Risk Factors Comparison 2024-02-28 to 2023-02-21 Form: 10-K

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An investment in our securities, including our common stock, involves a high degree of risk. Investors should carefully consider the specific factors set forth below as well as the other information included or incorporated by reference in this Form 10- K. See " Forward Looking Statements ". (i) Risks Related to Our Business and the Medical Device Industry Our financial performance is dependent on conditions in the healthcare industry and the broader economy. Our business and financial performance could be adversely affected, directly or indirectly, by a potential economic downturn. The results of our business are directly tied to the economic conditions in the healthcare industry and the broader economy as a whole. We will continue to monitor and manage the impact of the overall economic environment on the Company. Market volatility and uncertainty related to inflation and its effects, which could potentially contribute to poor economic conditions, may contribute to or enhance some of the risks described herein. Any of these effects, or others that the Company is not able to predict, could adversely affect its financial condition or results of operations. Any deterioration in global economic conditions could also have material adverse effects on the Company' s businesses or financial condition, even if the Company' s direct exposure to the affected region is limited. Global political trends could increase the probability of a deterioration in global economic conditions. In this regard, approximately ~~16~~ **17** % of our ~~2022~~ **2023** revenues are derived from the sale of capital products. The sales of such products may be negatively impacted if hospitals and other healthcare providers are unable to secure the financing necessary to purchase these products or otherwise defer purchases. **Public health crises have had, and may continue to have, an adverse effect on certain aspects of our business, results of operations, financial condition, and cash flows.** The **nature and extent of future impacts are highly uncertain and unpredictable. We face a wide variety of risks related to public health crises, epidemics, pandemics or similar events, which could have an adverse effect on certain aspects of our business, results of operations, financial condition, and cash flows. For example, during the** COVID- 19 ~~global~~ pandemic ~~may pose significant risks to our business if the pandemic~~ , ~~and various responses to it, continue for an extended period of time. The actions undertaken to reduce or respond to the spread of the virus, including its variants, have created and may continue to create significant disruptions with respect to the demand for non- urgent surgeries~~ in ~~hospitals and surgery centers and hospital and ambulatory surgery center operating volumes. As of the date of this report: 1. In~~ some geographies or territories, our field- based sales representatives ~~are~~ **were** limited in their ability to travel to service or call on customers ~~, 2~~ . **Further,** ~~Some~~ **some** hospitals ~~in some areas have~~ delayed certain procedures to reserve space for COVID- 19 patients or ~~have~~ experienced slowdowns due to staffing shortages. ~~As such~~ **If a new health epidemic or outbreak were to occur** , **we could experience broad and varied impacts similar to** the **impact of** COVID- 19 ~~pandemic has directly~~ **, including adverse impacts to our workforce** and ~~indirectly~~ **supply chain, inflationary pressures and increased costs, schedule or production delays, market volatility and other financial impacts. If any of these were to occur, our future results and performance could be** adversely impacted ~~the Company' s business, financial condition and operating results. The extent to which this will continue will depend on numerous evolving factors that are highly uncertain, rapidly changing and cannot be predicted with precision or certainty at this time~~ . Limitations on the availability of Ethylene Oxide (" EtO ") sterilization services may limit our ability to sell certain sterile products. Approximately ~~30~~ **29** % of our products when measured in terms of revenues, are sterilized by third- party sterilizers using ethylene oxide, a chemical which, when present or used in high levels or concentrations, has raised some environmental concerns in some areas within the United States, with the result that some EtO sterilization facilities have closed, or are threatened with closure, either temporarily or permanently, in connection with government enforcement actions or enhanced regulations prompted by environmental concerns. **In** ~~On August 3,~~ 2022, the U. S. Environmental Protection Agency (the " EPA ") announced its plans to engage and share up- to- date information on the risks posed by EtO from commercial sterilizers, as well as its efforts to address the risks. ~~The~~ **In April 2023, the** EPA also announced ~~that it expects to propose~~ **proposals to reduce risks in communities** ~~an~~ **and for workers** ~~air pollution regulation to protect public health~~ by ~~addressing~~ **reducing** EtO emissions ~~at~~ **from chemical plants,** commercial sterilizers **and reducing risk to workers in the sterilization industry** . We have been able to secure EtO sterilization services to date, and do not currently expect sterilization availability to have a material impact on our business. If, however, there are further restrictions on capacity or further government actions adverse to EtO sterilization, it is possible that we could be impacted materially in the future. As a **medical device** manufacturer ~~of medical devices~~ that interacts with physicians and health care providers domestically and internationally, we face risks under domestic and foreign **laws and** regulations, including the Foreign Corrupt Practices Act ~~,~~ **and** similar statutes in other countries, and government enforcement actions more generally. Manufacturers of medical devices have been the subject of various investigations ~~or~~ **and** enforcement actions relating to interactions with health care providers **, both** domestically ~~or~~ **and** internationally. The interactions with domestic health care providers are subject to **various federal and state laws and** regulations, **including** ~~known as~~ the **federal** Anti- Kickback Statute, **which prohibits entities from knowingly and willfully soliciting, offering, receiving or paying remuneration (including kickbacks, bribes or rebates) in exchange for or to induce** the ~~Stark Act~~ **referral of** ~~and~~ **an individual for** the **purchase, order, lease or recommendation of any good, item or service for which payment may be made under federal healthcare programs; and the federal civil** False Claims Act, **which prohibits individuals or entities from knowingly presenting or causing to be presented false or fraudulent claims for payment or knowingly using false statements to obtain payment from the federal government. Suits filed under the False Claims Act may be brought by " relators " or " whistleblowers " on behalf of the government, who may share in amounts paid by the entity to the government in fines or settlement. A violation of the False Claims Act may result in**

