TREACE®
Medical Concepts, Inc.

The Leader in Hallux Valgus Surgery™

41st Annual
J.P. Morgan Healthcare Conference

JANUARY 2023

Paragon 28, Inc. v. Treace Medical Concepts, Inc.
IPR2026-00194
Treace Ex. 2027

Safe Harbor

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, including our 2021 Form 10-K filed with the SEC on March 4, 2022. 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.

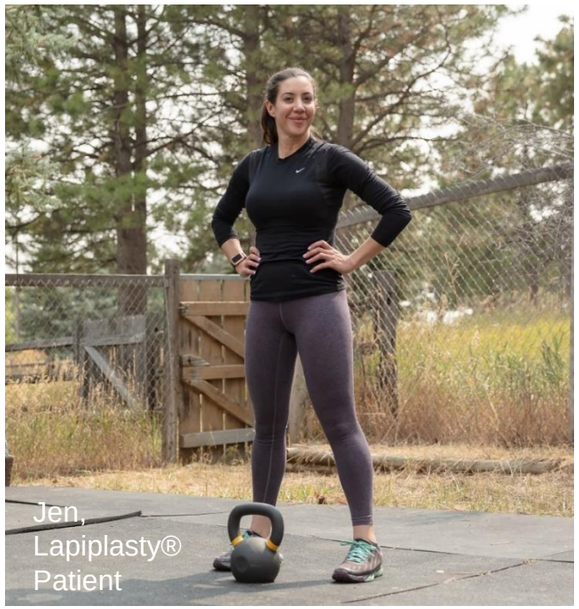
This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumption, 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.

Treace Medical Concepts at a Glance

Medical Device Company 100% Focused on the Surgical Treatment of Bunions via Our Patented Lapiplasty® Procedure

- **TMCI (NasdaqGS)**
- **HQ**: Ponte Vedra, FL
- **Patients Treated**: 65,000+
- **FY22 Revenue**: +50% YoY[1]
- **FY22 Gross Margin Through Q3:** 80.7%[1]
- **Active Surgeons**: 2,389[2]



Strong IP Protection
40 US Patents
46 US Pending Patents

Experienced Board and Management Team

400+ Employees

Note: Patent count and employee count as of December 31, 2022
(1) Preliminary unaudited revenue for full year 2022 is anticipated to be in the range of $141.2 to $141.7 million
(2) Surgeons performing at least one case in trailing twelve months as of December 31, 2022

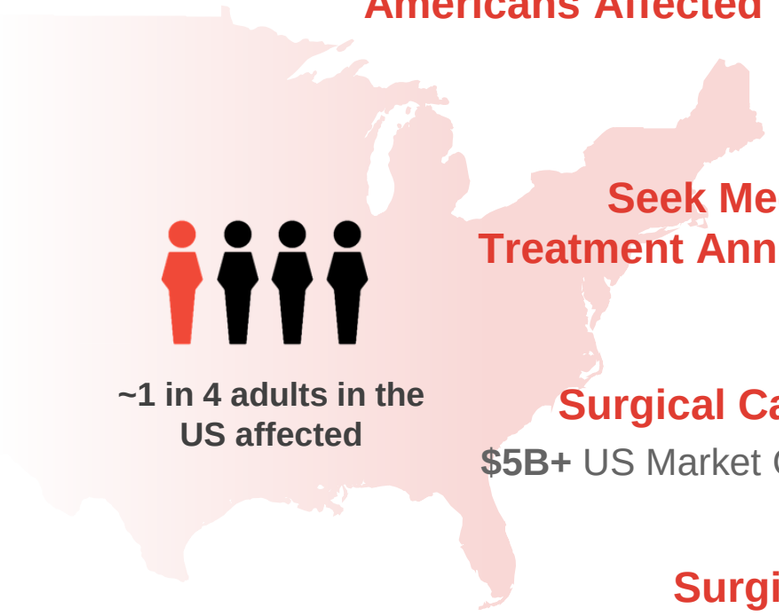
Compelling Value Creation Opportunity

TREACE Medical Concepts, Inc.

- $5B+ US market opportunity, with strong early market penetration
- Disruptive, patented Lapiplasty® technology changing the practice of medicine
- Industry's only bunion-focused direct sales channel
- Differentiating & supportive clinical datasets
- High growth rate and high margin business model

