

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): May 2, 2022

SeaSpine Holdings Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36905
(Commission
File Number)

47-3251758
(I.R.S. Employer
Identification No.)

5770 Armada Drive, Carlsbad, CA 92008
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code: (760) 727-8399

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	SPNE	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 3, 2022, the Company issued a press release announcing its financial results for the three months ended March 31, 2022 and increasing its revenue guidance for 2022 (the "Press Release"). A copy of the Press Release is furnished as Exhibit 99.1.

The information under this Item 2.02 and in Exhibit 99.1 is being furnished and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934 and is not to be incorporated by reference into any filing of the registrant under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof, regardless of any general incorporation language in any such filing, except as shall be expressly set forth by specific reference in such a filing.

Discussion of Non-GAAP Financial Measure

In the Press Release, in addition to financial measures reported in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company provides two non-GAAP financial measures: (1) earnings (loss) before interest, taxes, depreciation and amortization excluding the impact of stock-based compensation, intangible asset impairment charges, the nonrecurring, fixed NanoMetalene supplier processing charge, idle manufacturing plants costs, spinal set instrument replacement and impairment expenses, other income/expense purchase accounting inventory fair market value adjustment charges, acquisition and integration-related charges, and employee severance and other charges related to the restructuring of the Company's European sales and marketing organization ("Adjusted EBITDA Loss"), and (2) gross margin excluding technology-related intangible asset amortization expense, purchase accounting inventory fair market value adjustment charges, the nonrecurring fixed NanoMetalene supplier processing charge, and idle manufacturing plant costs ("Adjusted Gross Margin").

The Company believes that the presentation of Adjusted EBITDA Loss and Adjusted Gross Margin provides important supplemental information to management and investors regarding financial and business trends relating to the Company's results of operations. Management uses Adjusted EBITDA Loss and Adjusted Gross Margin when evaluating operating performance because it believes that the inclusion or exclusion of the items described below, for which the amounts and/or timing may vary significantly depending upon the Company's acquisition and integration activities, for which the amounts are non-cash in nature, and/or for which the amounts are not expected to recur at the same magnitude, provides a supplemental measure of the Company's operating results that facilitates comparability of its financial condition and operating performance from period to period, against its business model objectives, and against other companies in its industry. The Company has chosen to provide this information to investors so they can analyze the Company's operating results in the same way that management does and use this information in their assessment of its core business and the valuation of the Company.

Adjusted EBITDA Loss

Adjusted EBITDA Loss and Adjusted Gross Margin are measures used by management for purposes of:

- supplementing the financial results and forecasts reported to the Company's board of directors;
- evaluating, managing and benchmarking the operating performance of the Company;
- establishing internal operating budgets;
- enhancing comparability from period to period; and
- comparing performance with internal forecasts and targeted business models.

Adjusted EBITDA Loss consists of GAAP net loss before interest, taxes, depreciation and amortization and excludes the impact of the following items:

- *Stock-based compensation.* Management excludes this item when evaluating the Company's operating performance because it is a non-cash expense.
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- *Intangible asset impairment charges.* Management excludes this item when evaluating the Company's operating performance because it is a non-cash expense.
 - *Idle manufacturing plant costs.* Management excludes this item when evaluating the Company's operating performance because the frequency of such charges are expected to be highly unusual and the amount may vary significantly based on the duration of any unexpected and prolonged shut down of its manufacturing operations. The amount recorded in the second quarter of 2020 was due entirely to the impact of the COVID-19 pandemic on the Company's operations.
 - *Spinal set instrument replacement expenses.* The cost of purchased instruments used to replace damaged instruments in existing sets is recorded directly to instrument replacement expense. Management excludes this item when evaluating the Company's operating performance because it is, in nature and substance, very similar to depreciation expense recorded over time for spinal set instruments deployed to new sets.
 - *Spinal set instrument impairment expenses.* Management excludes this item when evaluating the Company's operating performance because it is a non-cash expense and the frequency and amount of such charges may vary significantly based on the timing and magnitude of the Company's product discontinuance or other similar activities.
 - *Other income / expense.* Management excludes this item when evaluating the Company's operating performance because it is non-operating in nature and not related to its core operating performance.
 - *Nonrecurring fixed NanoMetalene supplier processing charge.* This charge relates to the future fixed payments that the Company is obligated to make to a supplier in connection with securing and maintaining long-term backup processing capacity for its NanoMetalene franchise. The \$3.7 million nonrecurring charge recorded in the fourth quarter of 2021 consists of equal quarterly cash payments to the backup processor through January 2024. Because SeaSpine no longer anticipates utilizing the backup processor for a meaningful portion of its future NanoMetalene supply needs throughout the term of the payment stream, the Company recorded a loss on this future contractual obligation in the fourth quarter of 2021. Management excludes this item when evaluating the Company's operating performance because the frequency of such charge is expected to be highly unusual and nonrecurring.
 - *Purchase accounting inventory fair market value adjustment charges.* Purchase accounting inventory fair market value adjustments consist of the increase to cost of goods sold that occur as a result of expensing the "step up" in the fair value of acquired inventory that the Company purchased in connection with acquisitions as that inventory is sold during the financial period. Management excludes this item when evaluating the Company's operating performance because it is not related to its core operating performance and because it is a non-cash expense for which the frequency and amount of such charges may vary significantly based on the level of inventory on hand at the time of acquisition.
 - *Acquisition and integration-related charges.* Acquisition and integration-related charges include (i) legal, accounting, and other outside consultant expenses directly related to acquisitions and (ii) costs related to acquisition integration, including systems, operations, retention and severance. These acquisition and integration-related charges are not factored into the evaluation of the Company's performance by management after completion of acquisitions because they are of a temporary nature, they are not related to the Company's core operating performance and the frequency and amount of such charges vary significantly based on the timing and magnitude of the Company's acquisition transactions.
 - *Employee severance and other charges related to the restructuring of the Company's European sales and marketing organization.* Management excludes this item when evaluating the Company's operating performance because these charges are associated with an event that is not expected to recur at a similar magnitude in the future.
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Adjusted Gross Margin

Adjusted Gross Margin represents GAAP gross margin excluding the impact of the following items recorded to cost of goods sold:

- *Technology-related intangible asset amortization expense.* Management excludes this item when evaluating the Company's operating performance because it is a non-cash expense.
- *Nonrecurring fixed NanoMetalene supplier processing charge.* See above under, the "Adjusted EBITDA Loss" heading for a description of this charge and the reason management excludes it when evaluating the Company's operating performance.
- *Purchase accounting inventory fair market value adjustment charges.* See above under the "Adjusted EBITDA Loss" heading for a description of these charges and the reason management excluded them when evaluating the Company's operating performance.
- *Idle manufacturing plant costs.* See above under the "Adjusted EBITDA Loss" heading for a description of these charges and the reason management excludes them when evaluating the Company's operating performance.

Adjusted EBITDA Loss and Adjusted Gross Margin are not calculated in accordance with GAAP, and should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Non-GAAP financial measures have limitations in that they do not reflect all of the costs or benefits associated with the operations of the Company's business as determined in accordance with GAAP. As a result, you should not consider these measures in isolation or as a substitute for analysis of the Company's GAAP financial measures. The Company expects to continue to incur expenses of a nature similar to many of the non-GAAP adjustments described above, and exclusion of these items from its adjusted financial measures should not be construed as an inference that all of these costs are unusual, infrequent or non-recurring.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 2, 2022, the Company's board of directors appointed, effective that same date, John J. Bostjancic, the Company's Senior Vice President and Chief Financial Officer, to the newly formed role of Chief Operating and Financial Officer, and Paul Benny, the Company's Vice President, Corporate Controller, Assistant Treasurer and Assistant Secretary, as the Company's Treasurer, a role previously filled by Mr. Bostjancic. Mr. Benny will also serve as the Company's principal accounting officer, a role also previously filled by Mr. Bostjancic.