fines up to $ 11, 000 for each false claim, plus up to three times the amount of damages sustained by the government, and may also provide the basis for the imposition of administrative penalties and exclusion from participation in federal healthcare programs. Similarly, under the federal Civil Monetary Penalties Statute, the government may seek civil monetary penalties or exclusion for a wide variety of conduct, including presenting, or causing to be presented, claims to a federal healthcare program for an item or service that **was not** ~~generally govern incentives for health care providers~~ **provided** ~~,~~ **as claimed** or **is false** ~~methods of reimbursement funded in whole~~ or **fraudulent** ~~in part by the government~~. **Penalties range from $ 10, 000 to $ 50, 000 per violation. Also, many states have enacted laws** ~~Similarly~~ -- **similar to the federal Anti- Kickback Statute and the False Claims Act** , **and some of** ~~the~~ **these may be broader in scope in that some extend to all payors. The** Foreign Corrupt Practices Act (" FCPA ") ~~,~~ **prohibits U. S. companies** and ~~similar~~ **their representatives from offering or making payments to** foreign **officials for the purpose of securing a business advantage; and in many countries, the healthcare professionals with whom we regularly interact may meet the definition of a foreign government official for purposes of this law. Similar anti- bribery** laws ~~, prohibit certain conduct by manufacturers, generally described as bribery, with respect to interactions, either directly through foreign subsidiaries or indirectly through distributors, with health care providers who may be considered government officials because they~~ are ~~affiliated with public hospitals~~ **in effect in many of the countries in which we operate** . The FCPA also imposes obligations on manufacturers listed on U. S. stock exchanges to maintain accurate books and records, and maintain internal accounting controls sufficient to provide assurance that transactions are accurately recorded, lawful and in accordance with management' s authorization. The FCPA can pose unique challenges for manufacturers ~~who~~ **that** operate in foreign cultures where conduct prohibited by the FCPA may not be viewed as illegal in local jurisdictions ~~,~~ and because, in some cases, a United States manufacturer may face risks under the FCPA based on the conduct of third parties **(i. e., distributors)** over whom the manufacturer may not have complete control. In **addition** ~~this regard~~ , ~~from time to time, the Company may receive an information request or subpoena from a government agency, such~~ as ~~the Securities and Exchange Commission, Department of Justice, Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the United States Food and Drug Administration, the Department of Labor, the Treasury Department or other federal and state agencies or foreign governments or government agencies. Alternatively, employees or private parties may provide us with reports of alleged misconduct. These information requests or subpoenas may or may not be routine inquiries, or may begin as informal or routine inquiries and over time develop into investigations or enforcement actions of various types under the FCPA or otherwise. Similarly, the employee and third party reports may prompt us to conduct internal investigations into the alleged misconduct. As~~ a **manufacturer of U** ~~medical device company, CONMED' s operations and interactions with government hospitals, healthcare professionals and purchasers may be subject to various federal and state regulations, including the federal False Claims Act, which provides, in part, that the federal government may bring a lawsuit against any person or entity that it believes has knowingly presented, or caused to be presented, a false or fraudulent request for payment to the government, or has made or used, or caused to be made or used, a false statement or false record material to a false claim~~ . **S. FDA** ~~In addition, in certain circumstances, private parties may bring so~~ - **approved devices reimbursable** ~~called Qui Tam claims as plaintiffs purportedly on behalf of the government asserting claims arising under the False Claims Act. A violation of the False Claims Act may result in fines up to $ 11, 000 for each false claim, plus up to three times the amount of damages sustained~~ by ~~the government, and may also provide the basis for the imposition of administrative penalties and exclusion from participation in~~ federal healthcare programs **, we** ~~. Many states have enacted false claims acts that~~ are ~~similar~~ **subject** to the ~~federal False Claims~~ **Physician Payments Sunshine** Act **, which requires us to annually report certain payments and other transfers of value we make to U. S.- licensed physicians, U. S. teaching hospitals or other U. S. covered recipients. Any failure to comply with these laws and regulations could subject us or our officers and employees to criminal and civil financial penalties. Furthermore, we occasionally receive subpoenas or other requests for information from various governmental agencies around the world, and while these investigations typically relate primarily to financial arrangements with healthcare providers, regulatory compliance and product promotional practices, we cannot predict the timing, outcome or impact of any such investigations. Any adverse outcome in one or more of these investigations could include the commencement of civil and / or criminal proceedings, substantial fines, penalties, and / or administrative remedies, including exclusion from government reimbursement programs and / or entry into Corporate Integrity Agreements (CIAs) with governmental agencies. In addition, resolution of any of these matters could involve the imposition of additional, costly compliance obligations** . No inquiry or claim that the Company currently faces or has faced to date, and no report of misconduct that the Company has received to date, has had a material adverse effect on our financial condition, results of operations or cash flows. There can be no assurance, however, that any pending inquiries will not become investigations or enforcement actions, or the costs associated with responding to such inquiries, investigations, enforcement actions or investigations relating to reports of misconduct will not have a material adverse effect on our financial condition, results of operations or cash flows. Failure to comply with regulatory requirements may result in recalls, loss of revenues, fines or **other** materially adverse implications. Substantially all of our products are classified as class II medical devices subject to regulation by numerous agencies, including the U. S. Food and Drug Administration (" FDA") and comparable international counterparts. As a manufacturer of medical devices, our manufacturing processes and facilities are subject to on- site inspection and continuing review by the FDA for compliance with the Quality System Regulation (" QSR"). There can be no assurance that the costs of responding to such inspections will not be material. Manufacturing and sales of our products outside the United States are also subject to international regulatory requirements which vary from country to country. Moreover, we are generally required to obtain regulatory clearance or approval prior to marketing a new product. The time required to obtain approvals from foreign countries may be longer or shorter than that required for FDA clearance, and requirements for such approvals may differ from FDA requirements. Failure to comply with applicable domestic and / or foreign regulatory requirements may result in: • fines, seizure or recall of products, or other enforcement actions; • total or partial