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



~1 in 4 adults in the US affected

Americans Affected — **65mm**

Seek Medical Treatment Annually — **4.4mm**

Surgical Candidates — **1.1mm**

$5B+ US Market Opportunity

Surgical Procedures[1] — **450k**

$2.3B Current US Market

Lapiplasty® System Opportunity

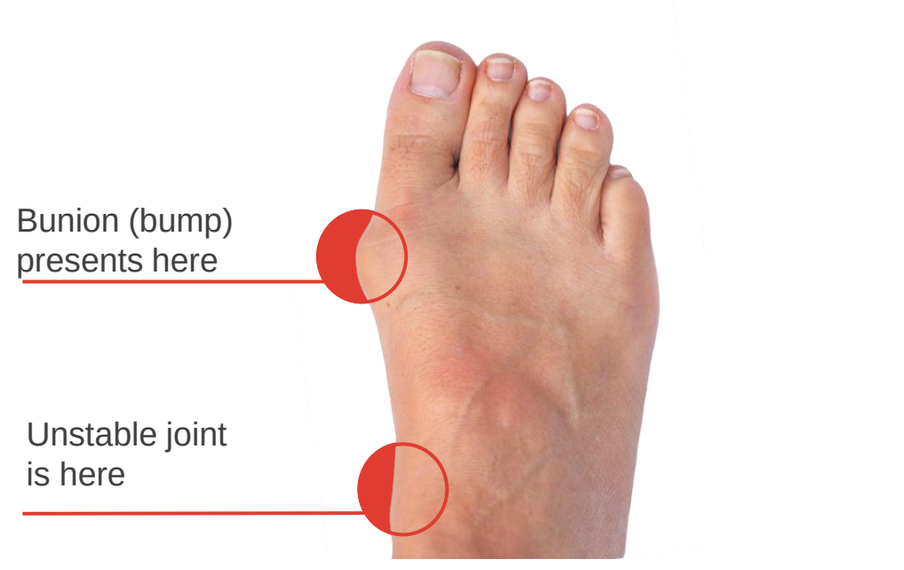
- 450k surgical procedures[1] per year
- 650k additional patients in need of surgical treatment

(1) iData Research, Inc.

Bunions: 3-Plane Deformities

An unstable joint in the middle of the foot allows the metatarsal bone to shift outward…

Creating the painful "bump" on the side of the big toe



In nearly 90% of bunions, the metatarsal bone is rotated in the frontal plane[1]

Failure to correct the frontal plane component can lead to a 10-12x greater risk of recurrence[2]

(1) Kim Y, et al. Foot Ankle Int. 2015.
(2) Okuda et al. JBJS 2009, Okuda et al. JBJS 2007.

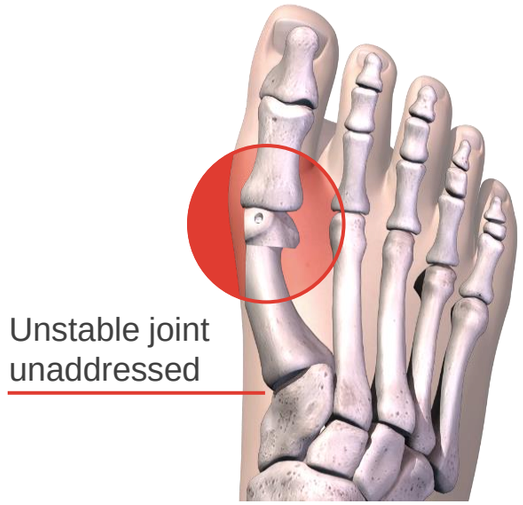
Traditional 2D Surgical Approaches Have Significant Shortcomings

TREACE Medical Concepts, Inc.

2D OSTEOTOMY (~75% of cases)

Cuts the metatarsal bone and shifts the bump inward

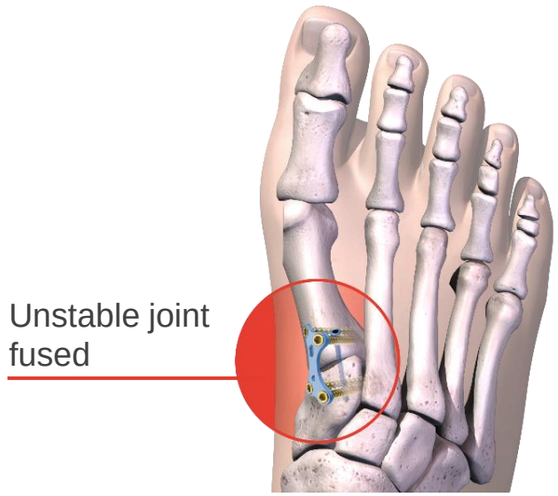
- Relatively straightforward procedure
- Doesn't address the unstable joint
- Increased recurrence risk[1]



2D LAPIDUS FUSION (~25% of cases)

Realigns the entire metatarsal bone and fuses the unstable joint

- Challenging freehand procedure
- Decreased recurrence risk[2]
- 6 – 8 weeks non-weightbearing (cast)



(1) 1.8%–78% recurrence; Lagaay PM, et al. J Foot Ankle Surg 2008; Jeuken RM, et al. Foot Ankle Int 2016
(2) 0-38% recurrence; Catanzariti AR, et al. J Foot Ankle Surg 1999; Galli SH, et al. Foot & Ankle Ortho 2020

