

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 29, 2023**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission File Number: 001-34045**

**Enovis Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**54-1887631**  
(I.R.S. Employer  
Identification No.)

**2711 Centerville Road, Suite 400**  
**Wilmington, Delaware**  
(Address of principal executive offices)

**19808**  
(Zip Code)

**(302) 252-9160**

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	ENOV	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer

Smaller reporting company  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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of November 3, 2023, there were 54,594,143 shares of the registrant's common stock, par value \$.001 per share, outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

**ENOVIS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
Dollars in thousands, except per share amounts  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022
Net sales	\$ 417,524	\$ 383,814	\$ 1,252,177	\$ 1,154,388
Cost of sales	174,558	167,990	525,787	516,758
Gross profit	242,966	215,824	726,390	637,630
Selling, general and administrative expense	204,248	182,187	619,294	564,324
Research and development expense	19,901	15,599	57,012	46,102
Amortization of acquired intangibles	33,967	31,993	98,256	94,603
Insurance settlement loss (gain)	—	975	—	(32,059)
Restructuring and other charges	5,342	2,989	11,782	7,653
Operating income (loss)	(20,492)	(17,919)	(59,954)	(42,993)
Interest expense, net	5,768	6,334	15,496	17,944
Debt extinguishment charges	—	—	—	20,104
Unrealized (gain) loss on investment in ESAB Corporation	—	63,125	—	(72,412)
Gain on cost basis investment	—	(8,800)	—	(8,800)
Other (income) expense, net	(757)	(300)	(665)	(300)
Income (loss) from continuing operations before income taxes	(25,503)	(78,278)	(74,785)	471
Income tax benefit	(6,052)	(12,329)	(17,878)	(16,176)
Net income (loss) from continuing operations	(19,451)	(65,949)	(56,907)	16,647
Income (loss) from discontinued operations, net of taxes	16,611	(527)	21,096	10,163
Net income (loss)	(2,840)	(66,476)	(35,811)	26,810
Less: net income attributable to noncontrolling interest from continuing operations - net of taxes	40	136	414	533
Less: net income attributable to noncontrolling interest from discontinued operations - net of taxes	—	—	—	966
Net income (loss) attributable to Enovis Corporation	\$ (2,880)	\$ (66,612)	\$ (36,225)	\$ 25,311
<i>Net income (loss) per share - basic</i>				
Continuing operations	\$ (0.36)	\$ (1.22)	\$ (1.05)	\$ 0.30
Discontinued operations	\$ 0.30	\$ (0.01)	\$ 0.39	\$ 0.17
Consolidated operations	\$ (0.05)	\$ (1.23)	\$ (0.67)	\$ 0.47
<i>Net income (loss) per share - diluted</i>				
Continuing operations	\$ (0.36)	\$ (1.22)	\$ (1.05)	\$ 0.30
Discontinued operations	\$ 0.30	\$ (0.01)	\$ 0.39	\$ 0.17
Consolidated operations	\$ (0.05)	\$ (1.23)	\$ (0.67)	\$ 0.46

See Notes to Condensed Consolidated Financial Statements.

**ENOVIS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
Dollars in thousands  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022
Net income (loss)	\$ (2,840)	\$ (66,476)	\$ (35,811)	\$ 26,810
Other comprehensive income (loss):				
Foreign currency translation, net of tax expense of \$—, \$—, \$— and 338	(18,057)	(28,836)	3,838	(113,173)
Unrealized gain (loss) on hedging activities, net of tax expense (benefit) of \$1,009, \$—, \$ (731) and \$2,711	3,159	—	(2,290)	9,028
Amounts reclassified from Accumulated other comprehensive loss:				
Amortization of pension and other post-retirement net actuarial gain (loss), net of tax expense (benefit) of \$(75), \$—, \$(116) and \$199	(339)	—	(1,221)	629
Reclassification of hedging gain (loss), net of tax expense (benefit) of \$—, \$—, \$— and \$—	168	—	168	—
Other comprehensive income (loss)	(15,069)	(28,836)	495	(103,516)
Comprehensive income (loss)	(17,909)	(95,312)	(35,316)	(76,706)
Less: comprehensive income (loss) attributable to noncontrolling interest	(12)	(1,030)	394	(1,438)
Comprehensive income (loss) attributable to Enovis Corporation	<u>\$ (17,897)</u>	<u>\$ (94,282)</u>	<u>\$ (35,710)</u>	<u>\$ (75,268)</u>

See Notes to Condensed Consolidated Financial Statements.

**ENOVIS CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
Dollars in thousands, except share amounts  
(Unaudited)

	<u>September 29, 2023</u>	<u>December 31, 2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 32,129	\$ 24,295
Trade receivables, less allowance for credit losses of \$8,711 and \$7,965	277,029	267,380
Inventories, net	470,913	426,643
Prepaid expenses	28,974	28,550
Other current assets	45,142	48,155
<b>Total current assets</b>	<b>854,187</b>	<b>795,023</b>
Property, plant and equipment, net	260,190	236,741
Goodwill	2,027,154	1,983,588
Intangible assets, net	1,100,959	1,110,727
Lease asset - right of use	63,487	66,881
Other assets	94,940	80,288
<b>Total assets</b>	<b>\$ 4,400,917</b>	<b>\$ 4,273,248</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt	\$ —	\$ 219,279
Accounts payable	125,060	135,628
Accrued liabilities	230,224	210,292
<b>Total current liabilities</b>	<b>355,284</b>	<b>565,199</b>
Long-term debt, less current portion	395,000	40,000
Non-current lease liability	49,176	51,259
Other liabilities	159,725	166,989
<b>Total liabilities</b>	<b>959,185</b>	<b>823,447</b>
<b>Equity:</b>		
Common stock, \$0.001 par value; 133,333,333 shares authorized; 54,564,997 and 54,228,619 shares issued and outstanding as of September 29, 2023 and December 31, 2022, respectively	55	54
Additional paid-in capital	2,952,975	2,925,729
Retained earnings	539,507	575,732
Accumulated other comprehensive loss	(52,915)	(53,430)
<b>Total Enovis Corporation equity</b>	<b>3,439,622</b>	<b>3,448,085</b>
Noncontrolling interest	2,110	1,716
<b>Total equity</b>	<b>3,441,732</b>	<b>3,449,801</b>
<b>Total liabilities and equity</b>	<b>\$ 4,400,917</b>	<b>\$ 4,273,248</b>

See Notes to Condensed Consolidated Financial Statements.

**ENOVIS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
Dollars in thousands, except share amounts  
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total
	Shares	Amount					
Balance at December 31, 2022	54,228,619	\$ 54	\$ 2,925,729	\$ 575,732	\$ (53,430)	\$ 1,716	\$ 3,449,801
Net loss	—	—	—	(23,350)	—	192	(23,158)
Other comprehensive income, net of tax of \$—	—	—	—	—	10,560	24	10,584
Common stock-based award activity	264,535	—	8,044	—	—	—	8,044
Balance at March 31, 2023	54,493,154	54	2,933,773	552,382	(42,870)	1,932	3,445,271
Net loss	—	—	—	(9,995)	—	182	(9,813)
Other comprehensive income, net of tax of \$(1,781)	—	—	—	—	4,972	8	4,980
Common stock-based award activity	40,957	1	10,321	—	—	—	10,322
Balance at June 30, 2023	54,534,111	55	2,944,094	542,387	(37,898)	2,122	3,450,760
Net loss	—	—	—	(2,880)	—	40	(2,840)
Other comprehensive income, net of tax of \$934	—	—	—	—	(15,017)	(52)	(15,069)
Common stock-based award activity	30,886	—	8,881	—	—	—	8,881
Balance at September 29, 2023	54,564,997	\$ 55	\$ 2,952,975	\$ 539,507	\$ (52,915)	\$ 2,110	\$ 3,441,732

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total
	Shares	Amount					
Balance at December 31, 2021	52,083,078	\$ 52	\$ 4,544,315	\$ 589,024	\$ (516,013)	\$ 44,055	\$ 4,661,433
Net income	—	—	—	15,068	—	1,233	16,301
Distributions to noncontrolling owners	—	—	—	—	—	(941)	(941)
Other comprehensive loss, net of tax of \$3,248	—	—	—	—	(43,466)	(338)	(43,804)
Conversion of tangible equity units into common stock	1,691,845	2	(2)	—	—	—	—
Common stock-based award activity	255,957	—	11,056	—	—	—	11,056
Balance at April 1, 2022	54,030,880	54	4,555,369	604,092	(559,479)	44,009	4,644,045
Net loss	—	—	—	76,855	—	130	76,985
Other comprehensive loss, net of tax of \$—	—	—	—	—	(29,443)	(1,433)	(30,876)
Distribution of ESAB Corporation	—	—	(1,666,732)	—	499,981	(40,510)	(1,207,261)
Common stock-based award activity	80,238	—	8,570	—	—	—	8,570
Balance at July 1, 2022	54,111,118	54	2,897,207	680,947	(88,941)	2,196	3,491,463
Net loss	—	—	—	(66,612)	—	136	(66,476)
Other comprehensive loss, net of tax of \$—	—	—	—	—	(27,670)	(1,166)	(28,836)
Adjustments to distribution of ESAB Corporation	—	—	2,451	—	—	—	2,451
Acquisition of Insight (see Note 4)	—	—	—	—	—	345	345
Common stock-based award activity	37,197	—	9,255	—	—	—	9,255
Balance at September 30, 2022	54,148,315	\$ 54	\$ 2,908,913	\$ 614,335	\$ (116,611)	\$ 1,511	\$ 3,408,202

See Notes to Condensed Consolidated Financial Statements.

**ENOVIS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
Dollars in thousands  
(Unaudited)

	Nine Months Ended	
	September 29, 2023	September 30, 2022
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ (35,811)	\$ 26,810
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation, amortization and other impairment charges	160,493	167,453
Stock-based compensation expense	25,758	27,799
Non-cash interest expense	2,117	3,021
Unrealized gain on investment in ESAB Corporation	—	(72,412)
Gain on cost basis investment	—	(8,800)
Debt extinguishment charges	—	20,104
Deferred income tax expense (benefit)	(20,612)	(3,458)
(Gain) loss on sale of property, plant and equipment	(14,832)	352
Changes in operating assets and liabilities:		
Trade receivables, net	(6,527)	(43,315)
Inventories, net	(29,917)	(119,145)
Accounts payable	(12,379)	34,147
Other operating assets and liabilities	(1,717)	(52,459)
<b>Net cash provided by (used in) operating activities</b>	<b>66,573</b>	<b>(19,903)</b>
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment and intangibles	(94,279)	(68,668)
Proceeds from sale of property, plant and equipment	42,571	2,746
Payments for acquisitions, net of cash received, and investments	(131,387)	(73,390)
<b>Net cash used in investing activities</b>	<b>(183,095)</b>	<b>(139,312)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings on term credit facility	—	450,000
Repayments of borrowings under term credit facility	(219,468)	(785,000)
Proceeds from borrowings on revolving credit facilities and other	400,000	—
Repayments of borrowings on revolving credit facilities and other	(47,345)	(608,877)
Repayments of borrowings on Euro senior notes	—	(386,278)
Repayments of borrowings on Senior notes	—	(300,000)
Distribution from ESAB Corporation, net	—	1,143,369
Payment of debt issuance costs	(8,000)	(2,938)
Proceeds from issuance of common stock, net	1,489	2,530
Payment of debt extinguishment costs	—	(12,704)
Deferred consideration payments and other	(1,668)	(6,857)
<b>Net cash provided by (used in) financing activities</b>	<b>125,008</b>	<b>(506,755)</b>
<b>Effect of foreign exchange rates on Cash and cash equivalents</b>	<b>(652)</b>	<b>1,557</b>
Increase (decrease) in Cash and cash equivalents	7,834	(664,413)
Cash and cash equivalents, beginning of period	24,295	719,370
<b>Cash and cash equivalents, end of period</b>	<b>\$ 32,129</b>	<b>\$ 54,957</b>

See Notes to Condensed Consolidated Financial Statements.

**ENOVIS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**1. General**

Enovis Corporation (the “Company” or “Enovis”) was previously Colfax Corporation (“Colfax”) until its separation into two differentiated, independent, and publicly traded companies on April 4, 2022 (the “Separation”). Upon completion of the Separation, the Company retained its specialty medical technology business, changed its name to Enovis Corporation, and began trading under the stock symbol “ENOV” on the New York Stock Exchange on April 5, 2022. Enovis is an innovation-driven medical technology growth company dedicated to developing clinically differentiated solutions that generate measurably better patient outcomes and transform workflows. The Company conducts its business through two operating segments, “Prevention & Recovery” and “Reconstructive.” The Prevention & Recovery segment provides orthopedic and recovery science solutions, including devices, software, and services across the patient care continuum from injury prevention to rehabilitation after surgery, injury, or from degenerative disease. The Reconstructive segment provides surgical implant solutions, offering a comprehensive suite of reconstructive joint products for the hip, knee, shoulder, elbow, foot, ankle, and finger and surgical productivity tools.

The Condensed Consolidated Financial Statements included in this quarterly report have been prepared by the Company in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”) and accounting principles generally accepted in the United States of America (“GAAP”) for interim financial statements and reflect, in the opinion of management, all adjustments, which consist solely of normal recurring adjustments, necessary to present fairly the Company’s financial position and results of operations as of and for the periods indicated. Certain prior period amounts have been reclassified to conform to the current period presentation. The Condensed Consolidated Balance Sheet as of December 31, 2022 is derived from the Company’s audited financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted in accordance with the SEC’s rules and regulations for interim financial statements. The Condensed Consolidated Financial Statements included herein should be read in conjunction with the audited financial statements and related footnotes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 (the “2022 Form 10-K”), filed with the SEC on March 1, 2023.

The Company makes certain estimates and assumptions in preparing its Condensed Consolidated Financial Statements in accordance with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the Condensed Consolidated Financial Statements, and the reported amounts of revenues and expenses for the periods presented. Actual results may differ from those estimates.

**2. Recently Issued Accounting Pronouncements**

The Company has not adopted any new accounting standards during the nine months ended September 29, 2023. There are no recently issued accounting pronouncements that are expected to have a material effect on the Company’s financial position, results of operations or cash flows.

**3. Discontinued Operations**

The Company’s discontinued operations include the following: (1) operating results of ESAB Corporation (“ESAB”) for the first quarter of 2022 prior to Separation, (2) charges for the first quarter of 2022 related to previously retained asbestos contingencies from certain divested businesses for which the Company did not retain an interest in the ongoing operations and that were fully transferred to ESAB in conjunction with the Separation, (3) certain expenses related to the Separation in 2022, (4) a charge related to the release of a tax indemnification receivable from ESAB and release of uncertain tax positions in the second quarter of 2023, and (5) gain on disposal from the sale of a facility retained from a prior divestiture.



**ENOVIS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**  
**(Unaudited)**

The following table presents the financial results of the Company’s discontinued operations:

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 29, 2023</b>	<b>September 30, 2022</b>	<b>September 29, 2023</b>	<b>September 30, 2022</b>
	<b>(in thousands)</b>			
Net sales	\$ —	\$ —	\$ —	\$ 647,911
Cost of sales	—	—	—	423,580
Selling, general and administrative expense	—	—	—	125,529
Gain on disposal of facility	(15,517)	—	(15,517)	—
Restructuring and other charges	—	—	—	5,304
Asbestos charges	—	—	—	3,194
Divestiture-related expenses and other <sup>(1)</sup>	(1,652)	527	4,359	46,468
Operating (loss) income	17,169	(527)	11,158	43,836
Interest expense <sup>(2)</sup>	—	—	—	8,035
(Loss) income from discontinued operations before income taxes	17,169	(527)	11,158	35,801
Income tax (benefit) expense <sup>(3)</sup>	558	—	(9,938)	25,638
(Loss) income from discontinued operations, net of taxes	<u>\$ 16,611</u>	<u>\$ (527)</u>	<u>\$ 21,096</u>	<u>\$ 10,163</u>

<sup>(1)</sup> Divestiture-related expenses and other includes costs (benefits) relating to a facility retained from a prior divestiture, a charge for the release of a tax indemnification receivable from ESAB during the second quarter of 2023, and charges of \$45.0 million associated with the Separation for the nine months ended September 30, 2022.

<sup>(2)</sup> Interest expense was allocated to discontinued operations in 2022 based on allocating \$1.2 billion of corporate level debt to discontinued operations consistent with the dividend received from ESAB and the debt repaid at the time of the Separation.

<sup>(3)</sup> Includes benefit of release of uncertain tax positions in the second quarter of 2023.

Cash used in operating activities related to discontinued operations was \$1.2 million and \$26.8 million for the nine months ended September 29, 2023 and September 30, 2022, respectively. Cash provided by investing activities related to discontinued operations for the nine months ended September 29, 2023 was \$42.6 million. Cash used in investing activities related to discontinued operations for the nine months ended September 30, 2022 was \$3.2 million.

#### **4. Acquisitions and Investments**

##### *Lima Acquisition Purchase Agreement*

On September 22, 2023, the Company entered into a definitive stock purchase agreement to acquire LimaCorporate S.p.A. (“Lima”), a privately held global orthopedic company focused on restoring motion through digital innovation and customized hardware, at an enterprise value of €800 million (the “Lima Acquisition”), consisting of (i) approximately €700 million in cash consideration, which includes repayment of certain indebtedness, to be paid at closing, and (ii) 1,942,686 shares of common stock of Enovis valued at €100 million based on the thirty-day volume weighted average price of the Company’s common stock as of the close of business day on September 21, 2023, and which are expected to be issued within eighteen months following the closing of the Lima Acquisition, in each case subject to certain adjustments and conditions as provided for in the purchase agreement. The closing of the Lima Acquisition is subject to the receipt of applicable regulatory approvals and other customary closing conditions and is expected to be completed in the first quarter of 2024.

ENOVIS CORPORATION  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)  
(Unaudited)

*2023 Acquisitions*

On June 28, 2023, the Company completed the Novastep business combination in its Reconstructive segment. Novastep is a leading player in Minimally Invasive Surgery (MIS) foot and ankle solutions with a best-in-class MIS bunion system serving a rapidly growing portion of the global bunion segment. The acquisition is accounted for under the acquisition method of accounting, and accordingly, the Condensed Consolidated Financial Statements include the financial position and results of operations from the acquisition date. The Company paid \$96.9 million for the acquisition, net of cash received. The Company has allocated \$41.7 million to goodwill and \$52.0 million to intangible assets acquired. The acquisition accounting reflects our preliminary estimates and are subject to adjustment. The acquired goodwill value is primarily driven by the expected synergies from cross-selling Novastep products to existing Enovis foot & ankle customers. The acquisition broadens our reconstructive product offerings for the foot and ankle market and expands our customer base in Europe. Purchase accounting procedures are ongoing and revisions may be recorded in future periods during the measurement period.

On July 20, 2023, the Company completed an asset acquisition in its Reconstructive segment for an external fixation product line from D.N.E., LLC, a developer of a broad line of external fixation products, including circular frames, pin-to-bar frames, and mini-fixators for use in foot and ankle surgeries. The Company paid \$28.2 million for the asset acquisition and assigned \$25.8 million to intangible assets, \$1.9 million to finished goods inventory and \$0.5 million to property, plant and equipment. The acquisition of these assets, primarily the developed technology, is an important step in creating a more robust product portfolio for the foot & ankle business unit.

*2022 Acquisitions*

During the nine months ended September 30, 2022, the Company completed four asset acquisitions, two business combinations, and one investment which is recorded using the equity method of accounting. Two of these transactions were completed by the Company's Reconstructive segment, and the other five transactions were completed by the Prevention & Recovery segment. The asset acquisitions broaden the Company's product offering and distribution network. Aggregate purchase consideration for the four asset acquisitions was \$22.3 million, of which \$12.6 million was paid in cash and \$9.6 million of deferred and contingent consideration. The investment was acquired for \$10.0 million in cash consideration.

On May 6, 2022, the Company completed a business combination in its Reconstructive segment of KICo Knee Innovation Company Pty Limited and subsidiaries, an Australian private company doing business as 360 Med Care, by acquiring 100% of its equity interests. 360 Med Care is a medical device distributor that bundles certain computer-assisted surgery and patient experience enhancement programs to add value to its device supply arrangements with surgeons, hospitals, and insurers. The acquisition is accounted for under the acquisition method of accounting, and accordingly, the Condensed Consolidated Financial Statements include the financial position and results of operations from the acquisition date. The Company paid \$14.3 million for the acquisition, net of cash received, and recorded estimated contingent consideration at fair value of \$12.8 million related to expected results over future revenue targets. The Company allocated \$16.3 million to goodwill and \$18.2 million to intangible assets acquired. The purchase price accounting for this acquisition was finalized during the quarter ended June 30, 2023. The 360 Med Care acquisition broadens our customer base in Australia and adds to our overall product offerings.

On July 5, 2022, the Reconstructive segment of the Company acquired a controlling interest of Insight Medical Systems ("Insight"). Insight's flagship solution, ARVIS, is an FDA-cleared augmented reality solution precisely engineered for the specific needs of hip and knee replacement surgery. The ARVIS navigation unit consists of a hands-free heads-up display worn by the surgeon which provides surgical guidance at the point of care in a streamlined, space-conserving and cost-effective manner compared to traditional robotic offerings. The acquisition is accounted for under the acquisition method of accounting as a step-acquisition, and accordingly, the Condensed Consolidated Financial Statements include the financial position and results of operations from the acquisition date.

The Company made initial investments in Insight in 2020 and 2021, which were initially carried at cost. During the third quarter of 2022, the Company acquired an additional 53.7% interest in Insight for \$34.2 million net of cash received, and recorded contingent consideration of \$5.0 million, which is the maximum amount payable under the agreement based on Insight's achievement of certain milestones related to ARVIS. The Company holds a 99.5% interest in Insight and recognized an initial \$0.3 million noncontrolling equity interest in its financial statements attributed to Insight.