suspension of production; • loss of certifications, withdrawal of existing product approvals or clearances; • refusal to approve or clear new applications or notices; • increased quality control costs; or • criminal prosecution. In addition to the QSR, many of our products are also subject to industry- defined standards. We may not be able to comply with these regulations and standards due to deficiencies in component parts or our manufacturing processes. If we are not able to comply with the QSR or industry-defined standards, we may not be able to fill customer orders and we may decide to cease production or sale of non- compliant products. Failure to produce products could affect our revenues, profit margins and could lead to loss of customers. Our products are subject to product recall and we have conducted product recalls in the past. Although no recall has had a material adverse effect on our business or financial condition, we cannot be certain that regulatory issues will not have a material adverse effect on our business, financial condition or results of operations in the future or that product recalls will not harm our reputation and our customer relationships. The highly competitive market for our products may create adverse pricing pressures. The market for our products is highly competitive and our customers have alternative suppliers. Many of our competitors offer a range of products in areas other than those in which we compete, which may make such competitors more attractive to surgeons, hospitals, group purchasing organizations and others. In addition, many of our competitors are large, technically competent firms with substantial assets. Competitive pricing pressures or the introduction of new products by our competitors could have an adverse effect on our revenues. See " Products " in Item 1- Business for a further discussion of these competitive forces. Factors which may influence our customers' choice of competitor products include: • changes in surgeon preferences; • increases or decreases in healthcare spending related to medical devices; • our inability to supply products as a result of product recall, market withdrawal or back- order; • the introduction by competitors of new products or new features to existing products **such as a replacement for AirSeal ®** ; • the introduction by competitors of alternative surgical technology; and • advances in surgical procedures, discoveries or developments in the healthcare industry. Cost reduction efforts in the healthcare industry could put pressures on our prices and margins. In recent years, the healthcare industry has undergone significant change driven by various efforts to reduce costs. Such efforts include national healthcare reform, trends towards managed care, cuts in Medicare reimbursement for procedures, consolidation of healthcare distribution companies and collective purchasing arrangements by GPOs and IDNs. Demand and prices for our products may be adversely affected by such trends. We use a variety of raw materials in our businesses, and significant shortages, inflation or price increases could increase our operating costs and adversely impact the competitive positions of our products. Our reliance on certain suppliers and commodity markets to secure raw materials used in our products exposes us to volatility in the prices and availability of raw materials. In some instances, we participate in commodity markets that may be subject to allocations by suppliers. A disruption in deliveries from our suppliers, price increases or decreased availability of raw materials or commodities could have an adverse effect on our ability to meet our commitments to customers or increase our operating efficiencies and / or costs. The increases in costs or availability of raw materials may be exacerbated as a result of the **conflicts in** ~~COVID- 19 pandemic, Russia' s invasion of~~ Ukraine **and the Middle East** and ongoing global supply chain challenges. In addition, increased inflation in wages and materials may also increase our costs. We believe that our supply management practices are based on an appropriate balancing of the foreseeable risks and the costs of alternative practices. Where possible we have addressed increasing supply chain costs in pricing, yet continued cost pressures and raw material availability have had and may continue to have an adverse effect on our results of operations. We may not be able to keep pace with technological change or to successfully develop new products with wide market acceptance, which could cause us to lose business to competitors. The market for our products is characterized by rapidly changing technology. Our future financial performance will depend in part on our ability to develop and manufacture new products on a cost- effective basis, to introduce them to the market on a timely basis, to fund studies and otherwise develop clinical data to support the efficacy of our products, and to have them accepted by surgeons and other healthcare professionals. We may not be able to keep pace with technology or to develop viable new products, including our ability to advance the Biorez and In2Bones product lines we acquired during 2022. In addition, many of our competitors are substantially larger with greater financial resources which may allow them to more rapidly develop **or acquire** new products. Factors which may result in delays of new product introductions or cancellation of our plans to manufacture and market new products include: • research and development delays; • capital and other financial constraints; • delays or failures in securing regulatory approvals; • the potential inability to secure clinical data demonstrating the efficacy of our products, or the inability to develop such clinical data on a timely basis, may delay, limit or preclude the adoption and market acceptance of new products we may develop; and • changes in the competitive landscape, including the emergence of alternative products or solutions which reduce or eliminate the markets for pending products. Ordering patterns of our customers may change resulting in reductions in sales. Our hospital and surgery center customers purchase our products in quantities sufficient to meet their anticipated demand. Likewise, our healthcare distributor customers purchase our products for ultimate resale to healthcare providers in quantities sufficient to meet the anticipated requirements of the distributors' customers. Hospitals and customers may reduce demand for surgical products if they reserve space for ~~COVID- 19~~ patients or experience staff shortages or disputes **due to public health crises, pandemics, epidemics or similar events** . Should inventories of our products owned by our hospital, surgery center and distributor customers grow to levels higher than their requirements, our customers may reduce the ordering of products from us. This could result in reduced sales. (ii) Risks Related to Our Indebtedness The terms of our indebtedness outstanding from time to time, including our senior credit agreement, may restrict our current and future operations, particularly our ability to respond to changes or to take certain actions. The senior credit agreement contains, and future credit facilities are expected to contain, a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to respond to changes in our business or competitive activities, or to otherwise engage in acts that may be in our long- term best interest, including restrictions on our ability to: • incur indebtedness; • allow for liens to be placed on our assets; • make investments; • engage in transactions with affiliates; • make certain restricted payments or enter into certain restrictive agreements; • enter into certain swap agreements; • change our line of business; • pay dividends or make other distributions on,