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

- Patented 3D procedure for the 3D problem
- Addresses the root cause of the bunion (unstable joint)
- Fast recovery (return to weight bearing at avg 8.3 days)[1,2]
- Low recurrence rate (1.4% at 12 & 24 months)[1]

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 2022
(2) In a post-operative boot

Focused Product Line Drives Efficiency & Scalability

Capitalized Reusable Instrumentation

Sterile-Packed Implant Kits

40 sellable SKUs allows
focused innovation & growth

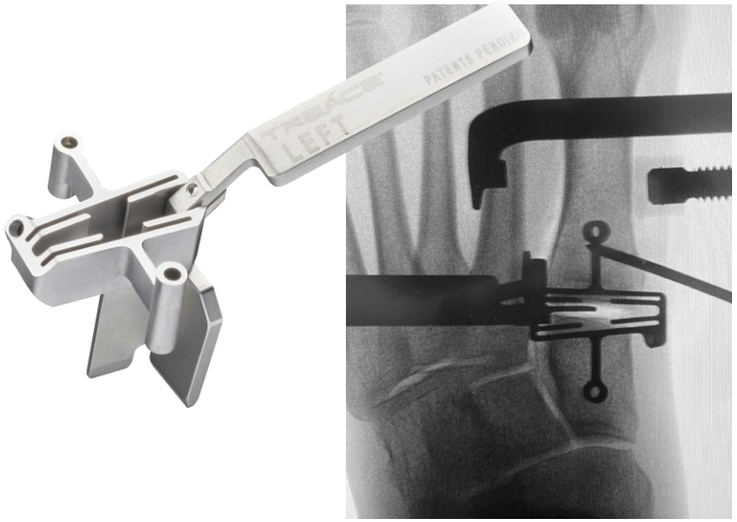
Low capital requirements, highly scalable, consumable model

Executing Our Business Strategy to Drive Growth

Rapid, Focused Innovation: 2022 Lapiplasty® Advancements

Lapiplasty® 3-n-1 Guide

- Combines three instruments into one
- Reduced surgical time and increased efficiency

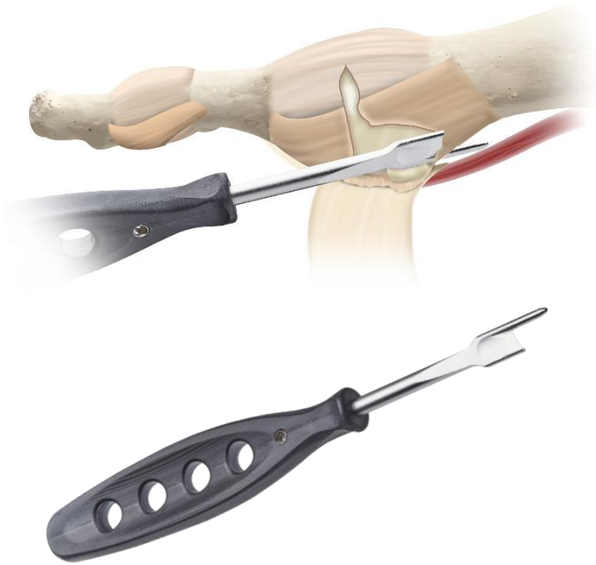


Lapiplasty® S4A Anatomic Plating Kit

- Evolution of Lapiplasty® plating
- 3D contour to accommodate anatomic variabilities of TMT joint

SpeedRelease™ Release Instrument

- Sterile-packed, specialized instrument
- Designed for more accurate & complete soft tissue releases



Rapid, Focused Innovation: Minimally Invasive Approaches

- Minimally invasive approaches utilize same patented method of Lapiplasty® Procedure
- Mini-Incision™ increasing share of Lapiplasty® cases, driving higher ASP
- Micro-Lapiplasty™ features enabling **SpeedPlate™ Rapid Compression Fixation** platform (2023 availability)

Lapiplasty® Procedure
~7cm Incision; 2015

Mini-Incision™ System
~3.5cm Incision; 2021

New
SpeedPlate™

Micro-Lapiplasty™
<2cm Incisions; 2023

Rapid, Focused Innovation: Adductoplasty® Midfoot Correction

TREACE Medical Concepts, Inc.