In connection with his new role, Mr. Bostjancic's annual base salary was increased from \$416,000 to \$460,000, effective as of April 24, 2022, and his target bonus under the Company's annual incentive program for 2022 was increased from 60% to 70% of his annual base salary.

In connection with his new role, Mr. Benny's annual base salary was increased from approximately \$241,000 to \$260,000, effective as of April 24, 2022, and his target bonus under the Company's annual incentive program for 2022 was increased from \$75,000 to \$100,000.

Mr. Benny, age 44, has served as the Company's Vice President, Corporate Controller since April 2015. He has over 20 years of experience in finance and accounting, including more than five years at Ernst & Young, LLP, and various finance and information technology roles in the medical device field. He received a Bachelor of Accountancy from the University of San Diego and a Master of Science in Accountancy from the University of Notre Dame. Mr. Benny is a CPA (Inactive) and a member of multiple industry groups.

The information required by Items 401(b) and (e) of Regulation S-K with respect to Mr. Bostjancic is included in the Company's definitive proxy statement filed with the U.S. Securities and Exchange Commission on April 22, 2022, and is hereby incorporated by reference herein.

There are no related party transactions between either of Messrs. Bostjancic or Benny, on the one hand, and the Company, on the other, reportable under Item 404(a) of Regulation S-K. In addition, there is no family relationship between any director or executive officer of the Company and either of Messrs. Bostjancic or Benny.

Item 7.01 Regulation FD Disclosure.

A copy of the Company's press release announcing, among other things, Mr. Bostjancic's appointment to the newly formed role of Chief Operating and Financial Officer is furnished as Exhibit 99.2 to this report.

The information in that press release is being furnished, not filed, pursuant to Item 7.01. Accordingly, the information in that press release will not be incorporated by reference into any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued May 3, 2022 (earnings release)
99.2	Press release issued May 3, 2022 (management changes)
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SeaSpine Holdings Corporation

By: /s/ Patrick Keran

Name: Patrick Keran

Title: Senior Vice President, General Counsel

Date: May 3, 2022



SeaSpine Reports 21 Percent Revenue Growth for First Quarter 2022 and Increases Full Year 2022 Revenue Guidance

CARLSBAD, CA (May 3, 2022) – SeaSpine Holdings Corporation (NASDAQ: SPNE), a global medical technology company focused on surgical solutions for the treatment of spinal disorders, announced today financial results for the three-months ended March 31, 2022.

Summary First Quarter 2022 Financial Results and Recent Highlights

- Total revenue of \$50.7 million, an increase of 21% year-over-year
- U.S. revenue of \$45.5 million, an increase of 21% year-over-year
 - U.S. spinal implants and enabling technologies revenue of \$24.2 million, an increase of 31% year-over-year
 - U.S. orthobiologics revenue of \$21.3 million, an increase of 12% year-over-year
- International revenue of \$5.2 million, an increase of 16% year-over-year
- Implantation of the 50,000th NanoMetalene® interbody device
- Full commercial launch of the following products:
 - Explorer TO Expandable IBD
 - NorthStar™ Facet Fusion
 - Regatta® Lateral Plate System
 - Torrent™/Torrent C DBM Putty with Accell
- Limited commercial launch of FLASH™ Navigation Lumbar Facet Fusion
- John Bostjancic, CFO since 2015, assumed expanded responsibilities and was named Chief Operating and Financial Officer
- Added Hollis Winkler to the Senior Leadership Team in the role of Senior Vice President, Human Resources

“We were pleased to see revenue acceleration throughout the quarter,” said Keith Valentine, President and Chief Executive Officer. “Despite significant omicron headwinds throughout January, we exceeded our own internal expectations as the quarter progressed with strong results across all portfolios as hospital staffing and OR capacity quickly recovered. On the heels of recent product introductions, we gained further momentum and energy in the field among our surgeon customers and distributor partners that has continued into the second quarter and gives us the confidence to increase our full-year 2022 revenue guidance.”