or redeem or repurchase, capital stock; • consolidate, merge or sell all or substantially all of our assets; • prepay and / or modify the terms of certain indebtedness; and • pursue acquisitions. These covenants, unless waived, may prevent us from pursuing and / or securing acquisitions, significantly limit our operating and financial flexibility and limit our ability to respond to changes in our business or competitive activities. Our ability to comply with such provisions may be affected by events beyond our control. In the event of any default under our credit agreement, the credit agreement lenders may elect to declare all amounts borrowed under our credit agreement, together with accrued interest, to be due and payable. If we were unable to repay such borrowings, the credit agreement lenders could proceed against collateral securing the credit agreement which consists of substantially all of our property and assets. Our credit agreement also contains a material adverse effect clause which may limit our ability to access additional funding under our credit agreement should a material adverse change in our business occur. We may not be able to generate sufficient cash to service our indebtedness and other obligations, and, our leverage and debt service requirements may require us to adopt alternative business strategies. As of December 31, ~~2022~~ **2023**, we had $ **986** ~~1, 074~~. 6 million of debt outstanding, representing ~~58~~ **54** % of total capitalization. In particular, on June 6, 2022, we completed an $ 800 million offering of the 2. 250 % Notes (as defined below) (including the full exercise by the initial purchasers of their $ 100 million option to purchase additional 2. 250 % Notes) through a private offering pursuant to Rule 144A (the " 2. 250 % Notes Offering "). We may not have sufficient cash flow available to enable us to meet our obligations. If we are unable to service our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as foregoing acquisitions, reducing or delaying capital expenditures, selling assets, restructuring or refinancing our indebtedness or seeking additional equity capital. We cannot be certain that any of these strategies could be implemented on terms acceptable to us, if at all. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources " and Note 8. The degree to which we are leveraged could have important consequences to investors, including but not limited to the following: • a portion of our cash flow from operations must be dedicated to debt service and will not be available for operations, capital expenditures, acquisitions, dividends and other purposes; • our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or general corporate purposes may be limited or impaired or may be at higher interest rates; • we may be at a competitive disadvantage when compared to competitors that are less leveraged; • we may be hindered in our ability to adjust rapidly to market conditions; • our degree of leverage could make us more vulnerable in the event of a downturn in general economic conditions or other adverse circumstances applicable to us; and • our interest expense could increase if interest rates in general increase because a portion of our borrowings, including our borrowings under our credit agreement, are and will continue to be at variable rates of interest. Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly. Borrowings under our senior credit agreement are at variable rates of interest and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income (loss) and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. The interest rates rose in fiscal year ~~2022~~ **2023** and may rise further going forward. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk. Loans under our senior credit agreement bear interest based on SOFR, a benchmark interest rate that has replaced LIBOR, but experience with this replacement benchmark interest rate is limited. As a result of the phase out of LIBOR, the London Interbank Offered Rate, which was historically the basic rate of interest used as a reference for setting the interest rate on loans globally, we have progressively amended our senior credit agreement to adopt alternatives to LIBOR for calculating the interest rates applicable. Most recently, in December 2022, we amended the agreement to adopt a term rate based on the Secured Overnight Financing Rate (" SOFR") as the benchmark rate for U. S. dollar borrowings. SOFR and similar alternatives to LIBOR for other currencies, such as the Sterling Overnight Index Average (" SONIA"), which is used for pound sterling loans under our senior credit agreement, are calculated and administered differently from LIBOR, which could result in interest rates and / or payments that are higher or lower than the rates and payments that we experienced when interest rates were based on LIBOR. Given the limited historical data available for such alternative benchmark rates, the full consequences of their adoption cannot be predicted at this time. In addition, because the use of rates based on SOFR, SONIA and other alternatives to LIBOR is relatively new, there could be unanticipated difficulties or disruptions with the calculation and publication of such rates, which could pose operational challenges to the administration of our senior credit agreement. Despite our current level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described above. We may incur substantial additional indebtedness, including secured indebtedness. As of December 31, ~~2022~~ **2023**, we have $ ~~513~~ **581**. ~~2~~ **4** million of availability under the senior credit agreement. If we incur secured indebtedness and such secured indebtedness is either accelerated or becomes subject to a bankruptcy, liquidation or reorganization, our assets would be used to satisfy obligations with respect to the indebtedness secured thereby before any payment could be made on the debt that is not similarly secured. If new debt or other liabilities are added to our current debt levels, the related risks that we now face could intensify. Our senior credit agreement restricts our ability to incur additional indebtedness, including secured indebtedness, but if the facilities mature or are repaid, we may not be subject to such restrictions under the terms of any subsequent indebtedness. The conditional conversion features of our 2. ~~625 % Convertible Notes due 2024 (the" 2. 625 % Notes") and the 2.~~ 250 % Convertible Notes due 2027 (the" 2. 250 % Notes" **or** ~~and, together with the 2. 625 % Notes,~~ the " Convertible Notes "), if triggered, may adversely affect our financial condition. In the event the conditional conversion features of ~~the 2. 625 % Notes issued on January 29, 2019 or~~ the 2. 250 % Notes issued on June 6, 2022 are triggered, holders of the ~~applicable~~ Convertible Notes will be entitled to convert the ~~applicable~~ Convertible Notes at any time during specified periods at their option. If one or more holders elect to convert their Convertible Notes, we would be required to make cash payments to satisfy all or a portion of our conversion obligation based on the conversion rate, which could adversely