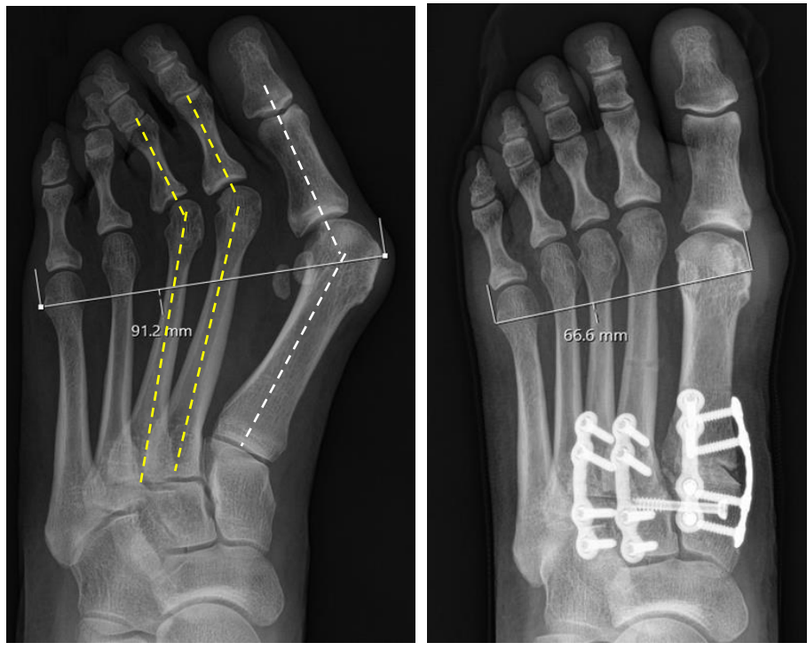
- First instrumented approach for correcting metatarsus adductus deformity of the midfoot
- Present in up to 30% of bunion patients; increased recurrence if not addressed[1]
- $4K+ additional per Lapiplasty® case

Adductoplasty® System (Q2 2022)

Precision cut guide › Alignment & Compression › Plate Fixation

TriTome™ *NEW* Release Instrument

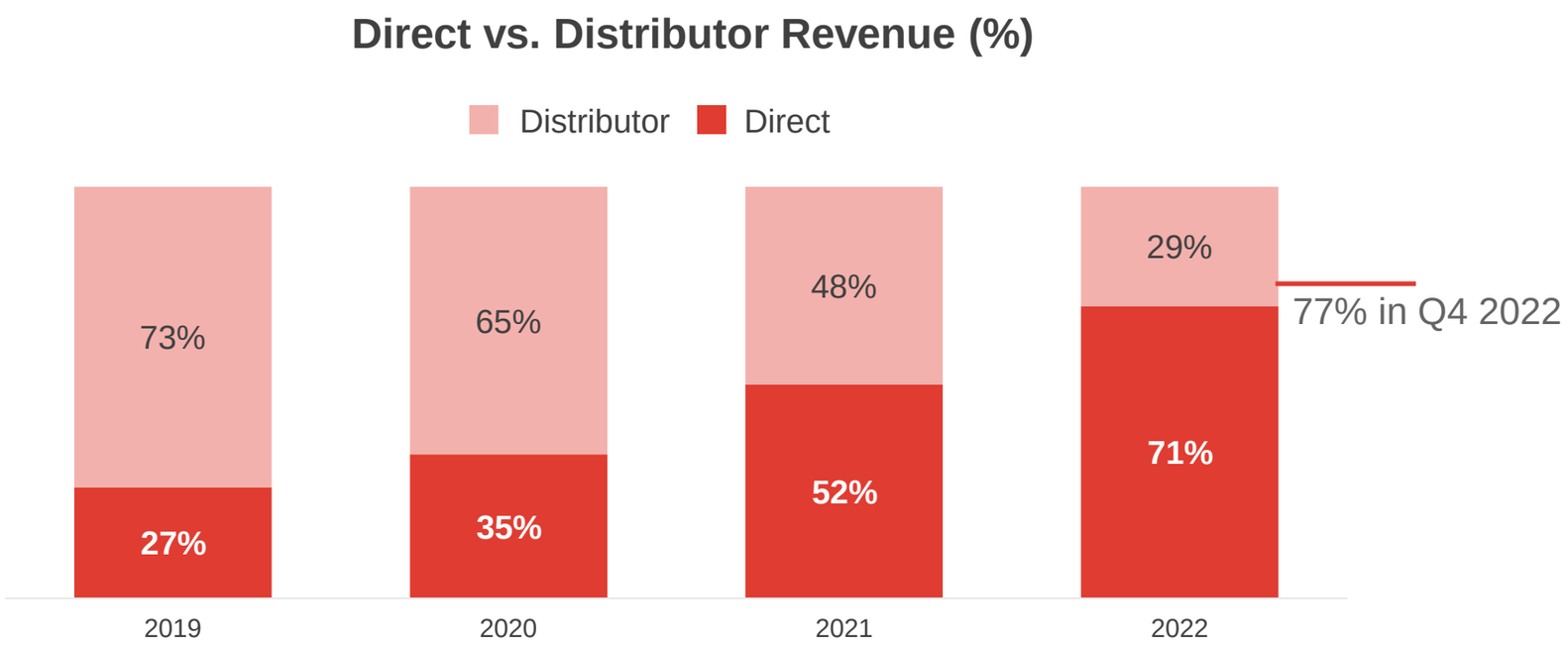
Before Adductoplasty® / After



(1) Aiyer AA et al. Foot Ankle Int. 2014 ; Aiyer AA, et al. FAI 2016.