First Quarter 2022 Financial Results

U.S. revenue growth was driven by both the spinal implants and orthobiologics portfolios and from \$1.8 million of capital sales revenue contributed by 7D Surgical. Sales of products and systems launched or enhanced via line extensions within the past five years represented 74% and 43% of U.S. spinal implants and U.S. orthobiologics revenue, respectively. International revenue growth was driven by spinal implants and from \$0.6 million of 7D Surgical capital sales revenue.

Gross margin for the first quarter of 2022 was 59.8%, compared to 63.4% for the first quarter of 2021. The decline in gross margin in the current year was due to increased technology amortization

resulting from the acquisition of 7D Surgical and higher excess and obsolete inventory charges that were primarily driven by the increased cadence of full commercial product launches. Adjusted Gross Margin (as described below) for the first quarter of 2022 was 62.0%, compared to 64.0% for the first quarter of 2021.

Operating expenses for the first quarter of 2022 totaled \$47.2 million, a \$8.0 million increase compared to the first quarter of 2021. The increase in operating expenses was driven primarily by \$6.1 million in higher selling and marketing expenses, the majority of which relates to higher selling commissions attributed to revenue growth and the impact of the 7D Surgical sales and marketing team. Research and development expenses increased \$1.3 million compared to the first quarter of 2021, which was related to 7D Surgical. General and administrative expenses increased \$0.5 million compared to the first quarter of 2021.

Net loss for the first quarter of 2022 was \$16.6 million, a \$3.9 million increase compared to the first quarter of 2021.

Adjusted EBITDA Loss (as described below) for the first quarter of 2022 was \$8.0 million, a \$2.8 million increase compared to the first quarter of 2021. The increase in Adjusted EBITDA Loss was primarily the result of the dilutive impact of 7D Surgical on the current quarter results.

Cash, cash equivalents and short-term investments at March 31, 2022 totaled \$81.4 million, and included the proceeds of \$25 million borrowed against the Company's \$30 million credit facility in March. The Company is in the process of extending the credit facility through April 2025 and expanding the total potential borrowing capacity to \$40 million, and it expects to complete that during the second quarter of 2022.

2022 Financial Outlook

SeaSpine now expects full-year 2022 revenue to be in the range of \$231 to \$235 million, reflecting growth of approximately 21% to 23% over full-year 2021, with growth in revenue from the U.S. spinal implants portfolio expected to exceed 20%. This compares to previous revenue guidance of \$226 million to \$230 million and expectations for U.S spinal implants revenue growth to exceed 17%.

SeaSpine continues to anticipate approximately \$12 million to \$13 million of revenue in the third quarter of 2022 attributable to final stocking orders from its European distributors, following its recent decision to exit the European spinal implants market. The Company expects to generate \$8.5 million to \$9.5 million of incrementally higher European spinal implants revenue in 2022 compared to the \$6.2 million it generated in 2021 as a result of these final stocking orders. SeaSpine will continue to market and sell its orthobiologics and enabling technologies products in the European market.

Reconciliation of GAAP to Non-GAAP Financial Measures

The Company presents two financial measures in this press release not reported in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"): Adjusted Gross Margin and Adjusted EBITDA Loss. Adjusted Gross Margin represents GAAP gross margin excluding the impact of the following items recorded to cost of goods sold: technology-related intangible asset amortization expense, nonrecurring, fixed NanoMetalene supplier processing charge, purchase accounting inventory fair market value adjustment charges, and idle manufacturing plant costs. Adjusted EBITDA Loss represents earnings (loss) before interest, taxes, depreciation and amortization and

excludes the impact of: stock-based compensation, intangible asset impairment charges, idle manufacturing plant costs, spinal set instrument replacement and impairment expenses, other income / expense, the nonrecurring, fixed NanoMetalene supplier processing charge, purchase accounting inventory fair market value adjustment charges, acquisition and integration-related charges, and employee severance and other charges related to the restructuring of the Company's European sales and marketing organization. A reconciliation of GAAP gross margin to Adjusted Gross Margin and of GAAP net loss to Adjusted EBITDA Loss for all periods presented appears in the financial tables in this release.