affect our liquidity. In addition, even if holders do not elect to convert their Convertible Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Convertible Notes as a current rather than long- term liability, which could result in a material reduction of our net working capital. Refer to Note 8 for further details on the Convertible Notes. The convertible notes hedge and warrant transactions that we entered into in connection with the offering of the Convertible Notes may affect the value of the Convertible Notes and our common stock. In connection with the offering of the Convertible Notes, we entered into convertible notes hedge transactions with certain option counterparties (each an " Option Counterparty "). The convertible notes hedge transactions are expected generally to reduce the potential dilution upon conversion of the Convertible Notes and / or offset any cash payments we are required to make in excess of the principal amount of converted Convertible Notes, as the case may be. We also entered into warrant transactions with each Option Counterparty. The warrant transactions could separately have a dilutive effect on our common stock to the extent that the market price per share of our common stock exceeds the strike price of the warrants, unless we elect to settle the warrants in cash. In connection with establishing its initial hedge of the convertible notes hedge and warrant transactions, each Option Counterparty or an affiliate thereof may have entered into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the Convertible Notes. This activity could increase (or reduce the size of any decrease in) the market price of our common stock or the Convertible Notes at that time. In addition, each Option Counterparty or an affiliate thereof may modify its hedge position by entering into or unwinding various derivatives with respect to our common stock and / or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the Convertible Notes (and is likely to do so during any observation period related to a conversion of the Convertible Notes). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the Convertible Notes. In addition, if any such convertible notes hedge and warrant transactions fail to become effective, each Option Counterparty may unwind its hedge position with respect to our common stock, which could adversely affect the value of our common stock and the value of the Convertible Notes. We are subject to counterparty risk with respect to the convertible notes hedge transactions. Each Option Counterparty to the convertible notes hedge transactions is a financial institution whose obligation to perform under the convertible notes hedge transaction will not be secured by any collateral. If an Option Counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with the Option Counterparty. Our exposure will generally correlate to the increase in the market price and in the volatility of our common stock. In addition, upon a default by an Option Counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. Although these counterparties are large, reputable U. S. financial institutions, we can provide no assurances as to the financial stability or viability of any Option Counterparty. (iii) Risks Related to Our Acquisition Strategy Our financial performance is subject to the risks inherent in any acquisition, including the effects of increased borrowing and integration of newly acquired businesses or product lines. A key element of our business strategy has been to expand through acquisitions and we may seek to pursue additional acquisitions in the future. Our success in pursuing acquisitions depends on our ability to identify target companies or product lines that are available for sale, to identify risks in the diligence process and, to negotiate successful terms with the sellers, as the sellers may also be negotiating with other bidders with greater financial resources. Even when we win a bid, our success is also dependent in part upon our ability to integrate acquired companies or product lines into our existing operations. We may not have sufficient management and other resources to accomplish the integration of our past and future acquisitions, which may strain our relationship with customers, suppliers, distributors, personnel or others. There can be no assurance that we will be able to identify and make acquisitions, or that we will be able to obtain financing for such acquisitions, on acceptable terms. In addition, while we are generally entitled to customary indemnification from sellers of businesses or coverage from representation and warranty insurance for any difficulties that may have arisen prior to our acquisition of each business, acquisitions may involve exposure to unknown liabilities and the amount and time for claiming under these indemnification provisions is often limited. As a result, our financial performance is now, and will continue to be, subject to various risks associated with the acquisition of businesses, including the financial effects associated with any increased borrowing required to fund such acquisitions or with the integration of such businesses. The terms of any future preferred equity or debt financing may give holders of any preferred securities or debt securities rights that are senior to rights of our common shareholders or impose more stringent operating restrictions on our company. Debt or equity financing may not be available to us on acceptable terms. If we incur additional debt or raise equity through the issuance of preferred stock or convertible securities, the terms of the debt or the preferred stock issued may give the holders rights, preferences and privileges senior to those of holders of our common stock, particularly in the event of liquidation. The terms of the debt may also impose additional and more stringent restrictions on our operations. If we raise funds through the issuance of additional equity, the ownership percentage of our existing shareholders would be diluted. (iv) Other Risks Related to Our Business We could experience a failure of a key information technology system, process or site or a breach of information security, including a cybersecurity breach or failure of one or more key information technology systems, networks, processes, associated sites or service providers, and could potentially become liable for a breach of various data privacy regulations. We rely extensively on information technology (" IT ") systems for the storage, processing, and transmission of our electronic, business- related, information assets used in or necessary to conduct business. We leverage our internal IT infrastructures, and those of our business partners or other third parties, to enable, sustain, and support our global business activities. In addition, we rely on networks and services, including internet sites, data hosting and processing facilities and tools and other hardware, software and technical applications and platforms, some of which are managed, hosted, provided and / or used by third- parties or their vendors, to assist in conducting our business. The data we store and process may include customer payment information, personal information concerning our employees, confidential financial information, and other types of sensitive business- related information. In limited instances, we may also come into possession of information related to patients of our physician