Industry's Only Direct Bunion-Focused Sales Channel

- Focused, specialized sales reps selling only Treace Medical products
- Increase customer acquisition and market penetration
- Support higher utilization and blended ASP



- 168 employee direct sales reps[1]
- 267 employee "field fleet"[1]

(1) As of December 31, 2022

Highly Effective Surgeon Education

- Monthly Introductory and Advanced events with experienced surgeon faculty and Treace staff
- Hands-on training is required prior to live clinical use of Lapiplasty®

- Required step in educational process that added:
  - 278 new surgeon users in 2020
  - 508 new surgeon users in 2021
  - 606 new surgeon users in 2022

Educational Webinars

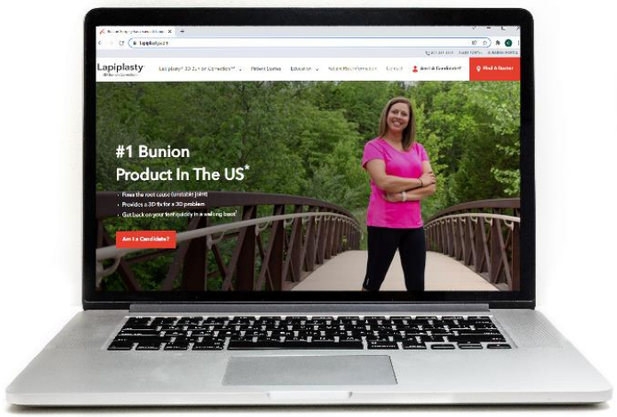
In-Person Lab Events

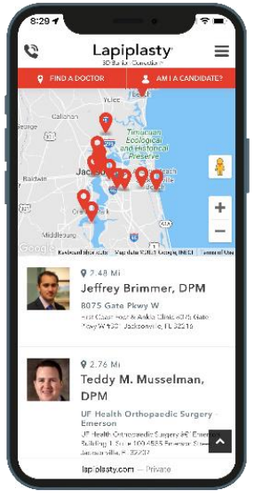
Treace Medical's New Onsite Training Center, Ponte Vedra, FL

Comprehensive, Impactful Direct-to-Patient Education

TREACE Medical Concepts, Inc.

facebook
Google
YouTube
Hallmark MOVIE CHANNEL
THE Doctors





OUTREACH
with national programs to raise awareness

EDUCATE
on Lapiplasty.com

SEARCH
for a doctor

SCHEDULE
an appointment

Leveraging highly targeted and scalable DTC programs

Compelling Lapiplasty® Clinical Outcomes

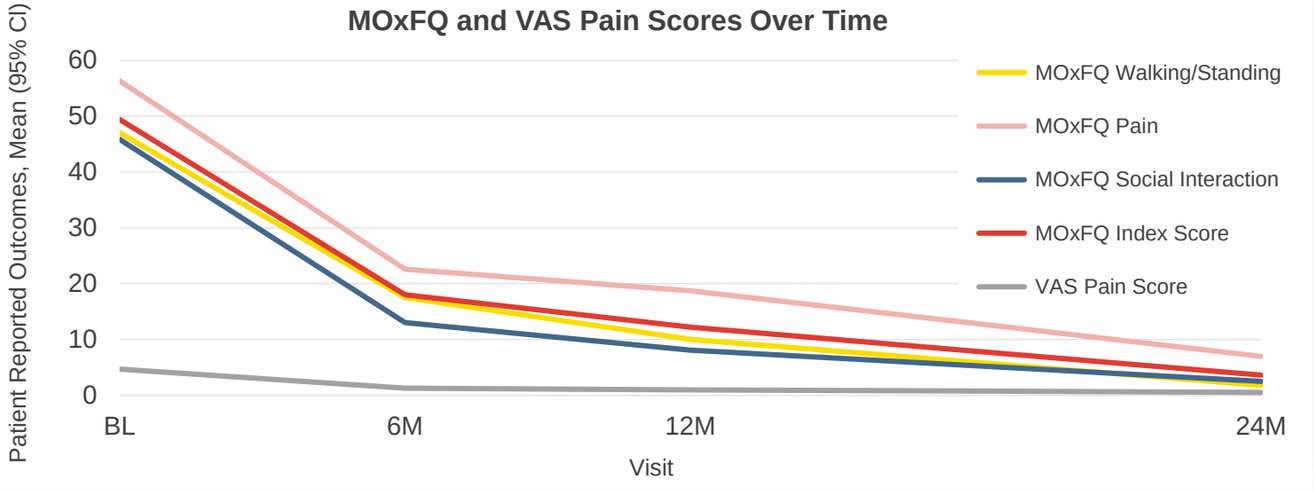
Leading Clinical Evidence

21 Peer-Reviewed Publications

ALIGN3D™ Multicenter Prospective Study[1]