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The Company allocated \$36.3 million to goodwill and \$38.4 million to intangible assets acquired. The purchase price accounting for this acquisition was finalized. Goodwill is primarily driven by expected synergies between ARVIS' augmented reality surgical guidance system and the Company's existing customer base and existing products. The Company does not expect any of the goodwill to be deductible for tax purposes.

As a result of obtaining control of Insight, the Company remeasured its initial investments to fair value, resulting in a \$8.8 million gain in the fourth quarter of 2022.

*Investments*

As of September 29, 2023, the balance of investments held by the Company without readily determinable fair values was \$20.6 million. The majority of these investments are carried at cost minus impairments, if any, plus adjustments for fair value indicators from observable price changes in orderly transactions for the identical or similar investment of the same issuer. There have been no impairments or upward adjustments in the current year or since acquisition of these investments. One investment is accounted for under the equity method of accounting and is recorded at the initial investment amount, adjusted each period for the Company's share of the income or loss.

**5. Revenue**

The Company provides orthopedic solutions, including products and services spanning the full continuum of patient care, from injury prevention to rehabilitation. While the Company's sales are primarily derived from three sales channels including dealers and distributors, insurance, and direct to consumers and hospitals, substantially all of the Company's revenue is recognized at a point in time. The Company disaggregates its revenue into the following segments:

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 29, 2023</u>	<u>September 30, 2022</u>	<u>September 29, 2023</u>	<u>September 30, 2022</u>
	(In thousands)			
Prevention & Recovery:				
U.S. Bracing & Support	\$ 118,384	\$ 112,276	\$ 337,722	\$ 326,496
U.S. Other P&R	68,217	65,677	198,293	188,687
International P&R <sup>(1)</sup>	83,686	78,549	258,487	249,937
Total Prevention & Recovery	<u>270,287</u>	<u>256,502</u>	<u>794,502</u>	<u>765,120</u>
Reconstructive:				
U.S. Reconstructive	99,720	89,039	309,358	268,161
International Reconstructive <sup>(2)</sup>	47,517	38,273	148,317	121,107
Total Reconstructive	<u>147,237</u>	<u>127,312</u>	<u>457,675</u>	<u>389,268</u>
<b>Total</b>	<u>\$ 417,524</u>	<u>\$ 383,814</u>	<u>\$ 1,252,177</u>	<u>\$ 1,154,388</u>

<sup>(1)</sup> Includes favorable currency impact of \$3.3 million and unfavorable currency impacts of \$0.7 million for the three and nine months ended September 29, 2023, respectively.

<sup>(2)</sup> Includes favorable currency impact of \$2.2 million and \$1.8 million for the three and nine months ended September 29, 2023, respectively.

Given the nature of the businesses, the Company does not generally have unsatisfied performance obligations with an original contract duration of greater than one year.

The nature of the Company's contracts gives rise to certain types of variable consideration, including rebates, implicit price concessions, and other discounts. The Company includes estimated amounts of variable consideration in the transaction price to the extent that it is probable there will not be a significant reversal of revenue.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**  
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*Allowance for Credit Losses*

The Company's estimate of current expected credit losses on trade receivables considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts. In calculating and applying its current expected credit losses, the Company disaggregates trade receivables into business segments due to risk characteristics unique to each segment given the individual lines of business and market. The business segments are further disaggregated based on either geography or product type. The Company uses a loss rate methodology in calculating its current expected credit losses, considering historical write-offs over a defined lookback period in deriving a historical loss rate. The expected credit loss model considers current conditions and reasonable and supportable forecasts for current and projected macroeconomic factors.

A summary of the activity in the Company's allowance for credit losses included within Trade receivables in the Condensed Consolidated Balance Sheets is as follows:

	<b>Nine Months Ended September 29, 2023</b>				
	<b>Balance at Beginning of Period</b>	<b>Charged to Expense, net</b>	<b>Write-Offs, Deductions and Other, net</b>	<b>Foreign Currency Translation</b>	<b>Balance at End of Period</b>
	<b>(In thousands)</b>				
Allowance for credit losses	\$ 7,965	\$ 3,269	\$ (2,499)	\$ (24)	\$ 8,711

**6. Net Income (Loss) Per Share from Continuing Operations**

Net income (loss) per share from continuing operations was computed using treasury stock method as follows:

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 29, 2023</b>	<b>September 30, 2022</b>	<b>September 29, 2023</b>	<b>September 30, 2022</b>
	<b>(In thousands, except share and per share data)</b>			
<i>Computation of Net income (loss) per share from continuing operations - basic:</i>				
Net income (loss) from continuing operations attributable to Enovis Corporation <sup>(1)</sup>	\$ (19,491)	\$ (66,085)	\$ (57,321)	\$ 16,114
Weighted-average shares of Common stock outstanding – basic	54,549,369	54,136,889	54,462,319	54,025,144
Net income (loss) per share from continuing operations – basic	\$ (0.36)	\$ (1.22)	\$ (1.05)	\$ 0.30
<i>Computation of Net income (loss) per share from continuing operations - diluted:</i>				
Net income (loss) from continuing operations attributable to Enovis Corporation <sup>(1)</sup>	\$ (19,491)	\$ (66,085)	\$ (57,321)	\$ 16,114
Weighted-average shares of Common stock outstanding – basic	54,549,369	54,136,889	54,462,319	54,025,144
Net effect of potentially dilutive securities - stock options and restricted stock units	—	—	—	434,859
Weighted-average shares of Common stock outstanding – diluted	54,549,369	54,136,889	54,462,319	54,460,003
Net income (loss) per share from continuing operations – diluted	\$ (0.36)	\$ (1.22)	\$ (1.05)	\$ 0.30

<sup>(1)</sup> Net income (loss) from continuing operations attributable to Enovis Corporation for the respective periods is calculated using Net income (loss) from continuing operations less the continuing operations component of the income attributable to noncontrolling interest, net of taxes.

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The following weighted average computations of potentially dilutive shares of Common stock from stock-based compensation awards were excluded from the calculation of Weighted-average shares of Common stock outstanding – diluted as inclusion would be anti-dilutive in Net income (loss) per share:

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 29, 2023</b>	<b>September 30, 2022</b>	<b>September 29, 2023</b>	<b>September 30, 2022</b>
	<b>(In thousands, except share data)</b>			
Weighted average computation of potentially dilutive shares of Common stock excluded from diluted computation, as inclusion would be anti-dilutive	1,073,464	462,624	1,127,227	432,789

**7. Income Taxes**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 29, 2023</b>	<b>September 30, 2022</b>	<b>September 29, 2023</b>	<b>September 30, 2022</b>
	<b>In thousands</b>			
Income (loss) from continuing operations before income taxes	(25,503)	(78,278)	(74,785)	471
Income tax expense (benefit)	(6,052)	(12,329)	(17,878)	(16,176)
Effective tax rate:	23.7 %	15.8 %	23.9 %	(3,434.4)%

The effective tax rates for the three and nine months ended September 29, 2023, were slightly higher than the 2023 federal statutory rate of 21% mainly due to non-U.S. income taxed at lower rates, release of valuation allowance on non-U.S. attributes, tax credits for research and development, and release of uncertain tax positions. This was partially offset by other non-deductible expenses and U.S. taxation on international operations.

The effective tax rates for the three and nine months ended September 30, 2022, were lower than the 2022 U.S. federal statutory rate of 21% mainly due to non-taxable unrealized (gain) loss on the investment in ESAB Corporation and gain on cost basis investment, partially offset by non-deductible costs related to the tax-free Separation.

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**8. Equity**

*Share Repurchase Program*

In 2018, the Company's Board of Directors authorized the repurchase of shares of the Company's Common stock from time-to-time on the open market or in privately negotiated transactions. No repurchases of the Company's Common stock have been made under this plan since the third quarter of 2018. As of September 29, 2023, the remaining stock repurchase authorization provided by the Board of Directors was \$100 million. The timing, amount and method of shares repurchased is determined by management based on its evaluation of market conditions and other factors. There is no term associated with the remaining repurchase authorization.

*Accumulated Other Comprehensive Income (Loss)*

The following tables present the changes in the balances of each component of Accumulated other comprehensive income (loss) including reclassifications out of Accumulated other comprehensive loss for the nine months ended September 29, 2023 and September 30, 2022. All amounts are presented net of tax and noncontrolling interest, if any.

	<b>Accumulated Other Comprehensive Income (Loss) Components</b>			
	<b>Net Unrecognized Pension Benefit Cost</b>	<b>Foreign Currency Translation Adjustment</b>	<b>Unrealized Gain (Loss) on Hedging Activities</b>	<b>Total</b>
	<b>(In thousands)</b>			
Balance at January 1, 2023	\$ 12,207	\$ (65,637)	\$ —	\$ (53,430)
Other comprehensive income (loss) before reclassifications:				
Foreign currency translation adjustment	108	3,750	—	3,858
Loss on net investment hedges	—	—	(2,290)	(2,290)
Other comprehensive income (loss) before reclassifications	108	3,750	(2,290)	1,568
Amounts reclassified from Accumulated other comprehensive income (loss)	(1,221)	—	168	(1,053)
Net Other comprehensive income (loss)	(1,113)	3,750	(2,122)	515
Balance at September 29, 2023	\$ 11,094	\$ (61,887)	\$ (2,122)	\$ (52,915)

	<b>Accumulated Other Comprehensive Loss Components</b>			
	<b>Net Unrecognized Pension and Other Post-Retirement Benefit Cost</b>	<b>Foreign Currency Translation Adjustment</b>	<b>Unrealized Gain on Hedging Activities</b>	<b>Total</b>
	<b>(In thousands)</b>			
Balance at January 1, 2022	\$ (85,559)	\$ (475,125)	\$ 44,671	\$ (516,013)
Other comprehensive income (loss) before reclassifications:				
Foreign currency translation adjustment	470	(88,927)	—	(88,457)
Loss on long-term intra-entity foreign currency transactions	—	(21,779)	—	(21,779)
Gain on net investment hedges	—	—	9,028	9,028
Other comprehensive income (loss) before reclassifications	470	(110,706)	9,028	(101,208)
Amounts reclassified from Accumulated other comprehensive loss	629	—	—	629
Net Other comprehensive income (loss)	1,099	(110,706)	9,028	(100,579)
Distribution of ESAB Corporation	84,460	469,220	(53,699)	499,981
Balance at September 30, 2022	\$ —	\$ (116,611)	\$ —	\$ (116,611)

**9. Inventories, Net**

Inventories, net consisted of the following:

	September 29, 2023	December 31, 2022
	(In thousands)	
Raw materials	\$ 91,832	\$ 100,038
Work in process	37,874	28,164
Finished goods	403,375	357,143
	533,081	485,345
Less: Allowance for excess, slow-moving and obsolete inventory	(62,168)	(58,702)
	<u>\$ 470,913</u>	<u>\$ 426,643</u>

**10. Debt**

Long-term debt consisted of the following:

	September 29, 2023	December 31, 2022
	(In thousands)	
Term loan	\$ —	\$ 219,279
Revolving credit facilities and other	395,000	40,000
Total debt	395,000	259,279
Less: current portion	—	(219,279)
Long-term debt	<u>\$ 395,000</u>	<u>\$ 40,000</u>

*Debt Redemptions*

In conjunction with the Separation on April 4, 2022, the Company repaid all obligations under its previous credit agreement and entered into a new credit agreement (the “Enovis Credit Agreement”) with certain of its existing bank lenders. Additionally, on April 7, 2022, after the completion of the Separation, the Company completed the redemptions of its 3.25% Euro Senior Notes due 2025 (the “Euro Senior Notes”) and its 6.375% Senior Notes due 2026 (the “2026 Notes”). As a result of these changes, the Company recorded Debt extinguishment charges of \$20.1 million during the second quarter of 2022, comprised of \$12.7 million in redemption premiums and \$7.4 million in noncash write-offs of original issue discount and deferred financing fees.

*Enovis Term Loan and Revolving Credit Facility*

The Enovis Credit Agreement became effective on April 4, 2022 and consists of a \$900 million revolving credit facility (the “Revolver”) with an April 4, 2027 maturity date. The Enovis Credit Agreement also had a term loan with an initial aggregate principal amount of \$450 million (the “Enovis Term Loan”) which was fully extinguished during the first quarter of 2023. The Revolver contains a \$50 million swing line loan sub-facility. Certain U.S. subsidiaries of the Company guarantee the obligations under the Enovis Credit Agreement.

On November 18, 2022, the Company completed an exchange with a lender under the Enovis Credit Agreement of 6,003,431 shares of common stock of ESAB, representing all of the retained shares in ESAB following the Separation, for \$230.5 million of the \$450.0 million Enovis Term Loan that was outstanding at that time under the Enovis Credit Agreement, net of cost to sell. On March 1, 2023, the Company extinguished the remaining outstanding balance on the Enovis Term Loan with borrowings on the Revolver.

The Enovis Credit Agreement contains customary covenants limiting the ability of the Company and its subsidiaries to, among other things, incur debt or liens, merge or consolidate with others, dispose of assets, make investments, or pay dividends. In addition, the Enovis Credit Agreement contains financial covenants requiring the Company to maintain (i) a maximum total leverage ratio of not more than 3.75:1.00 for the fiscal quarter ending June 30, 2023 and thereafter, stepping

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down to 3.50:1.00 for the fiscal quarter ending June 30, 2024 and thereafter, and (ii) a minimum interest coverage ratio of 3.00:1.00. The Enovis Credit Agreement contains various events of default (including failure to comply with the covenants under the Enovis Credit Agreement and related agreements), and upon an event of default the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding under the Enovis Credit Agreement. As of September 29, 2023, the Company was in compliance with the covenants under the Enovis Credit Agreement.

As of September 29, 2023, the weighted-average interest rate of borrowings under the Enovis Credit Agreement was 6.54%, excluding accretion of original issue discount and deferred financing fees, and there was \$505 million available on the Revolver.

*Euro Senior Notes*

The Company previously had senior unsecured notes with an aggregate principal amount of €350 million due in May 2025, with an interest rate of 3.25%. The Euro Senior Notes were redeemed on April 7, 2022 at a 100.813% redemption premium after the completion of the Separation.

*Tangible Equity Unit (“TEU”) Amortizing Notes*

The Company previously had 6.50% TEU amortizing notes at an initial principal amount of \$15.6099 per note with equal quarterly cash installments of \$1.4375 per note representing a payment of interest and partial payment of principal. The final installment payment of \$6.5 million principal was made on January 15, 2022.

*2026 Notes*

The Company previously had senior notes with a remaining principal amount of \$300 million due on February 15, 2026 with an interest rate of 6.375%. The 2026 Notes were redeemed on April 7, 2022 at a 103.188% redemption premium after the completion of the Separation.

*Commitment Letter and Financing for Lima Acquisition*

On September 22, 2023, the Company entered into a commitment letter (the “Commitment Letter”) to obtain an \$800 million senior bridge facility for financing the Lima Acquisition (the “Bridge Facility”). The funding of the Bridge Facility, if needed, is subject to the satisfaction of certain customary conditions. The Bridge Facility will be reduced by an equivalent amount of the net cash proceeds of the incurrence of a new term loan facility, the issuance by the Company of debt, equity or equity-linked securities in a public offering or private placement, or the disposition of assets prior to the consummation of the Lima Acquisition and upon other specified events, subject to certain exceptions set forth in the Commitment Letter.

The Commitment Letter requires the Company to use commercially reasonable efforts to arrange and syndicate a \$400 million senior term loan facility, the proceeds of which will be used to refinance and/or reduce the commitments under all or a portion of the Bridge Facility. The financing requirements under the Commitment Letter were completed in October 2023, as follows.

On October 23, 2023 the Company entered into an amendment to the Enovis Credit Agreement (the “Amendment”). The Amendment provides for a new term loan commitment in the aggregate amount of \$400 million, which reduced, on a dollar-for-dollar basis, the commitments under the Commitment Letter. The term loan facility extended to the Company under the Amendment will be available on the date the Lima Acquisition is consummated. The term loan requires quarterly principal repayments at 1.25% of the initial aggregate principal amount and ultimately matures on April 4, 2027.

Pursuant to the Amendment, effective as of the date of consummation of the Lima Acquisition, (i) all facilities under the Credit Agreement (including the Term Loan Facility) will become secured by certain personal property of the Company and certain of its subsidiaries, subject to limitations and exclusions; (ii) the financial covenant under the Credit Agreement will be adjusted from total leverage ratio to senior secured leverage ratio and will require the senior secured leverage ratio to be no more than 3.75:1.00 with a step down to 3.50:1.00 commencing with the fiscal quarter ending June 30, 2024; (iii) certain changes to the negative covenants will become effective (including restrictions on repayments of junior financing and amendments to junior financing documents); and (iv) certain additional changes will be implemented (including the removal of the guaranty fallaway provision).



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On October 24, 2023, the Company issued \$460 million aggregate principal amount of senior unsecured convertible notes in a private placement pursuant to Rule 144A (the “2028 Notes”). The 2028 Notes have an interest rate of 3.875%, payable semiannually in arrears on April 15 and October 15 of each year, beginning April 15, 2024 and will mature on October 15, 2028 unless earlier repurchased, redeemed, or converted.

Holders may convert their 2028 Notes under the following conditions at any time prior to the close of business on the business day immediately preceding April 15, 2028 in multiples of \$1,000 principal amount, only under the following circumstances: (i) during any calendar quarter commencing after the calendar quarter ending on December 31, 2023 (and only during such calendar quarter), if the last reported sale price of the Company’s common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (ii) during the five business day period after any five consecutive trading day period (the “measurement period”) in which the “trading price” per \$1,000 principal amount of 2028 Notes, as determined following a request by a holder of 2028 Notes in accordance with the procedures described below, for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company’s common stock and the conversion rate on each such trading day; (iii) if the Company calls any or all of the 2028 Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or (iv) upon the occurrence of specified corporate events as described in the indenture governing the 2028 Notes.

In addition, holders may convert their 2028 Notes, in multiples of \$1,000 principal amount, at their option at any time beginning on or after April 15, 2028 until the close of business on the second scheduled trading day immediately preceding the maturity date, regardless of the foregoing circumstances. The conversion rate is 17.1474 shares of common stock per \$1,000 principal amount of 2028 Notes (equivalent to an initial conversion price of approximately \$58.32 per share of common stock), subject to adjustment upon the occurrence of certain specified events as set forth in the indenture governing the 2028 Notes. Upon conversion, the Company will pay cash up to the aggregate principal amount of the 2028 Notes to be converted and pay or deliver, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock, at its election, in respect of the remainder,

The Company also entered into privately negotiated capped call transactions with certain of the initial purchasers of the 2028 Notes and paid \$62 million to the counterparties. The capped call transactions are intended generally to mitigate potential dilution to the Company’s common stock upon conversion of any Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted Notes, as the case may be, with such reduction and/or offset subject to a cap. If, however, the market price per share of common stock exceeds \$89.72, the initial cap price of the capped call transactions, there would be dilution effect and/or no offset of any cash payments, in each case, attributable to the amount by which the market price of the common stock exceeds the cap price.

#### *Other Indebtedness*

In addition to the debt agreements discussed above, the Company is party to overdraft facilities with a borrowing capacity of \$30.0 million. Total letters of credit and surety bonds of \$11.2 million were outstanding as of September 29, 2023.

#### *Deferred Financing Fees*

The Company has \$11.7 million in deferred financing fees of which \$3.7 million was recorded in conjunction with the Enovis Credit Agreement as of September 29, 2023 and are accreted to Interest expense, net primarily using a straight-line method over the life of the facility. The balance of \$8.0 million was recorded in September 2023 related to the Commitment Letter discussed above and is amortized over the life of the Bridge Facility. Upon the completion of the amendment to the Enovis Credit Agreement and senior unsecured convertible notes offering in October 2023, the Bridge Facility was terminated and the unamortized balance of the Bridge Facility deferred financing fees will be written-off in the fourth quarter of 2023.

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**11. Accrued Liabilities**

Accrued liabilities in the Condensed Consolidated Balance Sheets consisted of the following:

	September 29, 2023	December 31, 2022
	(In thousands)	
Accrued compensation and related benefits	\$ 64,384	\$ 51,384
Accrued third-party commissions	25,378	24,958
Lease liability - current portion	20,910	24,281
Accrued taxes	15,106	13,676
Accrued rebates	11,600	13,715
Accrued professional fees	9,737	15,670
Contingent consideration - current portion	7,790	8,812
Accrued royalties	5,288	5,777
Accrued freight	3,576	3,955
Customer advances and billings in excess of costs incurred	3,082	3,560
Warranty liability	2,846	2,804
Accrued restructuring liability	2,159	1,090
Accrued interest	388	2,921
Other	57,980	37,689
	<u>\$ 230,224</u>	<u>\$ 210,292</u>

*Accrued Restructuring Liability*

The Company's restructuring programs include a series of actions to reduce the structural costs of the Company. A summary of the activity in the Company's restructuring liability included in Accrued liabilities in the Condensed Consolidated Balance Sheets is as follows:

	Nine Months Ended September 29, 2023			
	Balance at Beginning of Period	Provisions	Payments	Balance at End of Period
	(In thousands)			
<b>Restructuring and other charges:</b>				
Termination benefits <sup>(1)</sup>	\$ 972	\$ 4,930	\$ (3,824)	\$ 2,078
Facility closure costs and other <sup>(2)</sup>	118	6,852	(6,889)	81
Total	<u>\$ 1,090</u>	<u>11,782</u>	<u>\$ (10,713)</u>	<u>\$ 2,159</u>
Non-cash charges <sup>(2)</sup>		301		
<b>Total Provisions<sup>(3)</sup></b>		<u>\$ 12,083</u>		

<sup>(1)</sup> Includes severance and other termination benefits, including outplacement services.

<sup>(2)</sup> Includes the cost of relocating associates, relocating equipment, lease termination expense and other costs in connection with the closure and optimization of facilities, site cost structures, and product lines.