The Company believes that the presentation of Adjusted Gross Margin and Adjusted EBITDA Loss provides important supplemental information to management and investors regarding financial and business trends relating to the Company's results of operations. For further information regarding why SeaSpine believes that these non-GAAP financial measures provide useful information to investors, the specific manner in which management uses these measures, and some of the limitations associated with the use of these measures, please refer to the Company's Current Report on Form 8-K regarding this press release filed today with the Securities and Exchange Commission available on the SEC's website at www.sec.gov and on the "Investors" page of the Company's website at www.seaspine.com.

About SeaSpine

SeaSpine (www.seaspine.com) is a global medical technology company focused on the design, development, and commercialization of surgical solutions for the treatment of patients suffering from spinal disorders. SeaSpine's complete procedural solutions feature its market-leading FLASH™ Navigation, a system designed to improve accuracy of screw placement and provide a cost-effective, rapid, radiation-free solution to surgical navigation, and a comprehensive portfolio of spinal implants and orthobiologics to meet the varying combinations of products that neurosurgeons and orthopedic spine surgeons need to facilitate spinal fusion in degenerative, minimally invasive surgery (MIS), and complex spinal deformity procedures on the lumbar, thoracic and cervical spine. With product development expertise in advanced optics, software, orthobiologic sciences and spinal implants, SeaSpine can offer its surgeon customers a complete solution to meet their patients' evolving clinical needs. SeaSpine currently markets its products in the United States and in approximately 30 countries worldwide.

Forward-Looking Statements

SeaSpine cautions you that statements in this press release that are not a description of historical facts are forward-looking statements based on the Company's current expectations and assumptions. Such forward-looking statements include, but are not limited to, statements relating to: the Company's expectations to extend and expand its credit facility; estimates regarding full-year 2022 revenue; estimated revenue expected in the third quarter of 2022 attributable to stocking orders from the Company's European spinal implant distributors; and the amount of growth in revenue from the U.S. spinal implants portfolio for full-year 2022. Among the factors that could cause or contribute to material differences between the Company's actual results and the expectations indicated by the forward looking statements are risks and uncertainties that include, but are not limited to: the extent of the impact of the COVID-19 pandemic on the Company's business and the economy; reductions in surgical volumes, including the duration of any elective surgery deferrals and the desire of patients and surgeons to perform elective surgeries once the pandemic has subsided and/or governmental orders no longer prohibit or recommend against performing elective surgeries; the impact of staffing shortages, at both third-party facilities at which elective surgeries are performed and the Company's facilities, whether as a result of employee

resignations due to vaccination mandates, exclusions from workplaces due to governmental requirements or recommendations related to isolating individuals who test positive for COVID-19 and/or quarantining individuals in close contact with individuals who test positive for COVID-19, or otherwise; surgeons' willingness to adopt the Company's newly launched products; the ability of newly launched products to meet the needs of surgeons and patients, including as a result of the lack of clinical validation of products in limited commercial (or "alpha") launch; continued pricing pressure, whether as a result of consolidation in hospital systems, competitors or others, as well as exclusion from major healthcare systems; the risk of supply shortages and associated disruption to product sales, including as a result of the Company's dependence on a limited number of third-party suppliers for components and raw materials, as a result of the pandemic, or otherwise; the Company's ability to continue to invest in medical education and training, product development, and/or sales and marketing initiatives at levels sufficient to drive future revenue growth; general economic and business conditions in the markets in which the Company does business, both in the U.S. and abroad; and other risks and uncertainties more fully described in the Company's news releases and periodic filings with the Securities and Exchange Commission. The Company's public filings with the Securities and Exchange Commission are available at www.sec.gov.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date when made. SeaSpine does not intend to revise or update any forward-looking statement in this news release to reflect events or circumstances arising after the date hereof, except as may be required by law.