7 centers, 13 surgeons,159 patient interim report at 12 & 24-months

- Return to weight bearing at avg 8.3 days;[2]
- Recurrence rate of 1.4%;
- 81% pain reduction (VAS) & 82% and 84% improvement in walking/standing and social interaction scores, respectively[3]



(1) Interim ALIGN3D™ study report, AOFAS 2022
(2) In a post-operative boot
(3) MOxFQ at 24 months

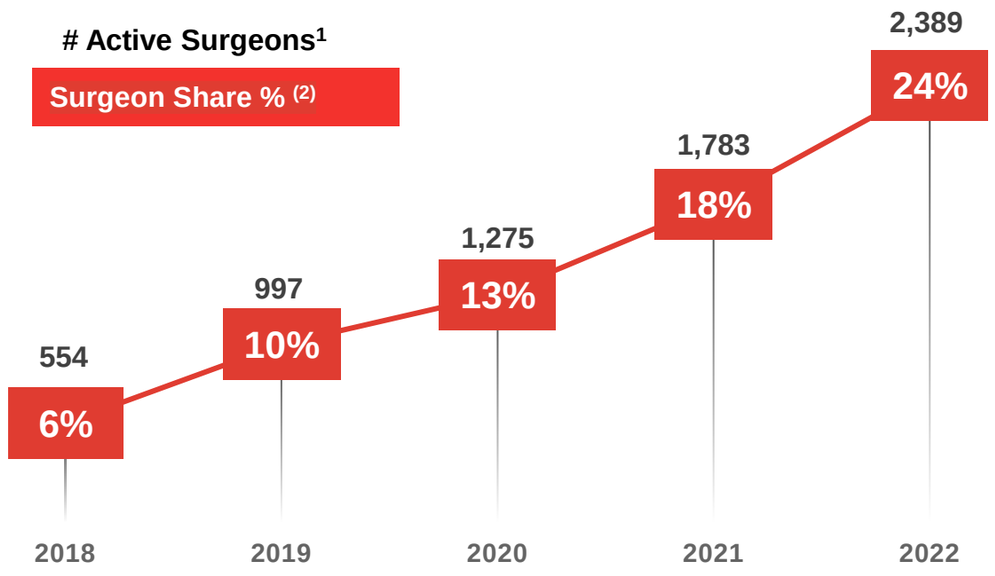
Significant Momentum Capturing Market

Goal

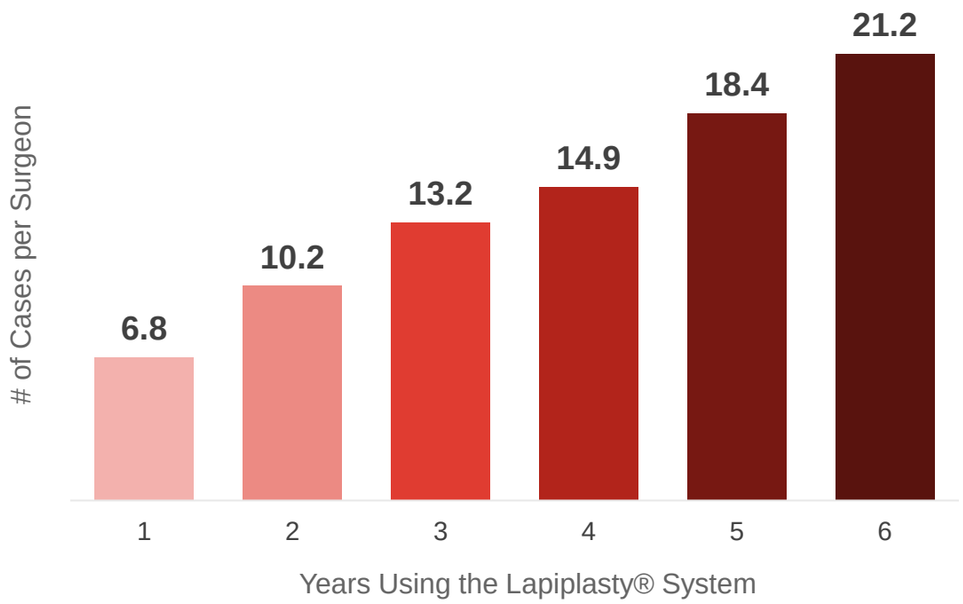
Establish novel **Lapiplasty® 3D Bunion Correction™** technology as the standard of care for bunion treatment

- 34% 5-year CAGR in Active Surgeons
- 24% 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]