<sup>(3)</sup> For the nine months ended September 29, 2023, \$6.2 million and \$5.9 million of the Company's total provisions were related to the Prevention & Recovery and Reconstructive segments, respectively. Restructuring and other charges includes \$0.3 million of expense classified as Cost of sales on the Company's Condensed Consolidated Statements of Operations for the nine months ended September 29, 2023.

## 12. Financial Instruments and Fair Value Measurements

The Company utilizes fair value measurement guidance prescribed by accounting standards to value its financial instruments. The guidance establishes a fair value hierarchy based on the inputs used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

**Level One:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

**Level Two:** Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

**Level Three:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement

The carrying values of financial instruments, including trade receivables, other receivables and accounts payable, approximate their fair values due to their short-term maturities. The carrying value of the Company's revolving credit facility debt, which bears a variable interest rate indexed to the Secured Overnight Financing Rate (SOFR), approximates fair value as it reprices when market interest rates change. The estimated fair values may not represent actual values of the financial instruments that could be realized as of the balance sheet date or that will be realized in the future.

As of September 29, 2023, the Company held \$26.5 million in Level Three liabilities arising from contingent consideration related to acquisitions. The fair value of the contingent consideration liabilities is determined using unobservable inputs and the inputs vary based on the nature of the purchase agreements. These inputs can include the estimated amount and timing of projected cash flows, the risk-adjusted discount rate used to present value the projected cash flows, and the probability of the acquired company attaining certain targets stated within the purchase agreements. A change in these unobservable inputs to a different amount might result in a significantly higher or lower fair value measurement at the reporting date due to the nature of uncertainty inherent to the estimates. During the nine months ended September 29, 2023 the Company recorded a reduction in contingent consideration of \$0.8 million due to a final agreement on the payout from an acquisition in 2020 and payments of \$0.9 million, offset by increases for interest accretion and effect of foreign currency. The gross range of outcomes for contingent consideration arrangements that have a fixed limit on the maximum payout is zero to \$10.0 million. There are two contingent consideration arrangements that have no limits and are based on a percentage of sales in excess of a benchmark over three and five-year periods, respectively.

There were no transfers in or out of Level One, Two or Three during the nine months ended September 29, 2023.

<b>Total Contingent Consideration Rollforward</b>						
<b>Beginning Balance</b>	<b>Charges</b>	<b>Interest</b>	<b>Payments</b>	<b>Foreign Exchange</b>	<b>Ending Balance</b>	
(In thousands)						
Contingent Consideration	\$27,809	\$(832)	\$1,133	\$(868)	\$(741)	\$26,500

### *Deferred Compensation Plans*

The Company maintains deferred compensation plans for the benefit of certain employees and non-executive officers. As of September 29, 2023 and December 31, 2022 the fair value of these plans were \$12.9 million and \$10.3 million, respectively. These plans are deemed to be Level Two within the fair value hierarchy.

### *Forward Currency Contracts*

The Company's objective in using forward currency contracts is to add stability to the Company's earnings and to protect the U.S. Dollar value of forecasted transactions. To accomplish this objective, the Company has entered into forward currency

**ENOVIS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**  
**(Unaudited)**

contract agreements between the U.S. Dollar and the Mexican Peso as part of its risk management strategy. These forward currency contract agreements are designated and qualify as cash flow hedges.

The gain or loss on a derivative instrument designated as a cash flow hedge is recorded in Unrealized gain (loss) on hedging activities, net of tax within the Company's unaudited Consolidated Statements of Comprehensive Income (Loss) until the underlying third party transaction occurs. When the underlying third-party transaction occurs, the Company recognizes the gain or loss in earnings within Cost of Sales in its unaudited Condensed Consolidated Statements of Operations. The contracts are recorded at fair value and deemed to be Level Two in the fair value hierarchy.

At September 29, 2023, the Company's forward currency contracts have a Mexican Peso notional amount of approximately \$1,260.0 million and a U.S. Dollar aggregate notional amount of \$71.9 million. During the three and nine months ended September 29, 2023, the Company recognized a realized gain of \$0.2 million on its Condensed Consolidated Statements of Operations related to its forward currency contracts designated as cash flow hedges. There was nothing recognized in 2022 as the Mexican Peso forward currency program was established in the second quarter of 2023.

The Company also used a non-designated forward currency contract for the purpose of managing its exposure to currency exchange rate risk related to the Euro-denominated purchase price of Novastep, which closed in June 2023. During the second quarter of 2023, the Company recognized a loss of \$1.5 million on its Condensed Consolidated Statements of Operations related to the settlement of this non-designated forward currency contract. The loss is recorded in Other expense, net on Condensed Consolidated Statements of Operations.

*Net Investment Hedges*

On April 18, 2023, the Company entered into cross-currency swap agreements to hedge its net investment in its Swiss Franc-denominated subsidiaries against adverse movements in exchange rates between the U.S. Dollar and the Swiss Franc. These swap agreements are designated and qualify as net investment hedges. These contracts have a Swiss Franc notional amount of approximately F403 million and a U.S. Dollar aggregate notional amount of \$450 million at September 29, 2023.

Cross-currency swaps involve the receipt of functional-currency fixed-rate amounts from a counterparty in exchange for the Company making foreign-currency fixed-rate payments over the life of the agreement. For derivatives designated as net investment hedges, the gain or loss on the derivative is reported in the Condensed Consolidated Balance Sheet as part of Accumulated other comprehensive (loss) and in the Company's Condensed Consolidated Statements of Comprehensive Income (Loss) as part of the foreign currency translation adjustment. Amounts are reclassified out of Accumulated other comprehensive loss into earnings when the hedged net investment is either sold or substantially liquidated.

During the three and nine months ended September 29, 2023, the Company received interest income on its cross-currency swap derivatives of \$2.6 million and \$4.7 million, respectively, which is included within Interest expense, net in the Condensed Consolidated Statements of Operations.

The following table presents the effect of the Company's designated hedging instruments on Accumulated other comprehensive income (loss) for the three and nine months ended September 29, 2023 and 2022:

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 29, 2023</b>	<b>September 30, 2022</b>	<b>September 29, 2023</b>	<b>September 30, 2022</b>
	<b>(In thousands)</b>			
Gain (loss) on cross-currency swaps	\$ 5,991	\$ —	\$ (1,199)	\$ —
Gain (loss) on forward currency contracts	(1,654)	—	(1,654)	—
	<u>\$ 4,337</u>	<u>\$ —</u>	<u>\$ (2,853)</u>	<u>\$ —</u>

**ENOVIS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**  
**(Unaudited)**

The following table presents the fair value of the Company's derivative financial instruments as well as their classification on the Condensed Consolidated Balance Sheets as of September 29, 2023 and December 31, 2022:

(In thousands)	Location on Unaudited Consolidated Balance Sheets <sup>(1)</sup>	September 29, 2023	December 31, 2022
<b>Derivative Assets</b>			
Forward currency contracts	Other current assets	12	—
Cross-currency swaps	Other current assets	7,524	—
<b>Total Derivative Assets</b>		<u>\$ 7,536</u>	<u>\$ —</u>
<b>Derivative Liabilities</b>			
Forward currency contracts	Other current liabilities	1,150	—
Forward currency contracts	Other long-term liabilities	684	—
Cross-currency swaps	Other long-term liabilities	8,723	—
<b>Total Derivative Liabilities</b>		<u>\$ 10,557</u>	<u>\$ —</u>

<sup>(1)</sup>The Company classifies derivative assets and liabilities as current when the settlement date of the contract is one year or less.

### 13. Commitments and Contingencies

The Company is involved in various pending legal, regulatory, and other proceedings arising out of the ordinary course of the Company's business. None of these proceedings are expected to have a material adverse effect on the financial condition, results of operations or cash flow of the Company. With respect to these proceedings, management of the Company believes that either it will prevail, has adequate insurance coverage or has established appropriate accruals to cover potential liabilities. Legal costs related to proceedings or claims are recorded as incurred. Other costs that management estimates may be paid related to the claims are accrued when the liability is considered probable and the amount can be reasonably estimated. There can be no assurance, however, as to the ultimate outcome of any of these matters, and if all or substantially all of these proceedings were to be determined adverse to the Company, there could be a material adverse effect on the financial condition, results of operations or cash flow of the Company.

For further description of the Company's litigation and contingencies, reference is made to Note 18, "Commitments and Contingencies" in the Notes to Consolidated Financial Statements in the 2022 Form 10-K.

### 14. Segment Information

The Company conducts its continuing operations through the Prevention & Recovery and Reconstructive operating segments, which also represent the Company's reportable segments.

- **Prevention & Recovery** - a leader in orthopedic solutions and recovery sciences, providing devices, software, and services across the patient care continuum from injury prevention to rehabilitation after surgery, injury, or from degenerative disease.
- **Reconstructive** - an innovation market-leader positioned in the fast-growing surgical implant business, offering a comprehensive suite of reconstructive joint products for the hip, knee, shoulder, elbow, foot, ankle, and finger and surgical productivity tools.

The Company's management, including the chief operating decision maker, evaluates the operating results of each of its reportable segments based upon Net sales and Adjusted EBITDA, which excludes the effect of Other (income) expense, net, non-operating (gain) loss on investments, debt extinguishment charges, interest expense, net, restructuring and certain other charges, Medical Device Regulation (MDR) and other costs, strategic transaction costs, stock-based compensation, depreciation and other amortization, acquisition-related intangible asset amortization, insurance settlement loss (gain), and inventory step-up charges from the results of the Company's operating segments.

**ENOVIS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**  
(Unaudited)

The Company's segment results were as follows:

	Three Months Ended		Nine Months Ended	
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022
(In thousands)				
<b>Net sales:</b>				
Prevention & Recovery	\$ 270,287	\$ 256,502	\$ 794,502	\$ 765,120
Reconstructive	147,237	127,312	457,675	389,268
	<u>\$ 417,524</u>	<u>\$ 383,814</u>	<u>\$ 1,252,177</u>	<u>\$ 1,154,388</u>
<b>Segment Adjusted EBITDA<sup>(1)</sup>:</b>				
Prevention & Recovery	\$ 44,102	\$ 39,532	\$ 109,123	\$ 101,050
Reconstructive	21,284	17,677	78,357	60,076
	<u>\$ 65,386</u>	<u>\$ 57,209</u>	<u>\$ 187,480</u>	<u>\$ 161,126</u>

<sup>(1)</sup> The following is a reconciliation of Income (loss) from continuing operations before income taxes to Adjusted EBITDA:

	Three Months Ended		Nine Months Ended	
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022
(In thousands)				
Income (loss) from continuing operations before income taxes (GAAP)	\$ (25,503)	\$ (78,278)	\$ (74,785)	\$ 471
Restructuring and other charges <sup>(1)</sup>	5,341	2,989	12,083	8,497
MDR and other costs <sup>(2)</sup>	6,228	3,600	23,021	10,648
Strategic transaction costs	10,482	8,146	27,547	32,549
Stock-based compensation	8,366	7,205	24,142	21,734
Depreciation and other amortization	21,492	18,159	62,237	56,109
Amortization of acquired intangibles	33,967	31,993	98,256	94,603
Inventory step-up	2	2,061	148	12,038
Interest expense, net	5,768	6,334	15,496	17,944
Other (income) expense, net	(757)	(300)	(665)	(300)
Debt extinguishment charges	—	—	—	20,104
Insurance settlement loss (gain) <sup>(3)</sup>	—	975	—	(32,059)
Gain on cost basis investment	—	(8,800)	—	(8,800)
Unrealized (gain) loss on investment in ESAB Corporation	—	63,125	—	(72,412)
Adjusted EBITDA (non-GAAP)	<u>\$ 65,386</u>	<u>\$ 57,209</u>	<u>\$ 187,480</u>	<u>\$ 161,126</u>

<sup>(1)</sup> Restructuring and other charges includes \$— million and \$0.3 million of expense classified as Cost of sales on the Company's Condensed Consolidated Statements of Operations for the three and nine months ended September 29, 2023, respectively. Restructuring and other charges includes \$— million and \$0.8 million of expense classified as Cost of sales on the Company's Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2022, respectively.

<sup>(2)</sup> Primarily related to costs specific to compliance with medical device reporting regulations and other requirements of the European Union Medical Devices Regulation. These costs are classified as Selling, general and administrative expense on our Condensed Consolidated Statements of Operations.

<sup>(3)</sup> Insurance settlement gain is related to the 2019 acquisition of DJO.

**15. Subsequent Events**

*Precision AI Acquisition*

On October 5, 2023, the Company completed a business combination in its Reconstructive segment of Precision AI, an Australian company specializing in the development of surgical planning software in multiple areas of the body. The acquisition will be accounted for under the acquisition method of accounting, and accordingly, the Condensed Consolidated Financial Statements will include the financial position and results of operations beginning the next fiscal quarter. The Company paid \$27.5 million for the acquisition, net of cash received, and estimated \$12.4 million contingent consideration related to certain regulatory milestones in 2024.

*Financing for Lima Acquisition*

In October 2023, the Company entered into an amendment to the Enovis Credit Agreement and issued \$460 million aggregate principal amount of senior unsecured convertible notes in conjunction with financing the Lima Acquisition which is expected to close in the first quarter of 2024. See Note 10. "Debt" in our Notes to Condensed Consolidated Financial Statements included in this Form 10-Q for additional information.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

### MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of the financial condition and results of operations of Enovis Corporation (“Enovis,” “the Company,” “we,” “our,” and “us”) should be read in conjunction with the Condensed Consolidated Financial Statements and related footnotes included in Part I. Item 1. “Financial Statements” of this Quarterly Report on Form 10-Q for the quarterly period ended September 29, 2023 (this “Form 10-Q”) and the Consolidated Financial Statements and related footnotes included in Part II. Item 8. “Financial Statements and Supplementary Data” of our Annual Report on Form 10-K for the year ended December 31, 2022 (the “2022 Form 10-K”) filed with the Securities and Exchange Commission (the “SEC”) on March 1, 2023.*

#### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Form 10-Q that are not historical facts are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Exchange Act. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this Form 10-Q is filed with the SEC. Statements other than statements of historical fact are statements could be deemed forward-looking statements, including statements regarding: the Company’s pending acquisition (the “Lima Acquisition”) of LimaCorporate S.p.A. (“Lima”); the impacts of the completed spin-off of ESAB Corporation (“ESAB”) into an independent publicly traded company (the “Separation”); the expected financial and operating performance of, and future opportunities for, the Company following the Separation; the impact of public health emergencies and global pandemics (including COVID-19); projections of revenue, profit margins, expenses, tax provisions and tax rates, earnings or losses from operations, impact of foreign exchange rates, cash flows, synergies or other financial items; plans, strategies and objectives of management for future operations including statements relating to potential acquisitions, compensation plans or purchase commitments; developments, performance, industry or market rankings relating to products or services; future economic conditions or performance, including the impact of increasing inflationary pressures; the outcome of outstanding claims or legal proceedings; potential gains and recoveries of costs; assumptions underlying any of the foregoing; and any other statements that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future. Forward-looking statements may be characterized by terminology such as “believe,” “anticipate,” “should,” “would,” “could,” “intend,” “plan,” “will,” “expect,” “estimate,” “project,” “positioned,” “strategy,” “targets,” “aims,” “seeks,” “sees,” and similar expressions. These statements are based on assumptions and assessments made by our management as of the filing of this Form 10-Q in light of their experience and perception of historical trends, current conditions, expected future developments and other factors we believe to be appropriate. These forward-looking statements are subject to a number of risks and uncertainties and actual results could differ materially due to numerous factors, including but not limited to the following:

- the ability of the Company to successfully complete the proposed acquisition of Lima on the anticipated terms and timing, including obtaining required regulatory approvals and other conditions to the completion of the acquisition;
- the financing arrangements relating to the Lima Acquisition;
- the effects of the Lima Acquisition on the Company’s and Lima’s operations;
- the potential impact of the announcement or the consummation of the acquisition of Lima on relationships with customers, suppliers and other third parties;
- an inability to identify, finance, acquire and successfully integrate suitable acquisition candidates;
- the availability of additional capital and our inability to pursue our growth strategy without it;
- our indebtedness and our debt agreements, which contain restrictions that may limit our flexibility in operating our business;
- our restructuring activities, which may subject us to additional uncertainty in our operating results;
- any impairment in the value of our intangible assets, including goodwill;



- a material disruption at any of our manufacturing facilities;
- any failure to maintain, protect and defend our intellectual property rights;
- the effects of the COVID-19 global pandemic;
- significant movements in foreign currency exchange rates;
- the availability of raw materials, as well as parts and components used in our products, as well as the impact of raw material, energy and labor price fluctuations and supply shortages;
- the competitive environment in which we operate;
- our reliance on a variety of distribution methods to market and sell our medical device products;
- extensive government regulation and oversight of our products;
- safety issues or recalls of our products;
- failure to comply with federal and state regulations related to the manufacture of our products;
- improper marketing or promotion of our products;
- risks associated with the clinical trial process;
- failure to comply with governmental regulations for products for which we obtain clearance or approval;
- our exposure to product liability claims;
- our inability to obtain coverage and adequate levels of reimbursement from third party payors for our medical device products;
- audits or denials of claims by government officials;
- federal and state health reform and cost control efforts;
- our failure or the failure of our employees or third parties with which we have relationships to comply with healthcare laws and regulations;
- our relationships with leading surgeons and our ability to comply with enhanced disclosure requirements regarding payments to physicians;
- actual or perceived failures to comply with applicable data protection, privacy and security laws, regulations, standards and other requirements;
- service interruptions, data corruption, cyber-based attacks or network security breaches affecting our information technology infrastructure;
- noncompliance with anti-bribery laws, export control regulations, economic sanctions or other trade laws;
- our inability to achieve some or all of the expected benefits of the Separation;
- if the Separation and/or certain related transactions do not qualify as transactions that are generally tax-free for U.S. federal income tax purposes, we and our stockholders could be subject to significant tax liabilities;
- potential indemnification liabilities to ESAB pursuant to the Separation and distribution agreement and other related agreements;

- changes in the general economy;
- disruptions in the global economy caused by the ongoing conflict between Russia and Ukraine;
- the loss of key members of our leadership team, or the inability to attract, develop, engage, and retain qualified employees; and
- other risks and factors listed in Part II, Item 1A. “Risk Factors” in this Form 10-Q and Part 1, Item 1A. “Risk Factors” in Part I of our 2022 Form 10-K.

Any such forward-looking statements are not guarantees of future performance and actual results, developments and business decisions may differ materially from those envisaged by such forward-looking statements. We do not assume any obligation and do not intend to update any forward-looking statement, except as required by law. See “Risk Factors” in this Form 10-Q and our 2022 Form 10-K for a further discussion regarding some of the reasons that actual results may be materially different from those that we anticipate.

## Overview

Please see Part I, Item 1. “Business” in our 2022 Form 10-K for a discussion of the Company’s objectives and methodologies for delivering shareholder value.

Following the Separation, the Company changed its name from “Colfax Corporation” to “Enovis Corporation,” began operating its business as “Enovis” and, as of April 5, 2022, the Company’s common stock began trading under the new ticker symbol “ENOV.” See the Results of Operations section below for further information on the Separation.

Enovis conducts its operations through two operating segments: Prevention & Recovery and Reconstructive.

- **Prevention & Recovery** - a leader in orthopedic solutions, providing devices, software, and services across the patient care continuum from injury prevention to rehabilitation after surgery, injury, or from degenerative disease.
- **Reconstructive** - an innovation market-leader positioned in the fast-growing surgical implant business, offering a comprehensive suite of reconstructive joint products for the hip, knee, shoulder, elbow, foot, ankle, and finger and surgical productivity tools.

We have a global footprint, with production facilities in North America, Europe, North Africa, and Asia. We serve a global customer base across multiple markets through a combination of direct sales and third-party distribution channels. Our customer base is highly diversified in the medical market.

Integral to our operations is our business management system, Enovis Growth Excellence (“EGX”). EGX includes our values and behaviors, a comprehensive set of tools, and repeatable, teachable processes that we use to drive continuous improvement and create superior value for our customers, shareholders, and associates. We believe that our management team’s access to, and experience in, the application of the EGX methodology is one of our primary competitive strengths.

## Results of Operations

The following discussion of Results of Operations addresses the comparison of the periods presented. Our management evaluates the operating results of each of its reportable segments based upon Net sales and Adjusted EBITDA, as defined in the “Non-GAAP Measures” section below.

### *Items Affecting Comparability of Reported Results and Other Recent Developments*

The comparability of our operating results for the three and nine months ended September 29, 2023 to the comparable period in 2022 is affected by the following significant items:

#### Strategic Acquisitions

We complement our organic growth plans with strategic acquisitions. Acquisitions can significantly affect our reported results, and we report the change in our Net sales between periods both from existing and acquired businesses. The change in Net sales due to acquisitions for the three and nine months ended September 29, 2023 presented in this filing represents the incremental sales as a result of acquisitions that closed subsequent to the beginning of the comparable prior period.

During the nine months ended September 29, 2023, we completed one business combination and one asset acquisition in our Reconstructive segment. On June 28, 2023, we acquired Novastep, a leading player in Minimally Invasive Surgery (MIS) foot and ankle solutions for total consideration of \$96.9 million. The Novastep best-in-class MIS bunion system serves a rapidly growing portion of the global bunion segment. On July 20, 2023, we completed the asset acquisition of SEAL, developers of a broad line of external fixation products for total consideration of \$28.2 million.

During the year ended December 31, 2022, we completed two business combinations in our Reconstructive segment for aggregate net cash consideration of \$50.5 million and four asset acquisitions in our Prevention & Recovery segment for total consideration of \$22.3 million, of which \$12.6 million was paid in cash and \$9.6 million consists of deferred and contingent consideration. In the second quarter of 2022, we acquired KICo Knee Innovation Company Pty Limited and subsidiaries, an

Australian private company doing business as 360 Med Care, which is a medical device distributor that bundles certain computer-assisted surgery and patient experience enhancement programs to add value to the device supply arrangements with surgeons, hospitals, and insurers. In the third quarter of 2022, we acquired a controlling interest in Insight Medical Systems, whose flagship product is the ARVIS surgical navigation system.