customers. Numerous and evolving cybersecurity threats pose potential risks to the security of our IT systems, networks and services, as well as the confidentiality, availability and integrity of our data. In addition, the laws and regulations governing security of data on IT systems and otherwise collected, processed, stored, transmitted, disclosed and disposed of by companies are evolving, adding another layer of complexity in the form of new requirements. We have made, and continue to make investments, seeking to address these threats, including monitoring of networks and systems, hiring of third party service providers with expertise in cybersecurity, employee training and security policies for employees and third- party providers. The techniques used in these attacks change frequently and may be difficult to detect for periods of time and difficult to anticipate by implementing adequate preventative measures. Our worldwide operations mean that we are subject to laws and regulations, including data protection and cybersecurity laws and regulations, in many jurisdictions. For example, the European Union (" EU") General Data Protection Regulation (" GDPR") requires us to manage personal data in the EU and may impose fines of up to four percent of our global revenue in the event of certain violations. In addition, legal requirements standards for cross- border personal data transfers from outside the United States are constantly changing, including the revisions made by the European Economic Area (" EEA ") that require the use of revised Standard Contractual Clauses (" SCCs ") for international data transfers from the EEA. The SCCs are required to be used for new agreements involving the cross- border transfer of personal data from the EEA and must be supplemented by an assessment and due diligence of the legal and regulatory landscape of the jurisdiction of the data importer, the channels used to transmit personal data and any sub- processors that may receive personal data. The UK has developed its own set of SCCs that must be used for transfers of personal data from the UK to the U. S. In ~~December~~ **July** ~~2022~~ **2023** , the European Commission **determined that** ~~announced a draft adequacy decision for~~ the ~~EU- U. S.~~ Data Privacy Framework (~~the~~ " ~~EU- U. S.~~ DPF "), a ~~cross- border data transfer mechanism that will replace~~ **replacement for** the **invalidated** EU- **US** ~~U. S.~~ Privacy Shield ~~that was invalidated in 2020. The~~ **, ensures an adequate level of protection for** EU **personal data transferred to** ~~- U. S. DPF is in development and there~~ -- **the United States** ~~is no guarantee that it will be approved in its current form~~ . Compliance with these changes and any future changes to data transfer or privacy requirements could potentially require us to make significant technological and operational changes, any of which could result in substantial costs, and failure to comply with applicable data protection and transfer or privacy laws requirements could subject us to fines or regulatory oversight. Likewise, the California Consumer Privacy Act (" CCPA") imposes obligations on companies that conduct business in California, and meet other requirements, with respect to the collection or sale of specified personal information. In November 2020, voters in the State of California approved the California Privacy Rights Act (" CPRA "), a ballot measure that amends and supplements the CCPA by, among other things, expanding certain rights relating to personal information and its use, collection, deletion, and disclosure by covered businesses. Compliance with the CCPA, the CPRA, and other state statutes, common law, or regulations designed to protect consumer, employee, or job applicant personal information could potentially require substantive technology infrastructure and process changes across many of the Company' s businesses. Other jurisdictions are also implementing or proposing a variety of data privacy laws and regulations. Further, there has been a developing trend of civil lawsuits and class actions relating to breaches of consumer data held by large companies or incidents arising from other cyber- attacks. Any data security breaches, cyber- attacks, malicious intrusions or significant disruptions could result in actions by regulatory bodies and / or civil litigation, any of which could materially and adversely affect our business, results of operations, financial condition, cash flows, reputation or competitive position. The costs of ~~attempting to protect~~ **protecting** IT systems and data may increase, and there can be no assurance that these added security efforts will prevent all breaches of our IT systems or thefts of our data. **We may also be exposed** ~~If our IT systems are damaged or cease~~ to ~~function properly~~ **potential disruption in operations** , ~~the networks or service providers we rely upon fail to function properly, we fail to comply with an applicable law or regulation, such as the GDPR, or we or one of our third- party providers suffer a~~ loss ~~or disclosure~~ of ~~our~~ **customers, reputational, competitive and** business **harm, and significant costs** ~~or stakeholder information due to any number of causes ranging~~ from **remediation, litigation** ~~catastrophic events or power outages to improper data handling or security breaches~~ and **regulatory actions if** our business continuity plans do not effectively address ~~these~~ -- **the following** failures on a timely basis ~~, we may be exposed~~ **: • our IT systems are damaged or cease** to ~~potential disruption in operations~~ **function properly; • the networks or service providers we rely upon fail to function properly; • we fail to comply with an applicable law or regulation** , **such as the GDPR; or • we or one of our third- party providers suffer a** loss **or disclosure** of **our** ~~customers, reputational, competitive and~~ business ~~harm, and significant costs~~ **or stakeholder information due to any number of causes ranging** from ~~remediation, litigation and regulatory actions~~ **catastrophic events or power outages to improper data handling or security breaches** . We rely on various software programs and information technology systems to run our business, some of which may be old or no longer supported and requiring replacements or updates. The failure of any of these software systems or information technology systems to operate properly, or disruptions associated with updating or implementing new software or information technology systems, may have a material adverse effect on our business, prospects, results of operations, financial condition and / or cash flows. We rely on various software programs and information technology systems to run our business, some of which ~~maybe~~ -- **may be** old, have suffered outages, **or** may no longer be supported **. System disruptions could cause the Company to incur incremental costs** and ~~may require replacements~~ **expenses in connection with resolving ongoing or implementation issues. To the extent that these disruptions recur and / or persist over time, this could negatively impact** ~~or~~ **our** ~~updates~~ **competitive position and our relationships with our customers and thus could have a material adverse effect on our business, prospects, results of operations, financial condition and / or cash flows** . For example, in the fourth quarter of 2022, we launched a new warehouse management system (" WMS "), which caused service level disruptions that impacted our ability to ship certain quantities of finished goods to customers. **Although we believe sales are no longer being delayed or lost as a result of WMS issues,** ~~There~~ **there** can be no assurances that **such** ~~the resolution of the WMS~~ issues will **not re-** ~~fully recover in 2023 the sales that were delayed or lost in the fourth quarter of 2022 and thereafter. Further, the implementation may disrupt our~~ **occur** ~~operations and our ability to fulfill~~

