summer Months and Holiday Periods



Income Statement Summary

($ in Millions)

	FY 2018	FY 2019	FY 2020	2Q 2020	2Q 2021
Revenue	**$57.6**	**$72.6**	**$71.1**	**$13.6**	**$26.7**
Growth %	*26%*	*26%*	*(.01%)*	*(25%)*	*96%*
Gross Profit	$42.7	$54.6	$55.0	$10.1	$20.4
Margin %	*74%*	*75%*	*77%*	*74%*	*77%*
Operating Expenses	$52.2	$63.7	$81.8	$17.1	$23.3
Operating Loss	($9.6)	($9.1)	($26.8)	($7.0)	($2.8)
Net Loss	**($12.0)**	**($13.7)**	**($32.9)**	**($9.4)**	**($3.8)**
Net Loss per Share[1]	**($0.96)**	**($0.94)**	**($1.82)**	**($0.54)**	**($0.19)**

[1] Net loss per share attributable to common stockholders – basic and diluted

Adjusted EBITDA Reconciliation

($ in Millions)

	Three Months Ended June 30,	
	2021	**2020**
Net loss from continuing operations	**($3.8)**	**($9.4)**
Interest expense, net	0.6	1.4
Other expense	(0.4)	0.1
Provision for income tax (benefit)	(0.3)	-
Depreciation and amortization	2.6	1.9
Stock-based compensation	1.4	2.5
Fair value adjustment of contingent consideration	1.0	0.9
Acquisition related costs	-	0.3
Non-recurring professional fees	0.1	-
Adjusted EBITDA	**$1.2**	**($2.3)**

*Some numbers may not add up to due rounding

Adjusted EPS Reconciliation

	Three Months Ended June 30,	
	2021	**2020**
Earnings (loss) per share, diluted (GAAP)	**($0.19)**	**($0.54)**
Accretion of interest attributable to acquisition installment payments	0.03	0.05
Fair value adjustment of contingent consideration	0.05	0.05
Non-recurring professional fees	-	-
Earnings (loss) per share, diluted (non-GAAP)	**($0.11)**	**($0.44)**

Balance Sheet

($ in Millions)
As of June 30, 2021

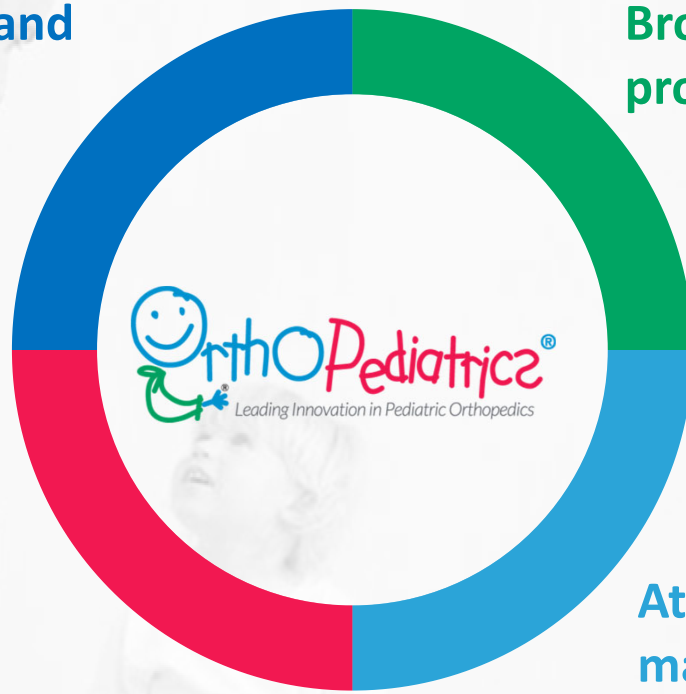
Assets	
Cash	$67.2
Accounts receivable	19.2
Inventory (net)	56.4
Other current assets	2.6
PP&E (net)	28.2
Intangibles and Goodwill	120.2
Other intangible assets	13.8
Total Assets	**$307.7**

Liabilities	
Accounts payable	$10.1
Debt	1.1
Accrued expenses	5.7
Acquisition & Other Liab	54.7
Paid-in capital	391.4
Accumulated deficit (net)	(175.9)
Accumulated other	6.1
Total Liabilities / Equity	**$307.7**

Summary

Surgeon relationships and clinical education

Broadest, most innovative product offering



Robust organic growth opportunities

Attractive growth and margin profile