On September 22, 2023, as discussed more fully in Note 4, “Acquisitions and Investments,” in our Notes to Condensed Consolidated Financial Statements included in this Form 10-Q, we entered into a definitive agreement to acquire Lima, a privately held global orthopedic company focused on restoring motion through digital innovation and customized hardware. We have incurred and expect to continue to incur non-recurring costs associated with the Lima Acquisition. The closing of the Lima Acquisition is subject to the receipt of applicable regulatory approvals and other customary closing conditions and is expected to be completed in the first quarter of 2024.

#### Foreign Currency Fluctuations

During the three and nine months ended September 29, 2023, approximately 31% and 32% of our sales, respectively, were derived from operations outside the U.S., the majority of which is in Europe, with the remaining portion mostly in the Asia-Pacific region. Accordingly, we can be affected by market demand, economic and political factors in countries in Europe and the Asia-Pacific region, and significant movements in foreign exchange rates. Our ability to grow and our financial performance will be affected by our ability to address challenges and opportunities that are a consequence of expanding our global operations through our recent acquisitions, including efficiently utilizing our international sales channels, manufacturing and distribution capabilities, participating in the expansion of market opportunities, successfully completing global acquisitions and engineering innovative new product applications to create better patient outcomes.

The majority of our Net sales derived from operations outside the U.S. are denominated in currencies other than the U.S. dollar. Similar portions of our manufacturing and employee costs are also outside the U.S. and denominated in currencies other than the U.S. dollar. Changes in foreign exchange rates can impact our results of operations and are quantified when significant. For the three months ended September 29, 2023 compared to the three months ended September 30, 2022, fluctuations in foreign currencies increased Net sales by 1.4%, increased Gross profit by approximately 0.3%, and increased operating expenses by approximately 1.7%. For the nine months ended September 29, 2023 compared to the nine months ended September 30, 2022, fluctuations in foreign currencies increased Net sales by 0.1%, decreased Gross profit by approximately 0.6%, and increased operating expenses by approximately 0.3%. The unfavorable impact on gross profits is due to the Mexican peso strengthening and its effect on costs at one of our primary manufacturing facilities.

#### Seasonality

Sales in our Prevention & Recovery and Reconstructive segments typically peak in the fourth quarter. General economic conditions and other factors may, however, impact future seasonal variations.

## Non-GAAP Measures

### Adjusted EBITDA

Adjusted EBITDA and Adjusted EBITDA margin, two non-GAAP performance measures, are included in this report because they are key metrics used by our management to assess our operating performance. Adjusted EBITDA excludes from Net income (loss) from continuing operations the effect of Income tax expense (benefit), Other (income) expense, net, non-operating (gain) loss on investments, debt extinguishment charges, Interest expense, net, Restructuring and other charges, Medical Device Regulation (MDR) fees and other costs, strategic transaction costs, stock-based compensation, depreciation and other amortization, acquisition-related intangible asset amortization, insurance settlement gain, and fair value charges on acquired inventory. We also present Adjusted EBITDA and Adjusted EBITDA margin by operating segment, which are subject to the same adjustments. Operating income (loss), adjusted EBITDA and adjusted EBITDA margins at the operating segment level also include allocations of certain central function expenses not directly attributable to either operating segment. Adjusted EBITDA assists our management in comparing operating performance over time because certain items may obscure underlying business trends and make comparisons of long-term performance difficult, as they are of a nature and/or size that occur with inconsistent frequency or relate to discrete restructuring plans and other initiatives that are fundamentally different from our ongoing productivity improvements. Our management also believes that presenting these measures allows investors to view our performance using the same measures that we use in evaluating our financial and business performance and trends.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information calculated in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. The following tables set forth a reconciliation of net income (loss) from continuing operations, the most directly comparable financial statement measure, to Adjusted EBITDA, for the three and nine months ended September 29, 2023 and September 30, 2022.

	Three Months Ended					
	September 29, 2023			September 30, 2022		
	Prevention & Recovery	Reconstructive	Total	Prevention & Recovery	Reconstructive	Total
	(Dollars in millions)					
Net income (loss) from continuing operations (GAAP) <sup>(1)</sup>			\$ (19.5)			\$ (65.9)
Income tax benefit			(6.1)			(12.3)
Other (income) expense, net			(0.8)			(0.3)
Unrealized (gain) loss on investment in ESAB Corporation			—			63.1
Gain on cost basis investment			—			(8.8)
Debt extinguishment charges			—			—
Interest expense, net			5.8			6.3
Operating income (loss) (GAAP)	\$ 0.8	\$ (21.2)	(20.5)	\$ (0.4)	\$ (17.5)	(17.9)
Operating income (loss) margin	0.3 %	(14.4)%	(4.9)%	(0.2)%	(13.8)%	(4.7)%
Adjusted to add (deduct):						
Restructuring and other charges	2.9	2.5	5.3	1.3	1.7	3.0
MDR and other costs <sup>(2)</sup>	3.4	2.8	6.2	2.4	1.2	3.6
Strategic transaction costs <sup>(2)</sup>	2.6	7.9	10.5	5.4	2.7	8.1
Stock-based compensation <sup>(2)</sup>	5.4	3.0	8.4	4.8	2.4	7.2
Depreciation and other amortization	5.5	15.9	21.5	5.5	12.6	18.2
Amortization of acquired intangibles	23.5	10.5	34.0	19.8	12.2	32.0
Insurance settlement (gain) loss <sup>(2)</sup>	—	—	—	0.7	0.3	1.0
Inventory step-up	—	—	—	—	2.1	2.1
Adjusted EBITDA (non-GAAP)	<u>\$ 44.1</u>	<u>\$ 21.3</u>	<u>\$ 65.4</u>	<u>\$ 39.5</u>	<u>\$ 17.7</u>	<u>\$ 57.2</u>
Adjusted EBITDA margin (non-GAAP)	16.3 %	14.5 %	15.7 %	15.4 %	13.9 %	14.9 %

<sup>(1)</sup> Non-operating components of Net income (loss) from continuing operations are not allocated to the segments.

<sup>(2)</sup> Certain amounts are allocated to the segments as a percentage of revenue as the costs are not discrete to either segment.

**Nine Months Ended**

	September 29, 2023			September 30, 2022		
	Prevention & Recovery	Reconstructive	Total	Prevention & Recovery	Reconstructive	Total
	(Dollars in millions)					
Net income (loss) from continuing operations (GAAP) <sup>(1)</sup>			\$ (56.9)			\$ 16.6
Income tax benefit			(17.9)			(16.2)
Other (income) expense, net			(0.7)			(0.3)
Unrealized (gain) loss on investment in ESAB Corporation			—			(72.4)
Gain on cost basis investment			—			(8.8)
Debt extinguishment charges			—			20.1
Interest expense, net			15.5			17.9
Operating loss (GAAP)	\$ (21.8)	\$ (38.1)	(60.0)	\$ (1.4)	\$ (41.6)	(43.0)
Operating loss margin	(2.7)%	(8.3)%	(4.8)%	(0.2)%	(10.7)%	(3.7)%
Adjusted to add (deduct):						
Restructuring and other charges <sup>(2)</sup>	6.2	5.9	12.1	4.7	3.8	8.5
MDR and other costs <sup>(3)</sup>	11.6	11.4	23.0	7.1	3.6	10.6
Strategic transaction costs <sup>(3)</sup>	10.6	16.9	27.5	21.6	11.0	32.5
Stock-based compensation <sup>(3)</sup>	15.3	8.8	24.1	14.4	7.3	21.7
Depreciation and other amortization	17.0	45.2	62.2	17.7	38.4	56.1
Amortization of acquired intangibles	70.2	28.1	98.3	58.4	36.3	94.6
Insurance settlement (gain) loss <sup>(3)</sup>	—	—	—	(21.4)	(10.6)	(32.1)
Inventory step-up	—	0.1	0.1	—	12.0	12.0
Adjusted EBITDA (non-GAAP)	<u>\$ 109.1</u>	<u>\$ 78.4</u>	<u>\$ 187.5</u>	<u>\$ 101.1</u>	<u>\$ 60.1</u>	<u>\$ 161.1</u>
Adjusted EBITDA margin (non-GAAP)	13.7 %	17.1 %	15.0 %	13.2 %	15.4 %	14.0 %

<sup>(1)</sup> Non-operating components of Net income (loss) from continuing operations are not allocated to the segments.

<sup>(2)</sup> Restructuring and other charges includes \$0.3 million and \$0.8 million of expense classified as Cost of sales on our Condensed Consolidated Statements of Operations for the nine months ended September 29, 2023 and September 30, 2022, respectively.

<sup>(3)</sup> Certain amounts are allocated to the segments as a percentage of revenue as the costs are not discrete to either segment.

Total Company

Sales

Net sales for the three and nine months ended September 29, 2023 increased from the three and nine months ended September 30, 2022. The following table presents the components of changes in our consolidated Net sales.

	Three Months Ended		Nine Months Ended	
	Net Sales	Change %	Net Sales	Change %
	<b>(Dollars in millions)</b>			
For the three and nine months ended September 30, 2022	\$ 383.8		\$ 1,154.4	
<i>Components of Change:</i>				
Existing Businesses <sup>(1)</sup>	23.6	6.1 %	90.2	7.8 %
Acquisitions <sup>(2)</sup>	4.6	1.2 %	6.6	0.6 %
Foreign Currency Translation <sup>(3)</sup>	5.5	1.4 %	1.0	0.1 %
	33.7	8.8 %	97.8	8.5 %
For the three and nine months ended September 29, 2023	\$ 417.5		\$ 1,252.2	

<sup>(1)</sup> Excludes the impact of foreign exchange rate fluctuations and acquisitions, thus providing a measure of change due to factors such as price, product mix and volume.

<sup>(2)</sup> Represents the incremental sales as a result of acquisitions closed subsequent to the beginning of the prior year period.

<sup>(3)</sup> Represents the difference between prior year sales valued at the actual prior year foreign exchange rates and prior year sales valued at current year foreign exchange rates.

The increase in Net sales during the three and nine months ended September 29, 2023 compared to the prior year period was primarily attributable to an increase in sales from existing businesses across both of our segments, while acquisition and favorable foreign currency translation also added to the growth to a lesser extent. Existing business sales in our Reconstructive segment increased \$13.1 million and \$60.0 million during the three and nine months ended September 29, 2023, respectively, due to higher sales volumes compared to the prior year period, driven by broad market strength and market outperformance. Existing business sales in our Prevention & Recovery segment increased \$10.5 million and \$30.1 million during the three and nine months ended September 29, 2023, respectively, due to volume and inflation-related pricing increases. Net sales from acquisitions increased in the three and nine months ended September 29, 2023 primarily due to the Novastep acquisition in June 2023. The weakening of the U.S. dollar relative to other currencies resulted in \$5.5 million and \$1.0 million favorable foreign currency translation impacts during the three and nine months ended September 29, 2023.

## Operating Results

The following table summarizes our results of continuing operations for the comparable periods.

	Three Months Ended		Nine Months Ended	
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022
	(Dollars in millions)			
Gross profit	\$ 243.0	\$ 215.8	\$ 726.4	\$ 637.6
Gross profit margin	58.2 %	56.2 %	58.0 %	55.2 %
Selling, general and administrative expense	\$ 204.2	\$ 182.2	\$ 619.3	\$ 564.3
Research and development expense	\$ 19.9	\$ 15.6	\$ 57.0	\$ 46.1
Operating loss	\$ (20.5)	\$ (17.9)	\$ (60.0)	\$ (43.0)
Operating loss margin	(4.9)%	(4.7)%	(4.8)%	(3.7)%
Net income (loss) from continuing operations	\$ (19.5)	\$ (65.9)	\$ (56.9)	\$ 16.6
Net loss from continuing operations margin (GAAP)	(4.7)%	(17.2)%	(4.5)%	1.4 %
Adjusted EBITDA (non-GAAP)	\$ 65.4	\$ 57.2	\$ 187.5	\$ 161.1
Adjusted EBITDA margin (non-GAAP)	15.7 %	14.9 %	15.0 %	14.0 %
Items excluded from Adjusted EBITDA:				
Restructuring and other charges <sup>(1)</sup>	\$ 5.3	\$ 3.0	\$ 12.1	\$ 8.5
MDR and other costs	\$ 6.2	\$ 3.6	\$ 23.0	\$ 10.6
Strategic transaction costs	\$ 10.5	\$ 8.1	\$ 27.5	\$ 32.5
Stock-based compensation	\$ 8.4	\$ 7.2	\$ 24.1	\$ 21.7
Depreciation and other amortization	\$ 21.5	\$ 18.2	\$ 62.2	\$ 56.1
Amortization of acquired intangibles	\$ 34.0	\$ 32.0	\$ 98.3	\$ 94.6
Insurance settlement loss (gain)	\$ —	\$ 1.0	\$ —	\$ (32.1)
Inventory step-up	\$ —	\$ 2.1	\$ 0.1	\$ 12.0
Unrealized (gain) loss on investment in ESAB Corporation	\$ —	\$ 63.1	\$ —	\$ (72.4)
Gain on cost basis investment	\$ —	\$ (8.8)	\$ —	\$ (8.8)
Interest expense, net	\$ 5.8	\$ 6.3	\$ 15.5	\$ 17.9
Debt extinguishment charges	\$ —	\$ —	\$ —	\$ 20.1
Other income	\$ (0.8)	\$ (0.3)	\$ (0.7)	\$ (0.3)
Income tax benefit	\$ (6.1)	\$ (12.3)	\$ (17.9)	\$ (16.2)

<sup>(1)</sup> Restructuring and other charges includes \$— million and \$0.3 million of expense classified as Cost of sales on the Company's Condensed Consolidated Statements of Operations for the three and nine months ended September 29, 2023, respectively. Restructuring and other charges includes \$— million and \$0.8 million of expense classified as Cost of sales on the Company's Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2022, respectively.

### Three Months Ended September 29, 2023 Compared to Three Months Ended September 30, 2022

Gross profit increased in the three months ended September 29, 2023 compared with the prior year period due to a \$15.9 million increase in our Reconstructive segment and a \$11.2 million increase in our Prevention & Recovery segment. The Gross profit increase was attributable to increased sales in our existing businesses from volume and inflation-related pricing increases, improved operating cost leverage, and the benefit of a decrease of \$2.1 million in inventory fair value step-up amortization charges. Gross profit margin increased due to the aforementioned factors.

Selling, general and administrative expense increased \$22.0 million in the three months ended September 29, 2023 compared to the prior year period, primarily due to increased commissions driven by higher sales, investments to support growth, spending on MDR and other costs, and cost inflation, partially offset by cost reduction initiatives. Research and development costs also increased compared to the prior year period, primarily due to increased spend within recently acquired



businesses in our Reconstructive segment, which is investing in surgical productivity solutions and computer-assisted surgery technologies. Amortization of acquired intangibles and Depreciation and other amortization also increased compared to the prior year period due to business acquisitions.

Interest expense, net decreased in the three months ended September 29, 2023 compared to the prior year period due to a reduction in debt balances as a result of the extinguishment of the outstanding balance of the Enovis Term Loan and interest savings from \$2.6 million interest received on the Swiss Franc cross-currency swap agreements.

The effective tax rate for Net loss from continuing operations during the three months ended September 29, 2023 was 23.7%, which differed from the 2023 U.S. federal statutory tax rate of 21%, primarily due to non-U.S. income taxed at lower rates, release of valuation allowance on non-U.S. attributes, tax credits for research and development, and release of uncertain tax positions. This was offset by other non-deductible expenses and U.S. taxation on international operations. The effective tax rate for Net loss from continuing operations during the three months ended September 30, 2022 was 15.8%, which was lower than the 2022 U.S. federal statutory tax rate of 21% mainly due to non-taxable unrealized loss on the investment in ESAB and gain on cost basis investment, offset by non-deductible costs related to the tax-free Separation.

Net loss from continuing operations decreased in the three months ended September 29, 2023 compared with the prior year period, primarily due to the one-time items in the prior year period, including the Unrealized loss on investment in ESAB Corporation and Gain on cost basis investment and the aforementioned Gross profit and Selling, general, and administrative increases. Adjusted EBITDA increased due to organic growth. Adjusted EBITDA margin excluding the effects of recent acquisitions and foreign currency pressures increased by approximately 180 basis points. Our recent acquisitions in our Reconstructive segment, which were dilutive to the net loss margin from continuing operations and to Adjusted EBITDA margin by approximately 20 basis points, are expected to be accretive to margins in future years.

#### *Nine Months Ended September 29, 2023 Compared to Nine Months Ended September 30, 2022*

Gross profit increased in the nine months ended September 29, 2023 compared with the prior year period due to a \$64.6 million increase in our Reconstructive segment and a \$24.2 million increase in our Prevention & Recovery segment. The Gross profit increase was attributable to increased sales in our existing businesses from volume and inflation-related pricing increases, improved operating cost leverage, and the benefit of a decrease of \$11.9 million in inventory fair value step-up amortization charges, partially offset by unfavorable foreign currency translation and inflation in supply chain, logistics, and other costs. Gross profit margin increased due to the aforementioned factors.

Selling, general and administrative expense increased \$55.0 million in the nine months ended September 29, 2023 compared to the prior year period, primarily due to increased commissions driven by higher sales, investments to support growth, spending on MDR and other costs, and cost inflation, partially offset by cost reduction initiatives and a reduction of strategic transaction costs. Research and development costs also increased compared to the prior year period, primarily due to increased spend within recently acquired businesses in our Reconstructive segment, which are investing in surgical productivity solutions and computer-assisted surgery technologies. Amortization of acquired intangibles and Depreciation and other amortization also increased compared to the prior year period due to business acquisitions.

Interest expense, net decreased in the nine months ended September 29, 2023 compared to the prior year period due to a reduction in debt balances as a result of the Separation-related debt redemptions at the beginning of the second quarter of 2022, the extinguishment of the outstanding balance of the Enovis Term Loan, and interest savings from \$4.7 million interest received on the Swiss Franc cross-currency swap agreements.

The effective tax rate for Net loss from continuing operations during the nine months ended September 29, 2023 was 23.9%, which differed from the 2023 U.S. federal statutory tax rate of 21%, primarily due to non-U.S. income taxed at lower rates, release of valuation allowance on non-U.S. attributes, tax credits for research and development, and release of uncertain tax positions. This was offset by other non-deductible expenses and U.S. taxation on international operations. The effective tax rate for Net income from continuing operations during the nine months ended September 30, 2022 was (3,434.4)%, which differed from the 2022 U.S. federal statutory tax rate of 21% mainly due to non-taxable unrealized gain on the investment in ESAB and gain on cost basis investment, offset by non-deductible costs related to the tax-free Separation.

Net loss from continuing operations increased in the nine months ended September 29, 2023 compared with the prior year period, primarily due to one-time income items in the prior year period, including the Unrealized gain on investment in ESAB Corporation, Gain on cost basis investment, and Insurance settlement gain, partially offset by the reduction of debt extinguishment charges and the aforementioned Gross profit and Selling, general, and administrative increases. Adjusted EBITDA increased due to organic growth. Adjusted EBITDA margin excluding the effects of recent acquisitions and foreign currency pressures increased by approximately 180 basis points. Our recent acquisitions in our Reconstructive segment, which were dilutive to the net loss margin from continuing operations and to Adjusted EBITDA margin by approximately 20 basis points, are expected to be accretive to margins in future years.

### *Business Segments*

As discussed further above, we report results in two reportable segments: Prevention & Recovery and Reconstructive. Operating loss, adjusted EBITDA, and adjusted EBITDA margins at the operating segment level also include allocations of certain central function expenses not directly attributable to either operating segment. See Item 2. "Non-GAAP Measures" for a further discussion and reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures.

### Prevention & Recovery

We develop, manufacture, and distribute rigid bracing products, orthopedic soft goods, vascular systems, and compression garments, and hot and cold therapy products and offer robust recovery sciences products in the clinical rehabilitation and sports medicine markets such as bone growth stimulators and electrical stimulators used for pain management. Our Prevention & Recovery products are marketed under several brand names, most notably DJO, to orthopedic specialists, primary care physicians, pain management specialists, physical therapists, podiatrists, chiropractors, athletic trainers, and other healthcare professionals who treat patients with a variety of treatment needs including musculoskeletal conditions resulting from degenerative diseases, deformities, traumatic events and sports-related injuries. Many of our medical devices and related accessories are used by athletes and other patients for injury prevention and at-home physical therapy treatments. We reach a diverse customer base through multiple distribution channels, including independent distributors, direct salespeople, and directly to patients.

The following table summarizes selected financial results for our Prevention & Recovery segment:

	Three Months Ended		Nine Months Ended	
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022
	(Dollars in millions)			
Net sales	\$ 270.3	\$ 256.5	\$ 794.5	\$ 765.1
Gross profit	\$ 143.7	\$ 132.5	\$ 412.9	\$ 388.7
Gross profit margin	53.2 %	51.7 %	52.0 %	50.8 %
Selling, general and administrative expenses	\$ 107.5	\$ 102.7	\$ 332.0	\$ 323.7
Research and development expense	\$ 9.2	\$ 8.5	\$ 26.6	\$ 25.5
Operating income (loss) (GAAP)	\$ 0.8	\$ (0.4)	\$ (21.8)	\$ (1.4)
Operating income (loss) margin (GAAP)	0.3 %	(0.2)%	(2.7)%	(0.2)%
Adjusted EBITDA (non-GAAP)	\$ 44.1	\$ 39.5	\$ 109.1	\$ 101.1
Adjusted EBITDA margin (non-GAAP)	16.3 %	15.4 %	13.7 %	13.2 %

### *Three Months Ended September 29, 2023 Compared to Three Months Ended September 30, 2022*

Net sales in our Prevention & Recovery segment increased \$13.8 million, or 5.4%, in the three months ended September 29, 2023 compared with the prior year period, driven by increases in volume and inflation-related pricing increases. Gross profit increased \$11.2 million due to inflation-related pricing increases, improved sales mix in our existing businesses, and reductions in freight costs. Gross profit margin increased 150 basis points due to the aforementioned factors. Selling, general and administrative expense increased slightly due to investment to support growth and spending on MDR and other costs, partially offset by a reduction of allocated corporate costs due to the growth in the Reconstructive segment. Operating loss increased due to a one-time Insurance settlement gain in 2022, as well as higher acquisition amortization, offset by improved sales mix in our existing businesses. Adjusted EBITDA and Adjusted EBITDA margin increased due to improved sales mix.