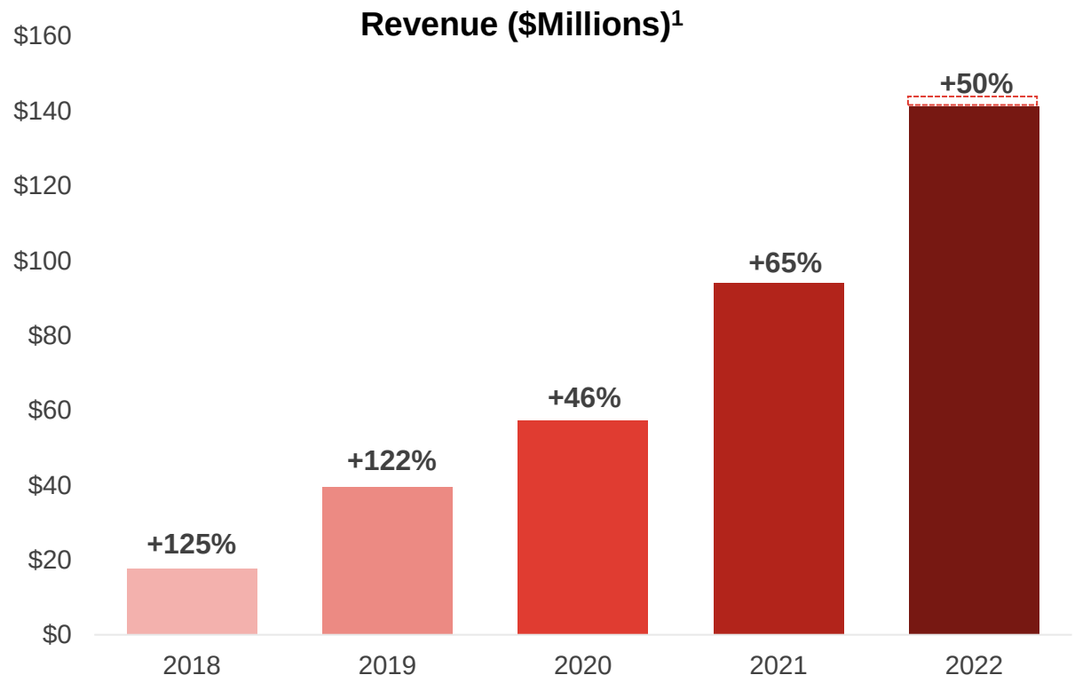


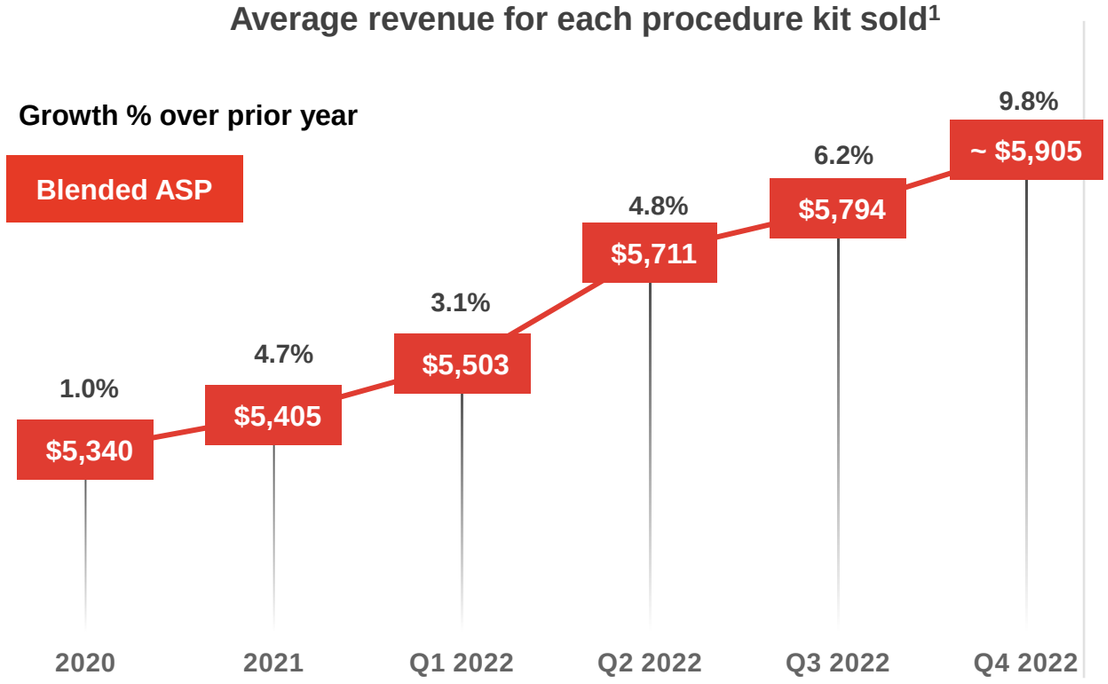
(1) Active Surgeons perform at least one Lapiplasty® procedure in trailing twelve months
(2) Estimated 10,000.US Bunion Surgeons: (~7,400 surgical podiatrists and ~2,600 orthopaedic foot & ankle specialists)

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





(1) Preliminary unaudited revenue for full year 2022 is anticipated to be in the range of $141.2 to $141.7 million.