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Investor Relations Contact

Leigh Salvo
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SEASPINE HOLDINGS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Quarter Ended March 31,	
	2022	2021
Total revenue, net	\$ 50,693	\$ 41,954
Cost of goods sold	20,376	15,366
Gross profit	30,317	26,588
Operating expenses:		
Selling and marketing	29,506	23,399
General and administrative	10,939	10,427
Research and development	5,850	4,506
Intangible amortization	856	792
Total operating expenses	47,151	39,124
Operating loss	(16,834)	(12,536)
Other income (expense), net	2	(159)
Loss before income taxes	(16,832)	(12,695)
Provision (benefit) for income taxes	(228)	25
Net loss	\$ (16,604)	\$ (12,720)
Net Loss per share, basic and diluted	\$ (0.45)	\$ (0.46)
Weighted average shares used to compute basic and diluted net loss per share	36,754	27,913

SEASPINE HOLDINGS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET DATA
(In thousands)

	March 31, 2022 (unaudited)	December 31, 2021
Cash and cash equivalents	\$ 81,435	\$ 83,106
Trade accounts receivable, net	36,073	36,231
Inventories	76,534	72,299
Total current liabilities	72,951	52,981
Total stockholders' equity	296,821	312,364

SEASPINE HOLDINGS CORPORATION
RECONCILIATION OF NON-GAAP INFORMATION - GAAP NET LOSS TO ADJUSTED EBITDA LOSS
(UNAUDITED)
(In thousands)

	Three Months Ended March 31,	
	2022	2021
GAAP net loss	\$ (16,604)	\$ (12,720)
Non-GAAP adjustments:		
Depreciation and intangible asset amortization expense	4,202	2,747
Other (income) expense	(2)	159
Income tax (benefit) provision	(228)	25
Spinal set instrument replacement expense	1,018	730
Stock-based compensation	2,819	2,546
European sales and marketing organization restructuring	279	—
Purchase accounting inventory fair market value adjustments	125	—
Acquisition and integration-related charges (7D Surgical)	372	1,276
Total Non-GAAP adjustments	8,585	7,483
Adjusted EBITDA Loss	\$ (8,019)	\$ (5,237)

SEASPINE HOLDINGS CORPORATION
RECONCILIATION OF NON-GAAP INFORMATION - GAAP GROSS MARGIN TO ADJUSTED GROSS MARGIN
(UNAUDITED)
(In thousands)

	Three Months Ended March 31,	
	2022	2021
Total revenue, net	\$ 50,693	\$ 41,954
Less: Cost of goods sold	20,376	15,366
Gross profit	30,317	26,588
Add back:		
Technology-related intangible asset amortization	986	267
Purchase accounting inventory fair market value adjustments	125	—
Adjusted gross profit	\$ 31,428	\$ 26,855
Adjusted gross margin (Adjusted gross profit / Total revenue, net)	62.0 %	64.0 %



SeaSpine® Announces New Senior Leadership Team Appointments

CARLSBAD, CA May 3, 2022 (GLOBAL NEWSWIRE) – SeaSpine Holdings Corporation (NASDAQ: SPNE), a global medical technology company focused on surgical solutions for the treatment of spinal disorders, today announced that John Bostjancic, previously the Company's Senior Vice President, Chief Financial Officer, has assumed expanded responsibilities and the title of Chief Operating and Financial Officer. In addition, the Company announced that Hollis Winkler joined the Company as Senior Vice President, Human Resources. With her hiring, Ms. Winkler joined the SeaSpine Senior Leadership Team.