*Nine Months Ended September 29, 2023 Compared to Nine Months Ended September 30, 2022*

Net sales in our Prevention and Recovery segment increased \$29.4 million, or 3.8%, despite currency translation pressure of \$0.7 million in the nine months ended September 29, 2023 compared with the prior year period, driven by organic growth in existing businesses which was aided by pricing increases to mitigate inflation. Gross profit increased \$24.2 million due to the improved sales, offset by the effect of unfavorable foreign currency and inflation of supply chain, logistics, and other costs. Gross profit margin increased 110 basis points due to improved sales mix and inflation-related customer pricing, partially offset by the effect of unfavorable foreign currency in a primary manufacturing facility. Selling, general and administrative expense increased primarily due to investment to support growth, spending on MDR and other costs, offset by a reduction of allocated corporate costs due to the growth in the Reconstructive segment. Operating loss increased due to an insurance settlement gain recorded in the second quarter of 2022 and higher Selling, general and administrative expenses, partially offset by the higher gross profit. Adjusted EBITDA and Adjusted EBITDA margin increased due to improved sales mix, partially offset by unfavorable foreign currency impacts in a primary manufacturing facility during the nine months ended September 29, 2023 compared to the prior year period.

Reconstructive

We develop, manufacture, and market a wide variety of knee, hip, shoulder, elbow, foot, ankle, and finger implant products and surgical productivity solutions that serve the orthopedic reconstructive joint implant market. Our products are primarily used by surgeons for surgical procedures.

The following table summarizes the selected financial results for our Reconstructive segment:

	Three Months Ended		Nine Months Ended	
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022
	(Dollars in millions)			
Net sales	\$ 147.2	\$ 127.3	\$ 457.7	\$ 389.3
Gross profit	\$ 99.2	\$ 83.3	\$ 313.5	\$ 248.9
Gross profit margin	67.4 %	65.4 %	68.5 %	63.9 %
Selling, general and administrative expenses	\$ 96.8	\$ 79.5	\$ 287.3	\$ 240.6
Research and development expense	\$ 10.7	\$ 7.1	\$ 30.4	\$ 20.6
Operating loss (GAAP)	\$ (21.2)	\$ (17.5)	\$ (38.1)	\$ (41.6)
Operating loss margin (GAAP)	(14.4)%	(13.8)%	(8.3)%	(10.7)%
Adjusted EBITDA (non-GAAP)	\$ 21.3	\$ 17.7	\$ 78.4	\$ 60.1
Adjusted EBITDA margin (non-GAAP)	14.5 %	13.9 %	17.1 %	15.4 %

*Three Months Ended September 29, 2023 Compared to Three Months Ended September 30, 2022*

Net sales in our Reconstructive segment increased in the three months ended September 29, 2023 compared to the prior year period, by \$19.9 million, or 15.6%, primarily due to higher sales volumes driven by broad market strength and market outperformance. Gross profit and profit margin increased over the same period, primarily due to increased sales in our existing businesses, improved operating cost leverage, and the benefit of a decrease of \$2.1 million in inventory fair value step-up amortization charges. Selling, general and administrative expense increased over the same period primarily due to increased commissions driven by higher sales, investments to support growth, spending on MDR and other costs, and cost inflation, partially offset by cost reduction initiatives. Research and development expense increased compared to the prior year period, primarily due to increased spend within recently acquired businesses in our Reconstructive segment, which are investing in surgical productivity solutions and computer-assisted surgery technologies. Operating loss increased, primarily due to an insurance settlement gain recorded in the second quarter of 2022, partially offset by the aforementioned factors driving organic growth. Adjusted EBITDA increased primarily due to growth in existing businesses and improved operating cost leverage. Without the impact of recent acquisitions, Adjusted EBITDA margins increased 120 basis points compared to prior year. Recent acquisitions were dilutive to the margin by approximately 60 basis points but are expected to be accretive to margins in future years.

*Nine Months Ended September 29, 2023 Compared to Nine Months Ended September 30, 2022*

Net sales increased in our Reconstructive segment by \$68.4 million, or 17.6%, primarily due to higher sales volumes driven by broad market strength and market outperformance. Gross profit increased in the nine months ended September 29, 2023 compared to the prior year period, primarily due to increased sales in our existing businesses, improved operating cost leverage, and the benefit of a decrease of \$11.9 million in inventory fair value step-up amortization charges, which also led to an increase in Gross profit margin. Selling, general and administrative expense increased over the same period primarily due to increased commissions driven by higher sales, investments to support growth, spending on MDR and other costs, and cost inflation, partially offset by cost reduction initiatives. Research and development expense increased compared to the prior year period, primarily due to increased spend within recently acquired businesses in our Reconstructive segment, which are investing in surgical productivity solutions and computer-assisted surgery technologies. Operating loss decreased primarily due to the aforementioned factors driving organic growth, offset by an insurance settlement gain recorded in the second quarter of 2022. Adjusted EBITDA increased primarily due to growth in existing businesses, partially offset by inflation of supply chain, logistics, and other costs. Without the impact of recent acquisition, Adjusted EBITDA increased primarily due to growth in existing businesses and improved operating cost leverage. Without the impact of recent acquisitions, Adjusted EBITDA margins increased 230 basis points compared to prior year. Recent acquisitions were dilutive to the margin by approximately 60 basis points but are expected to be accretive to margins in future years.

## Liquidity and Capital Resources

### Overview

We finance our long-term capital and working capital requirements through a combination of cash flows from operating activities, various borrowings, and the issuances of equity. We expect that our primary ongoing requirements for cash will be for working capital, funding of acquisitions, capital expenditures, restructuring and other non-routine costs, and interest and principal repayments on amounts drawn on our revolving credit facility. We believe we could raise additional funds in the form of debt or equity if it were determined to be appropriate for strategic acquisitions or other corporate purposes. We believe that our sources of liquidity are adequate to fund our operations for the next twelve months.

### Equity Capital

In 2018, our Board of Directors authorized the repurchase of our common stock from time-to-time on the open market or in privately negotiated transactions. No stock repurchases have been made under this plan since the third quarter of 2018. As of September 29, 2023, the remaining stock repurchase authorization provided by our Board of Directors was \$100.0 million. The timing, amount, and method of shares repurchased is determined by management based on its evaluation of market conditions and other factors. There is no term associated with the remaining repurchase authorization.

### Term Loan and Revolving Credit Facility

On April 4, 2022, we entered into a new credit agreement (the “Enovis Credit Agreement”), consisting of a \$900 million revolving credit facility (the “Revolver”) with an April 4, 2027 maturity date and a term loan with an initial aggregate principal amount of \$450 million (the “Enovis Term Loan”) which was fully extinguished during the first quarter of 2023. The Revolver contains a \$50 million swing line loan sub-facility. Certain U.S. subsidiaries of the Company guarantee the obligations under the Enovis Credit Agreement.

On November 18, 2022, we completed an exchange with a lender under the Enovis Credit Agreement of 6,003,431 shares of common stock of ESAB, representing all of the retained shares in ESAB following the Separation, for \$230.5 million of the \$450.0 million Enovis Term Loan that was outstanding at that time outstanding under the Enovis Credit Agreement, net of cost to sell. The remaining balance on the Enovis Term Loan was extinguished on March 1, 2023, with proceeds from the Revolver.

The Enovis Credit Agreement contains customary covenants limiting the ability of the Company and its subsidiaries to, among other things, incur debt or liens, merge or consolidate with others, dispose of assets, make investments, or pay dividends. In addition, the Enovis Credit Agreement contains financial covenants requiring the Company to maintain (i) a current maximum total leverage ratio of not more than 3.75:1.00 and thereafter, stepping down to 3.50:1.00 for the fiscal quarter ending June 30, 2024 and thereafter, and (ii) a minimum interest coverage ratio of 3.00:1.00. The Enovis Credit Agreement contains various events of default (including failure to comply with the covenants under the Enovis Credit Agreement and related agreements) and upon an event of default the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding under the Revolver.

In connection with the Lima Acquisition, on October 23, 2023 we entered into an amendment to the Enovis Credit Agreement (the “Amendment”). The Amendment provides for a new term loan commitment in the aggregate amount of \$400 million. The term loan facility extended to us under the Amendment will be available on the date the Lima Acquisition is consummated, will amortize at 1.25%, and mature on April 4, 2027.

Pursuant to the Amendment, effective as of the date of consummation of the Lima Acquisition, (i) all facilities under the Credit Agreement (including the Term Loan Facility) will become secured by certain personal property of the Company and certain of its subsidiaries, subject to limitations and exclusions; (ii) the financial covenant under the Credit Agreement will be adjusted from total leverage ratio to senior secured leverage ratio and will require the senior secured leverage ratio to be no more than 3.75:1.00 with a step down to 3.50:1.00 commencing with the fiscal quarter ending June 30, 2024; (iii) certain changes to the negative covenants will become effective (including restrictions on repayments of junior financing and amendments to junior financing documents); and (iv) certain additional changes will be implemented (including the removal of the guaranty fallaway provision).

## Convertible Notes and Capped Calls

In connection with the signing of the definitive stock purchase agreement for the Lima Acquisition, we entered into several financing agreements in October 2023. On October 24, 2023, we issued \$460 million aggregate principal amount of senior unsecured convertible notes in a private placement pursuant to Rule 144A (the "2028 Notes"). The 2028 Notes have an interest rate of 3.875%, payable semiannually in arrears on April 15 and October 15 of each year, beginning April 15, 2024. The 2028 Notes will mature on October 15, 2028 unless earlier repurchased, redeemed, or converted.

We also entered into privately negotiated capped call transactions with certain of the initial purchasers of the 2028 Notes. The capped call transactions are intended generally to mitigate potential dilution to our common stock upon conversion of any 2028 Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted 2028 Notes, as the case may be, with such reduction and/or offset subject to a cap.

## Other Indebtedness

In addition, we are party to overdraft facilities with a borrowing capacity of \$30.0 million. Total letters of credit and surety bonds of \$11.2 million were outstanding as of September 29, 2023.

## Cash Flows

As of September 29, 2023, we had \$32.1 million of Cash and cash equivalents, an increase of \$7.8 million from the balance as of December 31, 2022 of \$24.3 million. The following table summarizes the change in Cash and cash equivalents during the periods indicated:

	Nine Months Ended	
	September 29, 2023	September 30, 2022
	(Dollars in millions)	
<b>Net cash provided by (used in) operating activities</b>	\$ 66.6	\$ (19.9)
Purchases of property, plant and equipment and intangibles	(94.3)	(68.7)
Proceeds from sale of property, plant and equipment	42.6	2.7
Payments for acquisitions, net of cash received, and investments	(131.4)	(73.4)
<b>Net cash used in investing activities</b>	(183.1)	(139.3)
Net borrowings (repayments) of debt	133.2	(1,630.2)
Distribution from ESAB Corporation, net	—	1,143.4
Proceeds from issuance of common stock, net	1.5	2.5
Payment of debt extinguishment costs	—	(12.7)
Other financing <sup>(1)</sup>	(9.7)	(9.8)
<b>Net cash provided by (used in) financing activities</b>	125.0	(506.8)
Effect of foreign exchange rates on Cash and cash equivalents	(0.7)	1.6
<b>Increase (decrease) in Cash and cash equivalents</b>	<b>\$ 7.8</b>	<b>\$ (664.4)</b>

<sup>(1)</sup> Primarily includes payments of debt issuance costs and deferred consideration payments, which are fixed payments for acquisitions which are contractually paid in years after the acquisition date.

Cash used in operating activities related to discontinued operations for the nine months ended September 29, 2023 and nine months ended September 30, 2022 was \$1.2 million and \$26.8 million, respectively.

Cash flows from operating activities can fluctuate significantly from period-to-period due to changes in working capital and the timing of payments for items such as restructuring and strategic transaction costs. Excluding the impact of cash used in discontinued operations, cash flows from operating activities increased \$60.9 million year-over-year. This increase includes a lower investment in working capital of \$20 million, a decrease in cash paid for interest of \$18 million, and favorable changes in accrued compensation and benefits of approximately \$13 million.

Cash flows used in investing activities during the nine months ended September 29, 2023 were \$183.1 million compared to \$139.3 million in the prior year period due to higher investments in the current year driven by acquisition of Novastep for \$96.9 million, net of cash received; partially offset by proceeds from sale of an asset previously classified as held for sale for \$42.6 million. The amounts included in Purchases of property, plant and equipment and intangibles related to discontinued operations for the nine months ended September 30, 2022 were \$5.9 million. The amounts included in Proceeds from sale of property, plant and equipment related to discontinued operations for the nine months ended September 30, 2022 were \$2.7 million.

Cash flows provided by financing activities during the nine months ended September 29, 2023 include \$133.2 million of net debt borrowings primarily used for the acquisitions of Novastep and SEAL. Cash flows used in financing activities for the nine months ended September 30, 2022 include net debt repayments of \$1,630.2 million, partially offset by the Distribution from ESAB Corporation, net of \$1,143.4 million.

### **Critical Accounting Policies and Estimates**

The methods, estimates and judgments that we use in applying our critical accounting policies have a significant impact on our results of operations and financial position. We evaluate our estimates and judgments on an ongoing basis. Our estimates are based upon our historical experience, our evaluation of business and macroeconomic trends and information from other outside sources, as appropriate. Our experience and assumptions form the basis for our judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may vary from what our management anticipates, and different assumptions or estimates about the future could have a material impact on our results of operations and financial position.

There have been no significant additions or changes to the methods, estimates and judgments included in “Item 7A. Management’s Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies” in our 2022 Form 10-K.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to market risk from changes in short-term interest rates, foreign currency exchange rates and commodity prices that could impact our results of operations and financial condition. We address our exposure to these risks through our normal operating and financing activities. We do not enter into derivative contracts for speculative purposes.

#### *Interest Rate Risk*

We are subject to exposure from changes in short-term interest rates related to interest payments on our borrowing arrangements. A significant amount of our borrowings as of September 29, 2023 are variable-rate facilities based on the Secured Overnight Financing Rate (SOFR). In order to mitigate our interest rate risk, we may enter into interest rate swap or collar agreements. A hypothetical increase in interest rates of 1% during the three and nine months ended September 29, 2023 would have increased Interest expense for our variable rate-based debt by approximately \$1.0 million and \$2.5 million, respectively.

#### *Exchange Rate Risk*

We are exposed to movements in the exchange rates of various currencies against the U.S. dollar and against the currencies of other countries in which we manufacture and sell products and services. During the three and nine months ended September 29, 2023, approximately 31% and 32% of our sales, respectively, were derived from operations outside the U.S. We have manufacturing operations in certain foreign countries including Mexico, Switzerland, Germany, Tunisia, and China. Sales are more highly weighted toward the U.S. dollar and Euro than other currencies. We also have significant contractual obligations in U.S. dollars that are met with cash flows in other currencies as well as U.S. dollars. To better match revenue and expense, as well as cash needs from contractual liabilities, we may enter into currency swaps and forward contracts.

We also face exchange rate risk from our investments in subsidiaries owned and operated in foreign countries. Our cross-currency swap agreements hedge our net investment in its Swiss Franc-denominated subsidiaries against adverse movements in exchange rates between the U.S. Dollar and the Swiss Franc. These swap agreements are designated and qualify as net investment hedges of our Swiss Franc net asset position. The effect of a change in currency exchange rates on our investment in Swiss Franc subsidiaries, offset by the unrealized gain or loss the cross-currency swap investment hedges, is reflected in the Accumulated other comprehensive loss component of Equity.

We also face exchange rate risk from intercompany transactions between affiliates. Although we use the U.S. dollar as our functional currency for reporting purposes, we have manufacturing sites throughout the world, and a substantial portion of our costs are incurred and sales are generated in foreign currencies. Costs incurred and sales recorded by subsidiaries operating outside of the U.S. are translated into U.S. dollars using exchange rates effective during the respective period. As a result, we are exposed to movements in the exchange rates of various currencies against the U.S. dollar. Similarly, tax costs may increase or decrease as local currencies strengthen or weaken against the U.S. dollar.

#### *Commodity Price Risk*

We are exposed to changes in the prices of raw materials used in our production processes. In order to manage commodity price risk, we periodically enter into fixed price contracts directly with suppliers.

See Note 12, "Financial Instruments and Fair Value Measurements" in our Notes to Condensed Consolidated Financial Statements included in this Form 10-Q for additional information regarding our derivative instruments.



## **Item 4. Controls and Procedures**

### **Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act, as of September 29, 2023. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Form 10-Q, our disclosure controls and procedures were effective in providing reasonable assurance that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

### **Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f)) identified in connection with the evaluation required by Rule 13a-15(d) of the Exchange Act that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **Item 1. Legal Proceedings**

Discussion of legal proceedings is incorporated by reference to Note 13, “Commitments and Contingencies,” in the Notes to Condensed Consolidated Financial Statements included in Part I. Item 1. “Financial Statements” of this Form 10-Q.

### **Item 1A. Risk Factors**

An investment in our common stock involves a high degree of risk. You should carefully consider the risks set forth in “Part I. Item 1A. Risk Factors” of the 2022 Form 10-K and the other information set forth in this Form 10-Q, the 2022 Form 10-K, and the additional information in the other reports we file with the SEC. If any of the risks contained in those reports actually occur, our business, results of operation, financial condition, and liquidity could be harmed, the value of our securities could decline, and you could lose all or part of your investment. With the exception of the following, there have been no material changes in the risk factors set forth in “Part I. Item 1A. Risk Factors” in the 2022 Form 10-K.

*Acquisitions have formed a significant part of our growth strategy in the past and are expected to continue to do so. If we are unable to identify suitable acquisition candidates, complete any proposed acquisitions or successfully integrate the businesses we acquire, our growth strategy may not succeed and we may not realize the anticipated benefits of our acquisitions.*

We intend to seek acquisition opportunities both to expand into new markets and to enhance our position in our existing markets. However, our ability to do so will depend on a number of steps, including our ability to: obtain debt or equity financing that we may need to complete proposed acquisitions; identify suitable acquisition candidates; negotiate appropriate acquisition terms; complete the proposed acquisitions; and integrate the acquired business into our existing operations. If we fail to achieve any of these steps, our growth strategy may not be successful. For example, we recently entered into an agreement to acquire Lima. If the Lima Acquisition is not completed for any reason, our business and financial results may be adversely affected.

Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, systems, controls, technologies, personnel, services and products of the acquired company, the potential loss of key employees, customers, suppliers and distributors of the acquired company, and the diversion of our management’s attention from other business concerns. The failure to successfully integrate acquired businesses in a timely manner, or at all, or the incurrence of significant unanticipated expenses associated with integration activities, including information technology integration fees, legal compliance costs, facility closure costs and other restructuring expenses, could have an adverse effect on our business, financial condition and results of operations.

In addition, the anticipated benefits of an acquisition may not be realized fully or at all, or may take longer to realize than we expect. Actual operating, technological, strategic and sales synergies, if achieved at all, may be less significant than we expect or may take longer to achieve than anticipated. If we are not able to realize the anticipated benefits and synergies from our acquisitions within a reasonable time, our business, financial condition and results of operations may be adversely affected. For example, we have made a number of assumptions relating to the Lima Acquisition, including with respect to economic and business conditions, the performance of the Lima business, and other matters, and our failure to identify or understand the magnitudes of challenges associated with the Lima Acquisition could result in incorrect expectations of future results and increased risk of unanticipated or unknown issues or liabilities.

Additionally, we may underestimate or fail to discover liabilities relating to acquisitions during our due diligence investigations and we, as the successor owner of an acquired company, might be responsible for those liabilities. Such liabilities could have a material adverse effect on our business, financial condition and results of operations.

*Our indebtedness could adversely affect our financial condition and restricts us in ways that limit our flexibility in operating our business.*

We have outstanding debt and other financial obligations and significant unused borrowing capacity, we incurred additional indebtedness in connection with the Lima Acquisition, and may incur or assume more debt in the future. Our debt level and related debt service obligations could have negative consequences, including: requiring us to dedicate significant cash flow from operations to the payment of amounts payable on our debt, which would reduce the funds we have available for other purposes; making it more difficult or expensive for us to obtain any necessary future financing; increasing our leverage and reducing our flexibility in planning for or reacting to changes in our industry and market conditions; making us more vulnerable in the event of a downturn in our business; and exposing us to interest rate risk given our debt obligations at variable interest

rates. In addition, our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to financial, business, legislative, regulatory, and other factors, some of which are beyond our control. We may not continue to generate operating cash flow in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Additionally, the Enovis Credit Agreement, which governs our term loan and revolving credit facility, contains various covenants that limit our ability to engage in specified types of transactions. These covenants limit the Company's ability to incur debt or liens, merge or consolidate with others, dispose of assets, or make investments or pay dividends. The Enovis Credit Agreement also contains financial covenants requiring the Company to satisfy and maintain compliance with a total leverage ratio and an interest coverage ratio. Upon an event of default, the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding. These restrictions could have a material adverse effect on our business, financial condition and results of operations. In addition, certain provisions in the indenture governing the 2028 Notes may delay or prevent an attempted takeover of us that might be financially advantageous to stockholders.