~~customer orders. Also, these disruptions have caused and may continue to cause the Company to incur incremental costs and expenses in connection with the resolution of implementation issues. To the extent that these disruptions recur and / or persist over time, this could negatively impact our competitive position and our relationships with our customers and thus could have a material adverse effect on our business, prospects, results of operations, financial condition and / or cash flows~~ . We rely on a third party to obtain, process and distribute sports medicine allograft tissue. If such tissue cannot be obtained, is not accepted by the market or is not accepted under numerous government regulations, our results of operations could be negatively impacted. A portion of our orthopedic revenues relate to our share of the service fees from the Musculoskeletal Transplant Foundation (" MTF") allograft tissues for which we have exclusive worldwide sales representation, marketing and promotion rights, as further described in our revenue recognition policy in Note 1. Our primary costs related to these revenues come from our commission expense and certain marketing costs. Our ability to increase the service fees may be constrained by certain factors which are outside of our control, such as the limited supply of donors and donated tissue that meets the quality standards of MTF. Similarly, under the terms of the agreement, MTF remains responsible for tissue procurement and processing, shipment of tissues and invoicing of service fees to customers. To the extent MTF' s performance does not meet customer expectations or otherwise fails, we may be unable to increase the allograft service fees or to find a suitable replacement for MTF on terms that are acceptable. The FDA and several states have statutory authority to regulate allograft processing and allograft- based materials. The FDA could identify deficiencies in future inspections of MTF or MTF' s suppliers or promulgate future regulatory rulings that could disrupt our business, reducing profitability. We distribute some products for third- party companies, and cannot ensure that our rights to distribute such third- party products will continue indefinitely. While we generally own the products' designs and rights to the products we sell, in some cases we distribute products for third- parties. While these third- parties may have business reasons for contracting with us to distribute their products, we may face the risk that the third- parties may seek alternate distribution partners when their distribution contracts with us expire or are scheduled for renewal. If we lose the distribution rights to such products, we may not be able to find replacement products that are acceptable to our customers, or to us. If we lose our patents or they are held to be invalid, or if our products or services infringe on third party patents, we could become subject to liability and our competitive position could be harmed. Much of the technology used in the markets in which we compete is covered by patents. We have numerous U. S. patents and corresponding international patents on products expiring at various dates from ~~2023~~ **2024** through ~~2041~~ **2043** and have additional patent applications pending. See Item 1 Business " Research and Development " and " Intellectual Property " for a further description of our patents. The loss of our patents could reduce the value of the related products and any related competitive advantage. Competitors may also be able to design around our patents and to compete effectively with our products. In addition, the cost of enforcing our patents against third parties and defending our products against patent infringement actions by others could be substantial, and we may not prevail. While we seek to take reasonable steps to avoid infringing on patents we do not own or license, we cannot be sure that our services and products do not infringe on the intellectual property rights of third parties, and we may have infringement claims asserted against us. These claims could cost us money, prevent us from offering some services or products, or damage our reputation. We cannot be certain that: • pending patent applications will result in issued patents; • patents issued to or licensed by us will not be challenged by competitors; • our patents will be found to be valid or sufficiently broad to protect our technology or provide us with a competitive advantage; or • we will be successful in defending against pending or future patent infringement claims asserted against our products. We may be sued for product liability claims and our insurance coverage may be insufficient to cover the nature and amount of any product liability claims. Even if our products are properly designed and perform as intended, we may be sued. The nature of our products as medical devices, and the litigious environment, should be regarded as potential risks which could significantly and adversely affect our financial condition and results of operations. The insurance we maintain to protect against claims associated with the use of our products has deductibles and may not adequately cover the amount or nature of any claim asserted against us. We are also exposed to the risk that our insurers may become insolvent or that premiums may increase substantially. See " Item 3- Legal Proceedings " for a further discussion of the risk of product liability actions and our insurance coverage. Damage to our physical properties as a result of windstorm, earthquake, fire or other natural or man- made disaster may cause a financial loss and a loss of customers. Although we maintain insurance coverage for physical damage to our property and the resultant losses that could occur during a business interruption, we are required to pay deductibles and our insurance coverage is limited to certain caps. For example, our deductible for windstorm damage to our Florida property amounts to 2 % of any loss. Any increase in the frequency or severity of natural disaster events could result in increased insurance premiums. Further, while insurance reimburses us for our lost gross earnings during a business interruption, if we are unable to supply our customers with our products for an extended period of time, there can be no assurance that we will regain the customers' business once the product supply is returned to normal. Our significant international operations subject us to foreign currency fluctuations and other risks associated with operating in countries outside the United States. A significant portion of our revenues, approximately ~~45~~ **44** % of ~~2022~~ **2023** consolidated net sales, were to customers outside the United States. We have sales subsidiaries in a significant number of countries in Europe as well as Australia, Canada, China, Japan and Korea. In those countries in which we have a direct presence, our sales are denominated in the local currency and those sales denominated in local currency amounted to approximately ~~34~~ **32** % of our total net sales in ~~2022~~ **2023** . The remaining ~~11~~ **12** % of sales to customers outside the United States was on an export basis and transacted in United States dollars. Because a significant portion of our operations consist of sales activities in jurisdictions outside the United States, our financial results may be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the markets in which we distribute products. While we have a hedging strategy involving foreign currency forward contracts for ~~2022~~ **2023** , our revenues and earnings are only partially protected from foreign currency translation if the United States dollar strengthens as compared with currencies such as the Euro. Further, as of the date of this Form 10- K, we have not entered into any foreign currency forward contracts beyond ~~2024~~ **2025** . Our international presence exposes us to certain other