Mr. Bostjancic has served as SeaSpine's Chief Financial Officer since 2015. He has been an influential leader in enabling and financing SeaSpine's growth and has assumed increasing operational responsibilities during his tenure. In his expanded role, John will drive operational excellence and continuous improvement initiatives across product development, marketing, quality, regulatory, and supply chain operations for the global spinal implants portfolio. He will be responsible for implementing an operating strategy that drives gross margin and operating leverage while generating revenue growth well above market.

"We believe that SeaSpine has never been in a better position to capitalize on tremendous growth opportunities in the current spine market," stated Keith Valentine, President and CEO. "With John's expanded leadership role, I am confident that together we can further scale the business and facilitate deeper cross-functional collaboration that will drive operating efficiencies and better predictability and accountability for improved results that match our accelerated revenue growth. John's new focus will also enable me to engage in a stronger customer-facing mission with a greater emphasis on our commercial efforts."

Ms. Winkler will be responsible for architecting SeaSpine's human resources strategy, including talent acquisition, talent management, diversity and inclusion, compensation and benefits, and employee engagement. In collaboration with senior leadership, Hollis will continue to build a culture that attracts, retains and develops the talent needed to provide the best in spine patient care. Hollis has over 20 years of experience leading human resources strategy, with a focus on business and culture transformation, mergers and acquisitions, and organizational effectiveness. Prior to joining SeaSpine, she served as Vice President, Human Resources at GenMark Diagnostics and, before that, Vice President, Human Resources at Thermo Fisher Scientific.

"Hollis has experience as a transformational Human Resources leader with numerous organizations," said Mr. Valentine. "She appreciates how the pandemic has created new challenges and changed the workplace environment, and I look forward to seeing her leverage her extensive

experience as we navigate a very challenging labor market and seek to further strengthen our employee engagement and retention to enable our growth plans.”

About SeaSpine

SeaSpine (www.seaspine.com) is a global medical technology company focused on the design, development, and commercialization of surgical solutions for the treatment of patients suffering from spinal disorders. SeaSpine’s complete procedural solutions feature its market-leading FLASH™ Navigation, a system designed to improve accuracy of screw placement and provide a cost-effective, rapid, radiation-free solution to surgical navigation, and a comprehensive portfolio of spinal implants and orthobiologics to meet the varying combinations of products that neurosurgeons and orthopedic spine surgeons need to facilitate spinal fusion in degenerative, minimally invasive surgery (MIS), and complex spinal deformity procedures on the lumbar, thoracic and cervical spine. With product development expertise in advanced optics, software, orthobiologic sciences and spinal implants, SeaSpine can offer its surgeon customers a complete solution to meet their patients’ evolving clinical needs. SeaSpine currently markets its products in the United States and in approximately 30 countries worldwide.

Forward-Looking Statements

SeaSpine cautions you that statements in this press release that are not a description of historical facts are forward-looking statements based on the Company’s current expectations and assumptions. Such forward-looking statements include, but are not limited to, statements relating to: the belief that SeaSpine is better positioned than ever to capitalize on tremendous growth opportunities in the current spine market; and the confidence that, with Mr. Bostjancic’s expanded leadership role, the Company can further scale its business and facilitate clearer cross-functional collaboration that will drive operating efficiencies and better predictability and accountability for improved operating results. Among the factors that could cause or contribute to material differences between the Company’s actual results and the expectations indicated by the forward looking statements are risks and uncertainties that include, but are not limited to: the extent of the impact of the COVID-19 pandemic on the Company’s business and the economy; reductions in surgical volumes, including the duration of any elective surgery deferrals; the impact of staffing shortages; surgeons’ willingness to adopt the Company’s newly launched products; the risk of supply shortages and associated disruption to product sales; general economic and business conditions in the markets in which the Company does business, both in the U.S. and abroad; and other risks and uncertainties more fully described in the Company’s news releases and periodic filings with the Securities and Exchange Commission. The Company’s public filings with the Securities and Exchange Commission are available at www.sec.gov.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date when made. SeaSpine does not intend to revise or update any forward-looking statement in this news release to reflect events or circumstances arising after the date hereof, except as may be required by law.

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