The convertibility of the 2028 Notes subjects us to various risks. If the conditional conversion feature of the 2028 Notes is triggered, holders will be entitled to convert the 2028 Notes at any time during specified periods. In the case of any such election, we would be required to settle any converted principal amount of such notes in cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the notes as a current liability rather than long-term liability, resulting in a material reduction of our net working capital. The guidance governing the accounting treatment for the 2028 Notes was adopted relatively recently, and we cannot be sure whether changes or interpretations that may be made to accounting standards could either result in us accounting for the 2028 Notes in a different manner or have a material effect on our reported financial results. A substantial number of shares of our common stock is reserved for issuance upon conversion of the notes, and their issuance or the perception that such issuances may occur could adversely affect the market price of our common stock. In addition, the market price of our common stock could be affected by sales of our common stock by investors who view the 2028 Notes as a more attractive means of equity participation in us and by hedging or arbitrage trading activity involving our common stock.

In connection with the pricing of the 2028 Notes, we entered into capped call transactions with the option counterparties. The option counterparties and/or their respective affiliates may modify their hedge positions, which could cause an increase or decrease in the market price of our common stock. In addition, any or all of the option counterparties might default under the capped call transactions. Global economic conditions have resulted in the actual or perceived failure or financial difficulties of several financial institutions and could adversely impact the option counterparties' performance under the capped call transactions. Upon a default by an option counterparty, we may also suffer adverse tax consequences and/or more dilution than we currently anticipate with respect to our common stock. We can provide no assurance as to the financial stability or viability of the option counterparties.

*The risk of non-compliance with non-U.S. laws, regulations and policies could adversely affect our results of operations, financial condition or strategic objectives.*

The Lima Acquisition will introduce us into a number of new geographic markets, subjecting us to additional non-U.S. laws, regulations and policies which do not currently apply to us, and will increase our exposure to certain other geographic markets as well as their laws and regulations. These laws and regulations are complex, change frequently, have become more stringent over time, could increase our cost of doing business, and could result in conflicting legal requirements. These laws and regulations include international labor and employment laws, environmental regulations and reporting requirements, data privacy requirements, and local laws prohibiting corrupt payments to government officials, antitrust and other regulatory laws. We will be subject to the risk that we, our employees, our agents, or our affiliated entities, or their respective officers, directors, employees and agents, may take actions determined to be in violation of any of these laws, regulations or policies, for which we might be held responsible. Actual or alleged violations could result in substantial fines, sanctions, civil or criminal penalties, debarment from government contracts, curtailment of operations in certain jurisdictions, competitive or reputational harm, litigation or regulatory action and other consequences that might adversely affect our results of operations, financial condition or strategic objectives.

**Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities**

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

None.

**Item 5. Other Information**

During the three and nine months ended September 29, 2023, none of our directors or officers adopted or terminated a Rule 10b5-1 or non-Rule 10b5-1 trading arrangement as defined in Item 408 of Regulation S-K.

## Item 6. Exhibits

<u>Exhibit No.</u>	<u>Exhibit Description</u>
<a href="#">2.1</a>	Share Purchase Agreement, dated September 22, 2023, between Enovis Corporation and Emil Holding II S.a.r.l, (incorporated by reference to Exhibit 2.1 to Enovis Corporation's Form 8-K (File No. 001-34045) as filed with the SEC on September 28, 2023)
<a href="#">3.01.1*</a>	Amended and Restated Certificate of Incorporation.
<a href="#">3.01.2**</a>	Certificate of Amendment to Amended and Restated Certificate of Incorporation
<a href="#">3.02***</a>	Amended and Restated Bylaws of Enovis Corporation.
<a href="#">4.1</a>	Indenture, dated October 24, 2023, between the Company and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.1 to Enovis Corporation's Form 8-K (File No. 001-34045) as filed with the SEC on October 25, 2023).
<a href="#">4.2</a>	Form of 3.875% Convertible Senior Note due 2028 (included in Exhibit 4.1).
<a href="#">10.1</a>	Commitment Letter, dated September 22, 2023, between Enovis Corporation and JPMorgan Chase Bank, N.A., UBS AG, Stamford Branch, and UBS Securities LLC
<a href="#">31.01</a>	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<a href="#">31.02</a>	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<a href="#">32.01</a>	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<a href="#">32.02</a>	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File - The cover page from this Quarterly Report on Form 10-Q for the quarter ended September 29, 2023 is formatted in Inline XBRL (included as Exhibit 101).
*	Incorporated by reference to Exhibit 3.01 to Enovis (formerly Colfax) Corporation's Form 8-K (File No. 001-34045) as filed with the SEC on January 30, 2012.
**	Incorporated by reference to Exhibit 3.1 to Enovis Corporation's Form 8-K (File No. 001-34045) as filed with the SEC on April 8, 2022.
***	Incorporated by reference to Exhibit 3.02 to Enovis Corporation's Form 8-K (File No. 001-34045) as filed with the SEC on December 15, 2022.

## 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 thereunto duly authorized.

Registrant: Enovis Corporation

By:

<u>/s/ Matthew L. Trerotola</u> Matthew L. Trerotola	Chief Executive Officer and Director (Principal Executive Officer)	November 7, 2023
<u>/s/ Phillip B. Berry</u> Phillip B. Berry	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	November 7, 2023
<u>/s/ John Kleckner</u> John Kleckner	Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)	November 7, 2023

UBS AG, STAMFORD BRANCH  
600 Washington Boulevard  
Stamford, Connecticut 06901

JPMORGAN CHASE BANK, N.A.  
383 Madison Avenue  
New York, New York 10179

UBS SECURITIES LLC  
1285 Avenue of the Americas  
New York, New York 10019

CONFIDENTIAL  
September 22, 2023

Project Inca  
Commitment Letter

Enovis Corporation  
2711 Centerville Road, Suite 400  
Wilmington, DE 19808  
Attention: Ben Berry, Chief Financial Officer

Ladies and Gentlemen:

You have advised JPMorgan Chase Bank, N.A. (“JPMorgan”), UBS Securities LLC (“UBS Securities”) and UBS AG Stamford Branch (“UBS AG” and together with UBS Securities, “UBS”; JPMorgan and UBS are collectively referred to herein as “we” or “us”) that Enovis Corporation (the “Borrower” or “you”) intends to acquire (the “Acquisition”), directly or indirectly, the company you have identified to us as “Inca” (the “Target”) and consummate the other transactions described in the Transaction Summary attached hereto as Exhibit A (the “Transactions”). Capitalized terms used but not defined herein will have the meanings assigned to them in the Term Sheet (as defined below).

We understand that the sources of funds required to fund the Acquisition consideration and to pay fees, costs and expenses in connection with the Transactions will consist of (a) \$800 million in gross cash proceeds from a combination of (i) the issuance of senior unsecured convertible notes (which may include mandatorily convertible notes) (collectively, the “Senior Notes”) in a Rule 144A or other private placement, (ii) the incurrence of the Take-out Facility (as defined below) and/or (iii) if and only to the extent that the Bridge Facility (as defined below) is not terminated or reduced in accordance with the Bridge Facility Term Sheet (as defined below) on or prior to the Closing Date (as defined in Exhibit A), borrowings by the Borrower under a new senior bridge facility (the “Bridge Facility”) comprised of two tranches: (x) a tranche of \$400 million of senior term loans (“Tranche 1”) and (y) a separate tranche of \$400 million of senior term loans (“Tranche 2”), as described in Exhibit B to the Commitment Letter (the “Bridge Facility Term Sheet”), (b) cash on hand of the Borrower and (c) common stock of the Borrower issued to the seller of the Target as purchase price consideration for the Acquisition.

In connection with the foregoing, you have agreed to, promptly (and within a reasonable period of time) after the date hereof, (i) enter into an amendment to the Existing Credit Agreement (as defined in Exhibit A), which amendment (or amendment and restatement) (the “Amendment”) and the Existing Credit Agreement as amended by the Amendment, the “Amended Facility”) will (A) require the obligations under the credit facilities evidenced by the Existing Credit Agreement (and banking services obligations and swap obligations owed to the lenders under the Existing Credit Agreement and their affiliates) to be secured by

substantially all personal property of the Borrower and its domestic subsidiary guarantors (subject to customary “excluded assets” provisions as described in the Bridge Facility Term Sheet), (B) replace certain references to the Total Leverage Ratio (as defined in the Existing Credit Agreement) with a senior secured net leverage ratio (but, as to the financial covenant, to retain the maximum ratio levels set forth in the Existing Credit Agreement), (C) add customary collateral-related provisions, including but not limited to a collateral-related representation and warranty, a collateral provision and further assurances affirmative covenant, a collateral loss-related event of default, collateral agency and lien release provisions and a collateral sharing and intercreditor authorization provision with respect to the Bridge Facility, (D) add a restricted debt payment covenant and a restrictive agreements covenant (with customary exceptions to be agreed), (E) modify the existing negative covenants in a manner to be agreed (including to (I) permit the incurrence of the Bridge Facility as a secured credit facility and to permit the Bridge Facility to share in the collateral on a pari passu basis, (II) remove the unsecured notes basket set forth in Section 6.02(d) of the Existing Credit Agreement, (III) replace the unsecured debt basket set forth in Section 6.02(g) of the Existing Credit Agreement to allow for unsecured debt of \$175,000,000 plus additional amounts subject to the Total Leverage Ratio not exceeding 4.00:1.00 and (IV) replace the secured debt basket set forth in Section 6.02(i) of the Existing Credit Agreement to allow for secured debt of \$100,000,000 plus additional amounts subject to the Senior Secured Leverage Ratio not exceeding 3.50:1.00, (F) add customary mandatory prepayment requirements (with customary exceptions and reinvestment rights if applicable) for asset sales, casualty events and the incurrence of indebtedness, which requirements shall expressly provide that such prepayments may first be applied to the Bridge Facility in the event the Bridge Facility has not been repaid in full, (G) prohibit any amendment, modification or waiver under the Amended Facility (and related loan documentation) that would subordinate the liens securing the obligations thereunder to the liens securing any other indebtedness without the consent of all lenders thereunder, (H) subject to the benchmark replacement provisions therein, remove the option for the Borrower to elect for loans to bear interest based on Daily Simple SOFR (as defined in the Existing Credit Agreement), except pursuant to the provisions set forth in Section 2.14 of the Existing Credit Agreement, and (I) effect such other amendments as agreed by us and you (collectively, the “Specified Amendments”) and (ii) solicit the consents required to permit the Specified Amendments (such consents, the “Specified Consents” and the solicitation of the Specified Consents, the “Consent Solicitation”). It is understood and agreed that nothing in this Commitment Letter shall constitute (i) either an express or implied commitment or offer by any Commitment Party or any of its affiliates to provide any portion of the Specified Consents (any such commitment or offer, if it ever exists, will be evidenced by the Amendment) or (ii) any guarantee that the Consent Solicitation will be successfully arranged and consummated.

In addition, you have requested that we agree to use commercially reasonable efforts to arrange and syndicate (a) a \$400.0 million senior term loan “A” facility maturing on April 4, 2027, which may be in the form of an incremental term facility under the Existing Credit Agreement (the “Take-out Facility”; the Amended Facility, the Bridge Facility and the Take-out Facility are referred to herein collectively as the “Facilities”), in the case of the Take-out Facility, the proceeds of which shall be used to refinance and/or reduce the commitments under all or a portion of the Bridge Facility. The Take-out Facility shall have conditions to borrowings thereunder identical to, or no more onerous than, the conditions set forth in Exhibit C to this commitment letter (this “Commitment Letter”) and otherwise have substantially the same terms and conditions as the Existing Credit Agreement, with modifications to reflect (i) the reasonable administrative, agency, operational and legal requirements of the Administrative Agent, (ii) the Specified Amendments, if the Specified Consents are obtained and (iii) other changes mutually agreed.

#### 1. Commitments and Engagements.

In connection with the Transactions,



- (i) (x) JPMorgan is pleased to advise you of its several commitment to provide 50% of the aggregate principal amount of the Bridge Facility and (y) UBS AG is pleased to advise you of its several commitment to provide 50% of the aggregate principal amount of the Bridge Facility, in each case, subject solely to the Bridge Facility Term Sheet and the Summary of Conditions attached hereto as Exhibit C (the “Conditions Exhibit”; and, together with the Transaction Summary attached hereto as Exhibit A and the Bridge Facility Term Sheet, the “Term Sheet”);
- (ii) we are pleased to advise you of our agreement to use commercially reasonable efforts to solicit the Specified Consents from the lenders party to the Existing Credit Agreement (such lenders, the “Existing Lenders”) (it being understood that, notwithstanding anything herein to the contrary, there is no guarantee that the Specified Consents can be obtained and we shall not be obligated to pay any amount in connection with obtaining any such consents); and
- (iii) we are pleased to advise you of our agreement to use commercially reasonable efforts to arrange and syndicate the Take-out Facility.

The term “Commitment Party” or “Commitment Parties” contained herein shall refer to JPMorgan and UBS, collectively.

## 2. Titles and Roles.

It is agreed that (i) JPMorgan and UBS Securities will act as joint lead arrangers and bookrunners for the Bridge Facility (acting in such capacities, collectively, the “Bridge Lead Arrangers”), (ii) JPMorgan and UBS Securities will act as joint lead arrangers and bookrunners for the Take-out Facility (acting in such capacities, collectively, the “Take-out Lead Arrangers”) and (iii) JPMorgan will act as sole and exclusive administrative agent (the “Administrative Agent”) for the Bridge Facility, the Amended Facility and the Take-out Facility, in each case upon the terms and subject to the conditions set forth in this Commitment Letter and in the Term Sheet. Notwithstanding the foregoing, the Borrower agrees that JPMorgan may perform its responsibilities hereunder through its affiliate, J.P. Morgan Securities LLC. It is agreed that (i) in any confidential information memorandum or lender presentation and in all other marketing materials or advertisements related to the Facilities, JPMorgan shall have “left side” designation and shall appear on the top left and shall hold the leading role and responsibility customarily associated with such “top left” placement and (ii) UBS Securities will be placed to the immediate “right” of JPMorgan. The term “Lead Arrangers” contained herein shall refer to (i) the Bridge Lead Arrangers, collectively, in respect of the Bridge Facility and (ii) the Take-out Lead Arrangers, collectively, in respect of the Take-out Facility.

You may, on or prior to the 15th business day after the Acceptance Date (as defined below), allocate up to 40% in the aggregate of the commitments and corresponding compensatory economics constituting bridge commitment fees and bridge funding fees with respect to Tranche 1 of the Bridge Facility to additional Lenders (as defined below) that assume a proportion of the commitments with respect to Tranche 1 of the Bridge Facility (it being agreed that (x) each such additional Lender (or its affiliate) shall assume a proportion of the commitments with respect to Tranche 1 of the Bridge Facility that is equal to the proportion of such economics allocated to such additional Lender (or its affiliate) in respect of Tranche 1 of the Bridge Facility, (y) such economics (expressed as a percentage of the relevant person’s commitments) granted to any such additional Lender (or its affiliate) in respect of Tranche 1 of the Bridge Facility shall not exceed such economics (expressed as a percentage of the relevant person’s commitments) granted to any of the relevant Commitment Parties party hereto as of the date hereof in respect of Tranche 1 of the Bridge Facility and (z) the commitment amounts of, and such economics allocated to, the Commitment Parties party hereto immediately prior to such appointment in respect of Tranche 1 of the

Bridge Facility will be proportionately reduced by the commitment amounts of, and economics allocated to, each such additional Lender (or its affiliate), in each case upon the execution and delivery by such additional Lender (or its affiliate) of joinder documentation (which may be in the form of an amendment and restatement of this Commitment Letter) in form and substance reasonably satisfactory to the Lead Arrangers and you, and, thereafter, each such additional Lender (and its affiliate) shall, solely to the extent relating to Tranche 1 of the Bridge Facility, constitute a “Commitment Party” under this Commitment Letter and under the Fee Letters referred to below.

You hereby agree that (a) no additional agents, co-agents, arrangers, co-arrangers, managers, co-managers, bookrunners or co-bookrunners will be appointed and no other titles will be awarded in connection with the Bridge Facility, the Consent Solicitation, the Amendment, the Take-out Facility or any Alternative Take-out Loan Financing (as defined below) and (b) no compensation (other than as expressly contemplated by the Term Sheet or the Fee Letters referred to below) will be paid in connection with the Bridge Facility, the Consent Solicitation, the Amendment, the Take-out Facility or any Alternative Take-out Loan Financing (as defined below), in each case unless you and we so agree in writing; provided that, the foregoing clauses (a) and (b) shall not prohibit the existing administrative agent under the Existing Credit Agreement from continuing to act as administrative agent under the Amended Facility (and being compensated therefor), notwithstanding any execution of the Amendment.

You also hereby engage (i) the Lead Arrangers (or one or more of their designated affiliates) on terms to be agreed to act as joint lead arrangers and joint bookrunners and (ii) JPMorgan to act as administrative agent, in each case in connection with any other credit or loan facilities (including, without limitation, an institutional term loan “B” facility, such facility, a “Term-Loan B Take-out Financing”) entered into by the Borrower or any of its subsidiaries within one year of the date hereof the proceeds of which are used to fund any portion of the Acquisition or the Refinancing (as defined in Exhibit A) or to replace or refinance, in whole or in part, all or a portion of the Bridge Facility (any such credit or loan facility, including a Term Loan B Take-out Financing, an “Alternative Take-out Loan Financing”). It is agreed that in any confidential information memoranda, lender presentation or other marketing materials or advertisements related to any Alternative Take-out Financing in which the Lead Arrangers elect to participate, JPMorgan shall have “left side” designation and JPMorgan shall appear on the top left and shall hold the leading role and responsibility customarily associated with such “top left” placement and UBS Securities will be placed to the immediate “right” of JPMorgan. It is understood and agreed that nothing in this Commitment Letter shall constitute (i) either an express or implied commitment or offer by any Commitment Party or any of its affiliates to provide any portion of any Alternative Take-out Loan Financing (any such commitment or offer, if it ever exists, will be evidenced by an additional agreement between such Commitment Party or any of its affiliates and you) or (ii) any guarantee that any Alternative Take-out Loan Financing will be successfully arranged and consummated.

In connection with any Alternative Take-out Loan Financing in which any of the Lead Arrangers elect to participate, the Borrower and such Lead Arrangers will enter into the appropriate form of agreement relating to the type of transaction involved and containing customary terms and conditions acceptable to the Borrower and such Lead Arrangers.

### 3. Syndication and Specified Consents.

The Lead Arrangers reserve the right, prior to or after the execution of definitive documentation for the Bridge Facility (the “Bridge Facility Documentation”), the Amended Facility and the Take-out Facility (collectively, the “Facilities Documentation”; it being agreed that the terms and conditions of the Facilities Documentation shall be based on and substantially similar to the Existing Credit Agreement, as modified (i) in the case of the Bridge Facility, by the Bridge Facility Term Sheet, (ii) if the Specified Consents are obtained, the Specified Amendments, (iii) to reflect the reasonable administrative, agency,

operational and legal requirements of the Administrative Agent (as defined below) and (iv) to contain such other terms as the Borrower and the Lead Arrangers shall reasonably agree), to syndicate all or a portion of the commitments (if any) hereunder in respect of each of the Facilities to one or more financial institutions reasonably satisfactory to you (it being understood and agreed that the lenders party to the Existing Credit Agreement are reasonably satisfactory to you) that will become parties to such definitive documentation pursuant to syndications to be managed by us (the financial institutions becoming parties to the Facilities Documentation being collectively referred to herein as the “Lenders”); provided, however, that notwithstanding the Lead Arrangers’ right to syndicate each of the Facilities and receive commitments with respect thereto, (a) no Commitment Party shall be relieved, released or novated from its obligations hereunder in respect of the Bridge Facility (including its obligation to fund the Bridge Facility on the Closing Date if necessary) in connection with any syndication, assignment or participation of the Bridge Facility, including its commitment in respect thereof, until after the initial funding under the Bridge Facility on the Closing Date has occurred, (b) no assignment or novation shall become effective with respect to all or any portion of any Commitment Party’s commitment in respect of the Bridge Facility until after the initial funding under the Bridge Facility on the Closing Date has occurred and (c) unless you otherwise agree in writing, the Commitment Parties shall retain exclusive control over all rights and obligations with respect to their commitments in respect of the Bridge Facility, including all rights with respect to consents, modifications, supplements, waivers and amendments, until, in respect of the Bridge Facility, after the initial funding under the Bridge Facility on the Closing Date has occurred. You understand that each of the Facilities may be separately syndicated.