Financial Highlights

Revenue

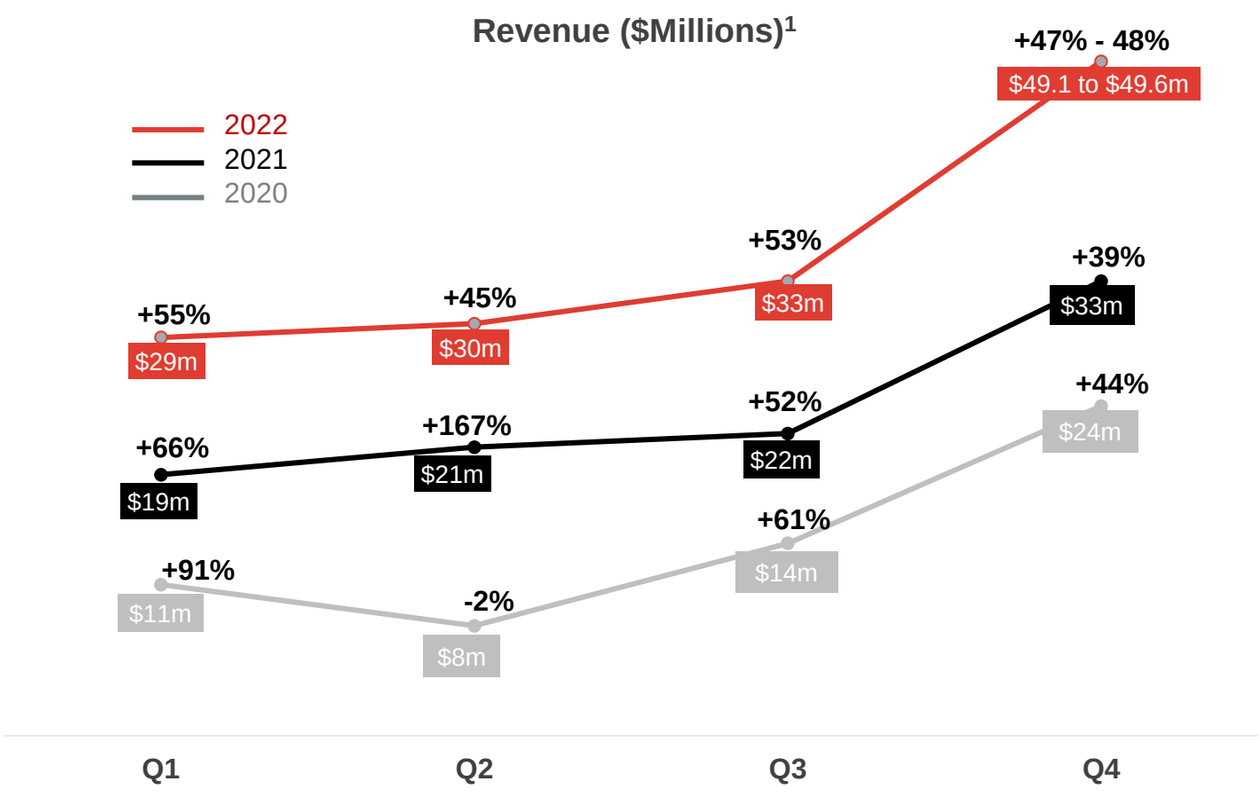
- $57.4 million in 2020 (+46% YoY)
- $94.4 million in 2021 (+65% YoY)
- $141.2 - $141.7 million in 2022 (+50% YoY) [1]

Gross Margin

- 78.3% in 2020
- 81.1% in 2021
- 80.7% year-to-date through Q3 2022[1]

Cash & Cash Equivalents

- $18.1 million as of December 31, 2020
- $105.8 million as of December 31, 2021
- $88.5 million as of September 30, 2022[1]



Strong Revenue Growth and High Gross Margins

(1) Quarterly results are unaudited.

Innovation, Execution and Industry Leadership

$5B+ addressable US market opportunity

40 issued US patents protecting our technology

Strong early market penetration → 5.3%

Growing product portfolio centered around our Lapiplasty® procedure

Significant Growth

- ✓ Topline revenue
- ✓ Revenue per surgery
- ✓ Surgeon adoption and utilization

Adopted by **2,389** surgeons

Utilized to treat **65,000+** bunion patients to date

Executing Our Business Strategy

- ✓ Bunion-Focused Direct Sales Channel
- ✓ Rapid, Focused R&D Innovations
- ✓ Highly Effective Surgeon Education
- ✓ Comprehensive Direct to Patient Education
- ✓ Compelling Lapiplasty® Clinical Outcomes

TREACE®

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The Leader in Hallux Valgus Surgery™