inherent risks, including: • imposition of limitations on conversions of foreign currencies into dollars or remittance of dividends and other payments by international subsidiaries; • imposition or increase of withholding and other taxes on remittances and other payments by international subsidiaries; • trade barriers and tariffs; • compliance with economic sanctions, trade embargoes, export controls, and the customs laws and regulations of the many countries in which we operate; • political risks, including political instability; • reliance on third parties to distribute our products; • hyperinflation in certain countries outside the United States; and • imposition or increase of investment and other restrictions by foreign governments. We cannot be certain that such risks will not have a material adverse effect on our business and results of operations. Our new products may fail to achieve expected levels of market acceptance. New product introductions may fail to achieve market acceptance. The degree of market acceptance for any of our products will depend upon a number of factors, including: • our ability to develop and introduce new products and product enhancements on a timely basis; • our ability to successfully implement new technologies; • the market' s readiness to accept new products; • having adequate financial and technological resources for future product development and promotion; • the efficacy of our products; • the extent to which we have, are able to fund and develop, clinical data surrounding the use and efficacy of our products; and • the prices of our products compared to the prices of our competitors' products. If our new products do not achieve market acceptance, we may be unable to recover our investments and may lose business to competitors. In addition, some of the companies with which we now compete, or may compete in the future, have or may have more extensive research, marketing and manufacturing capabilities and significantly greater technical and personnel resources than we do, and may be better positioned to continue to improve their technology in order to compete in an evolving industry. See " Products " in Item 1- Business for a further discussion of these competitive forces. Our Board of Directors may, in the future, limit or discontinue payment of a dividend on common stock. We have paid a quarterly dividend to our shareholders since 2012. However, we may not pay such dividends in the future at the prior rate, or at all. All decisions regarding our payment of dividends will be made by our Board of Directors from time to time, and are subject to an evaluation of our financial condition, results of operations and capital requirements, applicable law, industry practice, contractual restraints and other business considerations. In addition, our senior credit agreement may restrict our ability to pay dividends, and the terms of agreements governing debt that we may incur in the future may also limit or prohibit dividend payments. We may not have sufficient surplus or net profits under Delaware law to be able to pay any dividends, which may result from extraordinary cash expenses, actual expenses exceeding contemplated costs, funding of capital expenditures or increases in reserves. Anti- takeover provisions in our organizational documents and Delaware law could delay or prevent a change in control. Provisions of our certificate of incorporation and bylaws may delay or prevent a merger or acquisition that a shareholder may consider favorable. These provisions include: • the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without shareholder approval, which could be used to significantly dilute the ownership of a hostile acquirer; • the requirement that a special meeting of shareholders may be called only by the board of directors, the chair of the board of directors, the president, or stockholders holding at least 25 % of our outstanding stock (subject to certain procedural and informational requirements), which may delay the ability of our shareholders to force consideration of a proposal or to take action; • the procedural safeguards in place in connection with stockholder action by written consent, including a requirement that stockholders of at least 25 % of our outstanding common stock request that the board of directors set a record date to determine the stockholders entitled to act by written consent; • providing indemnification and exculpation rights to our directors and officers; • advance notice procedures that shareholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a shareholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer' s own slate of directors or otherwise attempting to obtain control of us; and • exclusive forum provisions, including provisions providing for the Court of Chancery of the State of Delaware as the exclusive forum for bringing certain actions. As a Delaware corporation, we are also subject to Section 203 of the Delaware General Corporation Law, which provides that we may not engage in a business combination, such as a merger, consolidation, recapitalization, asset sale or disposition of stock, with any" interested stockholder" for a period of three years from the date that the interested stockholder first became an interested stockholder unless certain conditions are met. Any provision of our certificate of incorporation and bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our shareholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock. Environmental laws and regulations and climate change initiatives could materially and adversely affect our business, financial condition, and results of operations. Our business and facilities and those of our suppliers are subject to a number of federal, state, local and international laws and regulations governing the protection of human health and the environment. In addition, concern over climate change and sustainability has led to foreign and domestic legislative and regulatory initiatives directed at limiting carbon dioxide and other greenhouse gas emissions. A failure to comply with current or future environmental laws and regulations could result in fines or penalties. Any such expenses or liability could have a material adverse effect on our financial condition, results of operations or cash flows. Our ability to attract and retain qualified employees is critical to our success. Our employees are our most important resource, and in many areas of the medical industry, competition for qualified personnel is intense. We seek to attract talented and diverse new employees and retain and motivate our existing employees. If we are unable to continue to attract or retain qualified employees, including our executives, our performance, including our competitive position, could be materially and adversely affected.