The Lead Arrangers may decide to commence syndication and Consent Solicitation efforts promptly, and you agree, until (in the case of the Bridge Facility, the earlier of (x) the date upon which a Successful Syndication (as defined in the Arranger Fee Letter (as defined below)) is achieved and (y) the date that is 60 days after the Closing Date (such earlier date, the “Syndication Date”) (and, in the case of the Consent Solicitation, any other Facility and any Alternative Take-out Loan Financing, the closing date thereof), to actively assist (and to use your commercially reasonable efforts, to the extent not in contravention of the terms of the Purchase Agreement (as defined in Exhibit A), to cause the Target to actively assist) the Lead Arrangers in completing satisfactory syndications and a satisfactory Consent Solicitation. Such assistance shall include (a) your using commercially reasonable efforts to ensure that the syndication and Consent Solicitation efforts benefit from your existing banking relationships, (b) direct contact during the syndication and Consent Solicitation efforts between your senior management, representatives and advisors, the proposed Lenders and the Existing Lenders (and using your commercially reasonable efforts, to the extent not in contravention of the terms of the Purchase Agreement, to ensure such contact between senior management of the Target and the proposed Lenders and the Existing Lenders), (c) your assistance (and using commercially reasonable efforts, to the extent not in contravention of the terms of the Purchase Agreement, to cause the Target to assist) in the preparation of a confidential information memorandum or lender presentation for each of the Facilities and any Alternative Take-out Loan Financing and other customary marketing materials to be used in connection with the syndications and the Consent Solicitation (collectively, the “Information Materials”), (d) prior to the launch of the offering or syndication (as applicable) of any debt securities (other than the Senior Notes or any other convertible notes offering) issued by the Borrower or any of its subsidiaries to finance the Acquisition or any Term-Loan B Take-out Financing, using your commercially reasonable efforts to maintain (but not retain a specific rating) a public corporate credit rating and a public corporate family rating in respect of the Borrower from S&P Global Ratings, a division of S&P Global Inc. (“S&P”) and Moody’s Investors Service, Inc. (“Moody’s”), respectively, and ratings for such debt securities or Term-Loan B Take-out Financing, as applicable, (e) the hosting, with the Lead Arrangers, of one or more meetings of or telephone conference calls with prospective Lenders at times and locations to be mutually agreed upon, (and using your commercially reasonable efforts, to the extent not in contravention of the terms of the Purchase Agreement, to cause the officers of the Target to be available for such meetings) and (f) prior to the Syndication Date, there being no competing issues, offerings, placements or arrangements of debt securities or commercial

bank or other credit facilities of you or your subsidiaries being issued, offered, placed or arranged (other than the Facilities or an Alternative Take-out Loan Financing) without the consent of the Lead Arrangers if such issuance, offering, placement or arrangement would reasonably be expected to materially impair the primary syndications of the Facilities or any Alternative Take-out Loan Financing; provided that, it is understood that the foregoing shall not (a) limit your ability to (i) obtain the issuance of any letter of credit, bank guaranty or similar instrument, (ii) incur intercompany indebtedness, (iii) enter into any letter of credit, bilateral line of credit for working capital purposes of your foreign subsidiaries or overdraft facility, in each case, in the ordinary course of business, (iv) incur purchase money indebtedness in the ordinary course of business or (v) enter into capital leases; or (b) limit the ability of the Target to incur debt permitted under the Purchase Agreement (the debt described in the preceding clauses (a) and (b), the “Permitted Surviving Debt”). Notwithstanding anything to the contrary contained in this Commitment Letter, the Term Sheet, the Fee Letters or any other letter agreement or undertaking concerning the financing of the Transactions to the contrary, none of the compliance with the foregoing provisions of this paragraph or any syndications of the Facilities, the Alternative Take-out Loan Financing or the Consent Solicitation constitute a condition to the commitments hereunder or the funding of the Bridge Facility on the Closing Date and in no event shall the commencement of syndication or a successful syndication of the Facilities, any Alternative Take-out Loan Financing or the Consent Solicitation constitute a condition to the availability of the Bridge Facility on the Closing Date nor reduce the amount of our commitments hereunder with respect to the Bridge Facility.

It is understood and agreed that the Lead Arrangers will, after consultation with and in a manner reasonably acceptable to you, manage all aspects of the syndications and Consent Solicitation, including but not limited to selection of Lenders (which Lenders shall be reasonably satisfactory to you), the determination of when the Lead Arrangers will approach potential Lenders and Existing Lenders and the time of acceptance of the Lenders’ commitments and the final allocations of the commitments among the Lenders. You hereby acknowledge that the Lead Arrangers will have no responsibility other than to arrange the syndications and Consent Solicitation as set forth herein, the Lead Arrangers are acting solely in the capacity of an arm’s-length contractual counterparty to the Borrower with respect to the arrangement of the Facilities, any Alternative Take-out Loan Financing, the Consent Solicitation and the Amendment (including in connection with determining the terms of the Facilities, any Alternative Take-out Loan Financing and the Amendment) and not as a financial advisor or a fiduciary to, or an agent of, the Borrower or any other person. You agree that the Commitment Parties will act under this Commitment Letter as independent contractors and that nothing in this Commitment Letter will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Commitment Party, on the one hand, and you and your respective equity holders or your and their respective affiliates on the other hand. You acknowledge and agree that (i) the transactions contemplated by this Commitment Letter are arm’s-length commercial transactions between the Commitment Parties and, if applicable, their affiliates, on the one hand, and you, on the other, (ii) in connection therewith and with the process leading to such transaction the Commitment Parties and, if applicable, their affiliates, are acting solely as a principal and have not been, are not and will not be acting as an advisor, agent or fiduciary of you, your management, equity holders, creditors, affiliates or any other person and (iii) with respect to the transactions contemplated hereby or the process leading thereto, the Commitment Parties and, if applicable, their affiliates, have not assumed (x) an advisory or fiduciary responsibility in favor of you or your affiliates (irrespective of whether the Commitment Parties or any of their affiliates have advised or are currently advising you or your affiliates on other matters (which, for the avoidance of doubt, includes acting as a financial advisor to the Borrower or any of its affiliates in respect of any transaction related hereto)), other than UBS in its capacity as M&A Advisor (as defined below) or (y) any other obligation except the obligations expressly set forth in this Commitment Letter. You further acknowledge and agree that (i) you are responsible for making your own independent judgment with respect to such transactions and the process leading thereto, (ii) you are capable of evaluating and understand and accept the terms, risks and conditions of the transactions contemplated hereby, and the Commitment Parties shall have no

responsibility or liability to you with respect thereto, and (iii) as Lead Arrangers, JPMorgan and UBS Securities are not advising the Borrower as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction, and you have consulted with your own advisors concerning such matters to the extent you have deemed appropriate and you shall be responsible for making your own independent investigation and appraisal of the transactions contemplated hereby. Any review by any Lead Arranger or any of its affiliates of the Borrower, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of such Lead Arranger and shall not be on behalf of the Borrower. The Borrower agrees that it will not claim that any Commitment Party has rendered any advisory services (except in respect of UBS' role as M&A Advisor in respect of the Transactions) or assert any claim against any Commitment Party based on an alleged breach of fiduciary duty by such Commitment Party in connection with this Commitment Letter and the transactions contemplated hereby or assert any claim based on any actual or potential conflict of interest that might be asserted to arise or result from the engagement of any Commitment Party or any of its affiliates acting as a financial advisor to the Borrower or any of its affiliates, on the one hand, and the engagement of such Commitment Party hereunder and the transactions contemplated hereby, on the other hand.

In addition, please note that UBS (or an affiliate thereof) has been retained by the Borrower as financial advisor (in such capacity, the "M&A Advisor") to the Borrower in connection with the Acquisition. You agree not to assert any claim that you might allege based on any actual or potential conflicts of interest that might be asserted to arise or result from, on the one hand, the engagement of the M&A Advisor, and on the other hand, the relationship of UBS with you as described and referred to herein.

To assist the Lead Arrangers in their syndication and Consent Solicitation efforts, you agree to promptly prepare and provide to the Lead Arrangers (and use commercially reasonable efforts, to the extent not in contravention of the terms of the Purchase Agreement, to cause the Target to prepare and provide) all customary information with respect to you, the Target and your and its respective subsidiaries, the Transactions and the other transactions contemplated hereby, including financial information and projections (the "Projections") as the Lead Arrangers may reasonably request in connection with the arrangement and syndications of the Facilities, any Alternative Take-out Loan Financing and the Consent Solicitation. Notwithstanding anything in this Section 3, the only financial statements that shall be required to be provided to the Commitment Parties in connection with the syndication of the Facilities, any Alternative Take-out Loan Financing and the Consent Solicitation shall be those required to be delivered pursuant to paragraphs 4 and 5 of Exhibit C. At the request of the Lead Arrangers, you agree to assist the Lead Arrangers in preparing an additional version of the Information Materials (the "Public Side Version") to be used by prospective Lenders' public-side employees and representatives ("Public-Siders") who do not wish to receive material non-public information (within the meaning of the United States Federal or State securities laws) with respect to you, the Target, your and its respective affiliates and any of your or its respective securities (such material non-public information, "MNPI") and who may be engaged in investment and other market-related activities with respect to your, the Target's or your and its respective affiliates' securities or loans. Before distribution of any Information Materials, (a) you agree to execute and deliver to the Lead Arrangers (i) a customary letter in which you authorize distribution of the Information Materials to a prospective Lender's employees willing to receive MNPI ("Private-Siders") and (ii) a separate customary letter in which you authorize distribution of the Public Side Version to Public-Siders and represent that no MNPI is contained therein and (b) you agree to identify that portion of the Information Materials that may be distributed to Public-Siders as not containing MNPI, which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof (and you agree that, by marking Information Materials as "PUBLIC", you shall be deemed to have authorized the Lead Arrangers and the prospective Lenders to treat such Information Materials as not containing MNPI (it being understood that you shall not be under any obligation to mark the Information Materials as "PUBLIC")). You acknowledge that the Lead Arrangers will make available the Information Materials on a confidential

basis to the proposed syndicate of Lenders and to the Existing Lenders by posting such information on a deal site on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by JPMorgan to be its electronic transmission system (an “Electronic Platform”). You agree that the following documents may be distributed to both Private-Siders and Public-Siders, unless you advise the Lead Arrangers within a reasonable time after receipt of such materials for review that such materials should only be distributed to Private-Siders: (1) administrative materials prepared by the Lead Arrangers for prospective Lenders and Existing Lenders (such as a lender meeting invitation, bank allocation, if any, and funding and closing memoranda), (2) the Term Sheet and notification of changes in terms and conditions of any Facility or any Alternative Take-out Loan Financing and (3) drafts and final versions of the Facilities Documentation, definitive documentation in respect of any Alternative Take-out Loan Financing (the “Alternative Facilities Documentation”) and the Amendment. If you so advise the Lead Arrangers that any of the foregoing should be distributed only to Private-Siders, then Public-Siders will not receive such materials without further discussions with you. You acknowledge that publishing debt analysts employed by the Lead Arrangers and their affiliates who are Public-Siders may participate in any meetings held pursuant to clause (e) of the second preceding paragraph; provided that such analysts shall not publish any information obtained from such meetings (i) with respect to the Bridge Facility, until the syndication of the Bridge Facility has been completed upon the making of allocations by the Lead Arrangers freeing the Bridge Facility to trade, (ii) with respect to any Take-out Facility, until the syndication of such Take-out Facility has been completed upon the making of allocations by the Lead Arrangers freeing such Take-out Facility to trade, (iii) in respect to any Alternative Take-out Loan Financing, until the syndication of such Alternative Take-out Loan Financing has been completed upon the making of allocations by the Lead Arrangers freeing such Alternative Take-out Loan Financing to trade or (iv) in violation of any confidentiality agreement between you and any other party hereto.

#### 4. Information.

You hereby represent and warrant (with respect to any information or data relating to the Target, the following representations and warranties shall be made solely to your knowledge prior to the Closing Date) that (a) all written information and written data (other than the Projections and other forward-looking information and other than information of a general economic or industry specific nature) (such information and data, the “Information”) that has been or will be made available to us by or on behalf of you or your subsidiaries, or any of your representatives or affiliates, when taken as a whole, is or will be, when furnished, correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (giving effect to all supplements and updates provided thereto from time to time) and (b) the Projections that have been or will be made available to us by or on behalf of you or your subsidiaries, or any of your representatives or affiliates, have been and will be prepared in good faith based upon accounting principles consistent in all material respects with your historical audited financial statements and the historical audited financial statements of the Target and upon assumptions that are believed by you to be reasonable at the time made (it being understood that (i) the Projections are as to future events and are not to be viewed as facts, (ii) the Projections are subject to significant uncertainties and contingencies, many of which are beyond your control, (iii) no assurance can be given that any particular Projections will be realized and (iv) actual results during the period or periods covered by any such Projections may differ significantly from the projected results and such differences may be material). You agree that if at any time from and including the date hereof until the later of the Closing Date and the Syndication Date you become aware that the representation and warranty in the immediately preceding sentence would not be satisfied if the Information and Projections were being furnished, and such representations were being made, at such time, then you will (or with respect to Information and Projections relating to the Target, use commercially reasonable efforts to prior to the Closing Date) promptly supplement the Information and the Projections so that such representation and warranty would be correct, in all material respects, under those circumstances.

In arranging the Facilities and any Alternative Take-out Loan Financing, including the syndications of the Facilities and any Alternative Take-out Loan Financing, and arranging the Consent Solicitation, the Lead Arrangers (A) will be entitled to use and rely primarily on the Information and the Projections without responsibility for independent verification thereof and (B) do not assume responsibility for the accuracy or completeness of the Information or the Projections.

5. Fees.

As consideration for the commitments and agreements of the Commitment Parties hereunder, you agree to pay the fees as set forth in (i) the Arranger Fee Letter dated the date hereof and delivered herewith with respect to the Facilities and Alternative Take-out Loan Financings (the "Arranger Fee Letter") and (ii) the Administrative Agent Fee Letter dated the date hereof and delivered herewith with respect to the Facilities and Alternative Take-out Loan Financings (the "Administrative Agent Fee Letter"; and together with the Arranger Fee Letter, the "Fee Letters"). Once paid, except as expressly provided in the Fee Letters, such fees shall not be refundable under any circumstances, regardless of whether the Transactions are consummated, except as otherwise agreed in writing by you and the Commitment Parties. All fees payable hereunder and under the Fee Letters shall be paid in immediately available funds in U.S. Dollars and shall not be subject to reduction by way of withholding, setoff or counterclaim or be otherwise affected by any claim or dispute related to any other matter. In addition, all fees payable hereunder shall be paid without deduction for any taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any national, state or local taxing authority, or will be grossed up by you for such amounts (provided that we remain eligible to provide an IRS Tax Form W-9 or W-8ECI with respect to such payments). All fees received by the Lead Arrangers or the Commitment Parties pursuant to the Fee Letters may be shared by the Lead Arrangers or the Commitment Parties with their affiliates as they may determine in their sole discretion.

6. Conditions Precedent.

Each Commitment Party's commitments and agreements hereunder are subject solely to the satisfaction (or waiver by the Commitment Parties) of solely the conditions set forth in this Section 6 and in Exhibit C.

Notwithstanding anything in this Commitment Letter, the Term Sheet, the Fee Letters, the Bridge Facility Documentation or any other letter agreement or other undertaking concerning the financing of the Transactions to the contrary, (a) the only representations relating to you and your subsidiaries and the Target and its subsidiaries and their respective businesses the accuracy of which shall be a condition to availability and funding of the Bridge Facility on the Closing Date shall be (i) such of the representations made by or on behalf of the Target in the Purchase Agreement as are material to the interests of the Lenders, but only to the extent that the accuracy of any such representation is a condition to your (or any of your affiliates') obligations to close the Acquisition under the Purchase Agreement or you (or any of your affiliates) have the right to terminate your (or any of your affiliates') obligations under the Purchase Agreement or decline to consummate the Acquisition as a result of a breach of such representations in the Purchase Agreement (the "Purchase Agreement Representations") and (ii) the Specified Representations (as defined below), and (b) the terms of the Bridge Facility Documentation and the Closing Deliverables (as defined in Exhibit C) shall be in a form such that they do not impair the availability and funding of the Bridge Facility on the Closing Date if the conditions set forth in Exhibit C, in each case, limited on the Closing Date as indicated therein, are satisfied (or waived by the Commitment Parties) (it being understood that, in the event that the Specified Consents are obtained, to the extent any collateral (including the grant or perfection of any security interest) referred to in the Term Sheet is not or cannot be provided on the Closing Date (other than the grant and perfection of security interests (i) in assets with respect to which a lien may be perfected solely by the filing of a financing statement under the Uniform Commercial Code ("UCC"),

(ii) the filing of short-form security agreements with the United States Patent and Trademark Office or the United States Copyright Office) or (iii) in certificated equity interests of domestic subsidiaries of the Borrower), then the provision and perfection of such collateral shall not constitute a condition precedent to the availability and initial funding of the Bridge Facility on the Closing Date, but may instead be provided within 90 days after the Closing Date (or, in each case, such later date, as agreed in the Administrative Agent's reasonable discretion) pursuant to arrangements to be mutually agreed by the Administrative Agent and the Borrower). For purposes hereof, "Specified Representations" mean the representations and warranties referred to in the Term Sheet relating solely to corporate or organizational existence; organizational power and authority of the Borrower and the Guarantors to enter into and perform the Bridge Facility Documentation; due authorization, execution and delivery by the Borrower and the Guarantors of, performance of, and enforceability against the Borrower and the Guarantors of, the Bridge Facility Documentation; if the Specified Consents have been obtained, effectiveness, validity and perfection of liens under the security documents (subject, without limitation, to the limitations and exceptions set forth in the preceding sentence); no conflicts of the Bridge Facility Documentation with the organizational documents of the Borrower and the Guarantors as it relates to entering into and performance of the Bridge Facility Documentation; Federal Reserve margin regulations; Patriot Act (as defined below); use of proceeds not violating margin regulations, OFAC, FCPA, anti-corruption laws or sanctions imposed by the U.S. (including OFAC), the United Nations Security Council, the European Union, any European Union member state or His Majesty's Treasury of the United Kingdom; solvency as of the Closing Date (after giving effect to the Transactions) of the Borrower and its subsidiaries on a consolidated basis (solvency to be defined in a manner consistent with the manner in which solvency is determined in the solvency certificate to be delivered pursuant to paragraph 1(b) of Exhibit C); and Investment Company Act. Notwithstanding anything in this Commitment Letter, the Term Sheet or the Fee Letters to the contrary, the only conditions to availability and initial funding of the Bridge Facility on the Closing Date are set forth in this Section 6 and in Exhibit C, in each case, limited on the Closing Date as indicated therein; it being understood and agreed that there are no other conditions (implied or otherwise) to the commitments hereunder, including compliance with the terms of this Commitment Letter, the Fee Letters and the Bridge Facility Documentation. This paragraph, and the provisions herein, shall be referred to as the "Limited Conditionality Provision".

#### 7. Indemnification; Expenses.

By executing this Commitment Letter, you agree (a) to indemnify and hold harmless the Commitment Parties, their affiliates and each of their respective Related Parties (as defined below) (each, an "indemnified person") from and against any and all losses, claims, damages, liabilities and expenses, joint or several, to which any such indemnified person may become subject arising out of or in connection with this Commitment Letter, the Term Sheet, the Fee Letters, the Transactions, the Facilities, any Alternative Take-out Loan Financing, the Consent Solicitation, the Amendment or any related transaction or any claim, litigation, investigation, arbitration or proceeding relating to any of the foregoing (including in relation to enforcing the terms of this paragraph (each, a "Proceeding"), regardless of whether any such indemnified person is a party thereto or whether a Proceeding is initiated by or on behalf of a third party or you or any of your affiliates, and to reimburse each such indemnified person upon demand for any reasonable and documented out-of-pocket legal expenses of one firm of counsel for all such indemnified persons, taken as a whole, and, if necessary, of a single firm of local counsel in each appropriate jurisdiction (which may include a single firm of special counsel acting in multiple jurisdictions) for all such indemnified persons, taken as a whole (and, in the case of an actual or perceived conflict of interest where the indemnified person affected by such conflict informs you of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected indemnified person and, if necessary, of a single firm of local counsel in each appropriate jurisdiction (which may include a single firm of special counsel acting in multiple jurisdictions) for such affected indemnified person) and other reasonable and documented out-of-pocket fees and expenses, in each case incurred in connection with investigating or defending any of the



foregoing; provided that the foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities or related expenses to the extent they (i) are found in a final and non-appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of such indemnified person, (ii) result from a claim brought by you or any of your subsidiaries against such indemnified person for material breach of such indemnified person's obligations hereunder if you or such subsidiary has obtained a final and non-appealable judgment in your or its favor on such claim as determined by a court of competent jurisdiction or (iii) result from a proceeding that does not involve an act or omission by you or any of your affiliates and that is brought by an indemnified person against any other indemnified person (other than claims against any arranger, bookrunner or agent in its capacity or in fulfilling its roles as an arranger, bookrunner or agent hereunder or any similar role with respect to the Facilities, any Alternative Take-out Loan Financing, the Consent Solicitation or the Amendment), and (b) to reimburse the Commitment Parties and their affiliates upon presentation of a summary statement for all reasonable and documented out-of-pocket expenses (including but not limited to due diligence expenses, consultants' fees and expenses, syndication expenses, travel expenses and reasonable fees, disbursements and other charges of counsel (such charges and disbursements limited to one firm of counsel and, if necessary, one firm of local counsel in each appropriate jurisdiction)) incurred in connection with the Facilities, any Alternative Take-out Loan Financing and the Consent Solicitation and the preparation of this Commitment Letter, the Term Sheet, the Fee Letters, the Facilities Documentation, the Alternative Facilities Documentation, if applicable, any guarantees (and, if the Specified Consents are obtained, security documents) in connection therewith and the Amendment. You shall not be liable for any settlement of any Proceeding effected without your consent (which consent shall not be unreasonably withheld, conditioned or delayed), but if settled with your written consent or if there is a judgment by a court of competent jurisdiction in any such Proceeding, you agree to indemnify and hold harmless each indemnified person from and against any and all losses, claims, damages, penalties, liabilities and expenses by reason of such settlement or judgment in accordance with the other provisions of this paragraph. You shall not, without the prior written consent of an indemnified person (which consent shall not be unreasonably withheld, conditioned or delayed), effect any settlement of any pending or threatened Proceedings in respect of which indemnity could have been sought hereunder by such indemnified person unless (a) such settlement includes an unconditional release of such indemnified person in form and substance reasonably satisfactory to such indemnified person from all liability on claims that are the subject matter of such Proceedings and (b) such settlement does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any indemnified person or any injunctive relief or other non-monetary remedy. You acknowledge that any failure to comply with your obligations under the preceding sentence may cause irreparable harm to the Commitment Parties and the other indemnified persons.

Notwithstanding any other provision of this Commitment Letter, (1) none of any Commitment Party, any of their respective affiliates and their respective officers, directors, employees, advisors, and agents (each, and including, without limitation, JPMorgan and UBS, an "Arranger-Related Person") shall be liable for any damages directly or indirectly arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems, including an Electronic Platform or otherwise via the internet (except to the extent that any such damages have resulted from the willful misconduct, bad faith or gross negligence of such Arranger-Related Person (as determined by a court of competent jurisdiction in a final non-appealable judgment)), and you agree, to the extent permitted by applicable law, to not assert any claims against any Arranger-Related Person with respect to the foregoing (except to the extent of damages that have resulted from the willful misconduct, bad faith or gross negligence of such Arranger-Related Person (as determined by a court of competent jurisdiction in a final non-appealable judgment)) and (2) none of any Arranger-Related Person, you or the Target or your or its respective subsidiaries or affiliates shall be liable for any special, indirect, consequential or punitive damages in connection with the Facilities, any Alternative Take-out Loan Financing, the Consent

Solicitation or the Transactions; provided that nothing contained in this paragraph shall limit your indemnity and reimbursement obligations to the extent set forth in the preceding paragraph.

For purposes hereof, “Related Parties” means, with respect to any person, the directors, officers, employees, agents, advisors, representatives and controlling persons of such person.

8. Sharing Information; Affiliate Activities.

You acknowledge that each Commitment Party and its affiliates may be providing debt financing, equity capital or other services (including but not limited to financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transactions described herein and otherwise. No Commitment Party will use confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or its other relationships with you in connection with the performance by such Commitment Party of services for other companies, and no Commitment Party will furnish any such information to other companies. You also acknowledge that no Commitment Party has any obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, the Target or your or their respective subsidiaries or representatives, confidential information obtained by such Commitment Party from any other company or person.

You further acknowledge that each Commitment Party is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, each Commitment Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans) and other obligations of, you, the Target and other companies with which you or the Target may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any Commitment Party or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

9. Assignments; Amendments; Governing Law, Etc.

This Commitment Letter and the commitments hereunder shall not be assignable by any party hereto (except in connection with the appointment of Additional Arrangers as set forth herein), and such party’s obligations hereunder may not be delegated, without the prior written consent of each Commitment Party (in the case of any such assignment or delegation by the Borrower) or the Borrower (in the case of any such assignment or delegation by any Commitment Party), and any attempted assignment without such consent shall be null and void. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by each Commitment Party and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Commitment Letter, the Fee Letter and/or any document to be signed in connection with this letter agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. “Electronic Signatures” means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record. This Commitment Letter, the Term Sheet and the Fee Letters are the only agreements that have been entered into among us with respect to the Facilities, any Alternative Take-out Loan Financing, the Consent Solicitation and the Amendment and set forth the entire understanding of the parties with respect thereto. This Commitment Letter, the Term Sheet and the Fee

Letters supersede all prior understandings, whether written or oral, between us with respect to the Facilities, any Alternative Take-out Loan Financing, the Consent Solicitation and the Amendment. This Commitment Letter is intended to be solely for the benefit of the parties hereto and the indemnified persons and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and the indemnified persons. THIS COMMITMENT LETTER AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS COMMITMENT LETTER AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Subject to the last sentence of this paragraph, each of the parties hereto irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against any other party hereto or any of their respective affiliates or any of their respective officers, directors, employees, agents and controlling persons in any way relating to the Transactions, this Commitment Letter, the Term Sheet or the Fee Letters or the performance of services hereunder or thereunder, in any forum other than the United States District Court for the Southern District of New York, sitting in the Borough of Manhattan (or, if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan) or any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the parties hereto hereby agrees that service of any process, summons, notice or document by registered mail addressed to such party shall be effective service of process for any suit, action or proceeding brought in any such court. Each party hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any such action, litigation or proceeding brought in any such court and any claim that any such action, litigation or proceeding has been brought in any inconvenient forum. Each party hereto hereby agrees that a final judgment in any such action, litigation or proceeding brought in any such court shall be conclusive and binding upon such party and may be enforced in any other courts to whose jurisdiction such party is or may be subject, by suit upon judgment. Nothing in this Commitment Letter, the Term Sheet or the Fee Letters shall affect any right that any Commitment Party may have to bring any action, litigation or proceeding relating to the Transactions, this Commitment Letter, the Term Sheet or the Fee Letters or the performance of services hereunder or thereunder against you or your property in the courts of any other jurisdiction.

10. WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS COMMITMENT LETTER, THE TERM SHEET, THE FEE LETTERS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO HERBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS COMMITMENT LETTER AND THE FEE LETTERS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

11. Binding Obligation.

Each of the parties hereto agrees that this Commitment Letter, if accepted by you in accordance with the terms hereof, is a binding and enforceable agreement with respect to the subject matter contained herein (except as may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally), including an agreement to negotiate in good faith the Facilities Documentation and, if applicable, the Alternative Facilities Documentation by the parties hereto in a manner consistent with this Commitment Letter and the Term Sheet and as promptly as reasonably practicable, it being acknowledged and agreed that the commitments provided hereunder are subject to conditions precedent as provided herein.

12. Confidentiality.

You agree that you will not disclose, directly or indirectly, this Commitment Letter, the Term Sheet, the Fee Letters, the contents of any of the foregoing or the activities of any Commitment Party pursuant hereto or thereto to any person without the prior written approval of each Commitment Party, except that you may disclose (a) this Commitment Letter, the Term Sheet, the Fee Letters and the contents hereof and thereof (i) to the Target and your and the Target's directors, officers, employees, attorneys, accountants and advisors directly involved in the consideration of this matter on a confidential and need-to-know basis (provided that any disclosure of the Fee Letters or their terms or substance to the Target or its directors, officers, employees, attorneys, accountants and advisors shall be redacted in a manner reasonably satisfactory to the Commitment Parties), (ii) pursuant to the order of any court or administrative agency or in any legal, judicial or administrative proceeding or other compulsory process or otherwise as required by applicable law or regulations (in which case you shall promptly notify us, in advance, to the extent lawfully permitted to do so), (iii) in connection with the exercise of remedies to the extent relating to this Commitment Letter, the Term Sheet or the Fee Letters and (iv) to the extent this Commitment Letter, the Term Sheet, the Fee Letters or the contents hereof and thereof become publicly available other than by reason of disclosure by you, the Target or your or their affiliates or any of your or their respective Related Parties in breach of this Commitment Letter, (b) this Commitment Letter, the Term Sheet and the contents hereof and thereof (but not the Fee Letters or the contents thereof) (i) to S&P and Moody's in connection with the Transactions and on a confidential and need-to-know basis and (ii) in any prospectus or offering memoranda relating to the Senior Notes, in any syndication or other marketing materials in connection with the Facilities, any Alternative Take-out Loan Financing or the Consent Solicitation (including the Information Materials) or, to the extent required by law, in connection with any public filing, (c) the aggregate fee amount contained in the Fee Letters as part of Projections, *pro forma* information or a generic disclosure of aggregate sources and uses related to fee amounts in connection with the Transactions in marketing materials for the Facilities, any Alternative Take-out Loan Financing or the Consent Solicitation or, to the extent required by applicable law, in any public filing and (d) generally the existence and amount of commitments hereunder.

The Commitment Parties shall use all non-public information received by it in connection with the Facilities, any Alternative Take-out Loan Financing, the Consent Solicitation and the Transactions solely for the purposes of providing the services that are the subject of this Commitment Letter, the Term Sheet and the Fee Letters and shall treat confidentially all such information; provided, however, that nothing herein shall prevent the Commitment Parties from disclosing any such information (a) to ratings agencies on a confidential basis and in consultation with you, (b) to any Existing Lenders, Lenders or participants or prospective Lenders or prospective participants, (c) pursuant to the order of any court or administrative agency or in any legal, judicial or administrative proceeding or other compulsory process or otherwise as required by applicable law or regulations (in which case, such Commitment Party shall promptly notify you, in advance, to the extent lawfully permitted to do so), (d) upon the request or demand of any regulatory authority (including any self-regulatory authority) or other governmental authority purporting to have jurisdiction over any Commitment Party or any of its affiliates (in which case such Commitment Party shall, except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority, promptly notify

you, in advance, to the extent lawfully permitted to do so), (e) to the Related Parties of the Commitment Parties who are informed of the confidential nature of such information and are or have been advised of their obligation to keep all such information confidential or are otherwise under a professional or employment duty of confidentiality, and such Commitment Party shall be responsible for each such person's compliance with this paragraph, (f) to any of its affiliates (provided that any such affiliate is advised of its obligation to retain such information as confidential, and such Commitment Party shall be responsible for its affiliates' compliance with this paragraph) solely in connection with the Transactions, (g) to the extent any such information becomes publicly available other than by reason of disclosure by the Commitment Parties, their affiliates or any of their respective Related Parties in breach of this Commitment Letter, (h) to the extent such information is received by such Commitment Party from a third party that is not, to such Commitment Party's knowledge, subject to a confidentiality obligation to you with respect to such information, (i) in connection with the exercise of any remedies hereunder or under the Fee Letters or any suit, action or proceeding relating to this Commitment Letter, the Fee Letters, the Facilities or any Alternative Take-out Loan Financing, and (j) pursuant to customary disclosure about the terms of the financings and amendments contemplated hereby in the ordinary course of business to market data collectors and similar service providers to the loan industry for league table purposes; provided that the disclosure of any such information to any Lenders or prospective Lenders or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender or prospective Lender or participant or prospective participant that such information is being disseminated on a confidential basis (on the terms set forth in this paragraph or as is otherwise reasonably acceptable to you) in accordance with the standard syndication processes of the Commitment Parties or customary market standards for dissemination of such type of information. The obligations of each Commitment Party under this paragraph shall automatically terminate and be superseded by the confidentiality provisions of the Facilities Documentation or, if applicable, the Alternative Facilities Documentation upon the initial funding thereunder; provided that if not previously terminated, the provisions of this paragraph shall automatically terminate two years following the date of this Commitment Letter; provided, further that the confidentiality provision of the Existing Credit Agreement shall remain in full force and effect notwithstanding the provisions hereof. After the Closing Date (or the closing date of any Alternative Take-out Loan Financing) and at the Lead Arrangers' expense, the Lead Arrangers may (i) after consultation with the Borrower, place advertisements in periodicals and on the Internet as it may choose and (ii) on a confidential basis, circulate promotional materials in the form of a "tombstone" or "case study" (and, in each case, otherwise describe the names of any of you or your affiliates and any other information about the Transaction, including the amount, type and closing date of the Facilities or any Alternative Take-out Loan Financing). Furthermore, we may provide to market data collectors, such as league table, or other service providers to the lending industry, information regarding the closing date, size, type, purpose of, and parties to, the Facilities or any Alternative Take-out Loan Financing.

13. PATRIOT Act and Beneficial Ownership Regulation Notification.

Each Commitment Party hereby notifies you that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001), as subsequently amended and reauthorized) (the "Patriot Act") and the requirements of 31 C.F.R. §1010.230 (the "Beneficial Ownership Regulation"), that it and each of the Lenders may be required to obtain, verify and record information that identifies the Borrower and its subsidiaries, which information includes names, addresses, tax identification numbers and other information that will allow each Commitment Party and each of the Lenders to identify the Borrower and its subsidiaries in accordance with the Patriot Act and the Beneficial Ownership Regulation. This notice is given in accordance with the requirements of the Patriot Act and Beneficial Ownership Regulation and is effective for each Commitment Party and each of the Lenders. You hereby acknowledge and agree that the Commitment Parties shall be permitted to share any or all such information with the Lenders.

14. Acceptance and Termination.

Please indicate your acceptance of the terms hereof and of the Fee Letters by signing in the appropriate space below and in the Fee Letters and returning to us executed counterparts of this Commitment Letter and the Fee Letters not later than 11:30 p.m., New York City time, on September 22, 2023. The commitments and agreements of the Commitment Parties hereunder will expire at such time in the event that the Lead Arrangers have not received such executed counterparts in accordance with the immediately preceding sentence (the date of receipt by us of such executed counterparts, the "Acceptance Date"). In the event that (i) the initial borrowing under the Bridge Facility does not occur on or before the date that is 5 business days after the earlier of (x) 30 Business Days (as defined in the Purchase Agreement as of the Acceptance Date) after June 30, 2024 and (y) the Long Stop Date (as defined in the Purchase Agreement as of the Acceptance Date), (ii) the Purchase Agreement is terminated prior to closing of the Acquisition in accordance with the terms thereof or (iii) with respect to the Bridge Facility, the Acquisition occurs without the use of the Bridge Facility, then this Commitment Letter and the commitments hereunder shall automatically terminate unless the Commitment Parties shall, in their sole discretion, agree to an extension (the date of such termination, the "Expiration Date"). The engagement of the Commitment Parties with respect to Alternative Take-out Loan Financings shall terminate on the first date on which the commitments in respect of the Bridge Facility under this Commitment Letter have terminated in full and there are no outstanding commitments or loans under the Bridge Facility. The syndication, information, compensation, reimbursement, indemnification, limitation of liability, jurisdiction, governing law, waiver of jury trial, no fiduciary relationship and, except as expressly set forth above, confidentiality provisions contained herein and in the Fee Letters shall remain in full force and effect regardless of whether Facilities Documentation or Alternative Facilities Documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or the commitments hereunder. You may terminate this Commitment Letter and/or the Commitment Parties' commitments with respect to the Bridge Facility (or a portion thereof) at any time subject to the provisions of the immediately preceding sentence. Any Commitment Party may, by written notice to you prior to the effectiveness of the Specified Amendments or any Alternative Take-out Loan Financing or Take-out Facility, terminate its obligations as an arranger, bookrunner or administrative agent for such Alternative Take-out Loan Financing or Take-out Facility and/or its agreement to use commercially reasonable efforts to solicit the Specified Consents.

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We are pleased to have been given the opportunity to assist you in connection with this important financing.  
Very truly yours,

JPMORGAN CHASE BANK, N.A.

By: /s/ Sebastian Leszczuk

Name: Sebastian Leszczuk  
Title: Authorized Signatory

UBS AG, STAMFORD BRANCH

By: /s/ Bruce Mackenzie

Name: Bruce Mackenzie  
Title: Managing Director

By: /s/ Bryan Farris

Name: Bryan Farris  
Title: Managing Director

UBS SECURITIES LLC

By: /s/ Bruce Mackenzie

Name: Bruce Mackenzie  
Title: Managing Director

By: /s/ Bryan Farris

Name: Bryan Farris  
Title: Managing Director

Commitment Letter



Accepted and agreed to as of  
the date first above written:

ENOVIS CORPORATION

By: /s Daniel A. Pryor  
Name: Daniel A. Pryor  
Title: Executive Vice President

Commitment Letter

Project Inca  
Transaction Summary

Capitalized terms used but not defined in this Exhibit A shall have the meanings set forth in the Commitment Letter to which this Exhibit A is attached and in Exhibits B and C thereto.

Enovis Corporation (the “Borrower”) intends to acquire (the “Acquisition”) the company identified to us as “Inca” (the “Target”) pursuant to a share purchase agreement related to the sale and purchase of the entire share capital of the Target (together with all exhibits, schedules and disclosure letters thereto, as amended, supplemented, otherwise modified, or consented to or waived (the “Purchase Agreement”) among the Borrower, the Target, and certain other parties. In connection therewith, it is intended that:

(a) The Borrower will obtain \$800 million in gross cash proceeds from a combination of (i) the issuance of senior unsecured convertible notes (which may include mandatorily convertible notes) (collectively, the “Senior Notes”) in a Rule 144A or other private placement, (ii) the incurrence of the Take-out Facility and/or (iii) if and only to the extent that the Bridge Facility is not reduced in accordance with the Term Sheet on or prior to the Closing Date (as defined in Exhibit A), borrowings by the Borrower under a new senior bridge facility (the “Bridge Facility”) comprised of two tranches: (x) a tranche of \$400 million of senior term loans (“Tranche 1”) and (y) a separate tranche of \$400 million of senior term loans (“Tranche 2”), as described in Exhibit B.

(b) The Borrower has agreed to effect an amendment (the “Amendment”) to that certain Credit Agreement, dated as of April 4, 2022, among the Borrower, the other loan parties party thereto from time to time, the lenders party thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent (as amended, restated, supplemented or otherwise modified prior to the Closing Date, the “Existing Credit Agreement”; the Existing Credit Agreement as modified by the Amendment, the “Amended Facility”), to require the obligations under the credit facilities evidenced by the Existing Credit Agreement (and banking services obligations and swap obligations owed to the lenders under the Existing Credit Agreement and their affiliates) to be secured by substantially all personal property of the Borrower and its domestic subsidiary guarantors (subject to customary “excluded assets” provisions as described in Exhibit B) and make certain other changes.

(c) The principal, accrued and unpaid interest, fees, premium, if any, and other amounts (including make-whole amounts), other than contingent obligations not then due and payable and that by their terms survive the termination thereof (or letters of credit grandfathered, backstopped or cash collateralized), under (i) the indenture, dated as of February 3, 2023, as supplemented on May 3, 2023, by and among, *inter alios*, the Target, the guarantors party thereto, GLAS Trust Company LLC as trustee and GLAS Trust Corporation Limited as security agent governing the Target’s €295 million aggregate principal amount of Senior Secured Floating Rate Notes due 2028, and (ii) the Euro 65,000,000 super senior revolving facilities agreement dated January 17, 2023, as amended and restated on February 15, 2023 and further amended or modified from time to time, by and among, *inter alios*, the Target, Global Loan Agency Services Limited as agent and GLAS Trust Corporation Limited as security agent, (iii) an English law governed ISDA Master Agreement and the schedule thereto entered into on February 16, 2023 between Inca and Mizuho Bank, Ltd., acting through its London Branch (“Mizuho”) and the English law governed swap confirmation entered into on February 22, 2023 between Inca and Mizuho and (iv) an English law governed ISDA Master Agreement and the schedule thereto entered into on February 27, 2023 between the Target and Goldman Sachs Bank Europe SE (“Goldman Sachs”) and an English law governed cap confirmation entered into on March 7, 2023 between Inca and Goldman Sachs will be repaid, redeemed, defeased, discharged, refinanced, replaced or terminated, as applicable, or irrevocable notice (other than any condition requiring the consummation of the Acquisition on or prior to the applicable date of redemption) with respect thereto will be given, and the related guarantees, security interests shall be terminated (collectively, the “Refinancing”).

(d) The proceeds of the Senior Notes, the Take-out Facility and the Bridge Facility will be applied, together with cash on hand and common stock of the Borrower issued to the seller of the Target as purchase price consideration for the Acquisition, (i) to consummate the Refinancing, (ii) to pay all amounts required to be paid under the Purchase Agreement (the "Acquisition Consideration") and (iii) to pay the fees and expenses incurred in connection with the Transactions (the amounts set forth in clauses (i) through (iii) above, collectively, the "Transaction Costs").

The transactions described above are collectively referred to herein as the "Transactions". For purposes of the Commitment Letter and the Fee Letters, "Closing Date" shall mean the date of consummation of the Acquisition and the initial funding under, and the availability of, the applicable Facilities.

Project Inca  
Summary of Principal Terms and Conditions  
\$800 Million Bridge Facility

Capitalized terms used but not defined in this Exhibit B (this “Term Sheet”) shall have the meanings set forth in the Commitment Letter to which this Exhibit B is attached and in Exhibits A and C thereto.

- Borrower: Enovis Corporation, a Delaware corporation (the “Borrower”).
- Administrative Agent: JPMorgan Chase Bank, N.A. (“JPMorgan”) acts as administrative agent for a syndicate of banks, financial institutions and other lenders (together with JPMorgan in its capacity as lender, the “Lenders”) and will perform the duties customarily associated with such role.
- Joint Lead Arrangers and Joint Bookrunners: JPMorgan and UBS Securities LLC will act as joint lead arrangers and joint bookrunners for the Bridge Facility (as defined below) and will perform the duties customarily associated with such roles (the “Lead Arrangers”).
- Bridge Facility:
1. Amount: A 364-day senior term loan facility (the “Bridge Facility”) in an aggregate principal amount of \$800 million less all reductions pursuant to the “Mandatory Prepayments and Commitment Reductions” section below. The Bridge Facility shall be comprised of two tranches: (i) a tranche of \$400 million of senior term loans (“Tranche 1”; the term loans thereunder, the “Tranche 1 Bridge Loans”) and (y) a separate tranche of \$400 million of senior term loans (“Tranche 2”; the term loans thereunder, the “Tranche 2 Bridge Loans”).
  2. Use of Proceeds: The loans made pursuant to the Bridge Facility (the “Bridge Loans”) may only be incurred on the Closing Date to (i) consummate the Refinancing, (ii) pay the Acquisition Consideration and (iii) pay other Transaction Costs.
  3. Maturity: The final maturity date of the Bridge Facility shall be the date that is 364 days after the Closing Date.
  4. Amortization: None.
  5. Availability: Bridge Loans may only be incurred on the Closing Date. No amount of Bridge Loans once repaid may be reborrowed.
  6. Currency: The Bridge Facility shall be available in U.S. dollars.
- Guaranties: Same as the Existing Credit Agreement but limited to the applicable domestic subsidiaries of the Borrower. Each guarantor providing a guaranty, a “Guarantor” and, collectively, the “Guarantors”. The guaranty provided in the credit documentation, a “Guaranty” and collectively, the “Guaranties” and the obligations guaranteed the “Guaranteed Obligations”.

Security: None; provided that in the event that the Existing Credit Agreement is amended to require that the obligations evidenced thereby be secured, the Bridge Facilities will be secured with the credit facilities provided under the Existing Credit Agreement on a pari passu basis. In such event, the Guaranteed Obligations shall be secured by (i) a first priority perfected security interest in and lien on the existing and future personal property (including, without limitation, intellectual property) of the Borrower and each Guarantor and (ii) a pledge of, and a first priority perfected security interest in, 100% of the equity interests of each of the Borrower's existing and future direct and indirect domestic subsidiaries (other than first tier foreign subsidiaries and CFC Holding Companies (as defined in the Existing Credit Agreement)) and in 65% of the voting equity interests and 100% of the non-voting equity interests of (x) each material first-tier foreign subsidiary of the Borrower and the Guarantors (other than those equity interests as to which the Administrative Agent and the Borrower reasonably agree that the burden, cost or other consequences of obtaining such a security interest or perfection thereof are excessive in relation to the practical benefit to the Lenders of the security to be afforded thereby) and (y) each CFC Holding Company. All of the collateral security described above is referred to collectively as the "Collateral".

Notwithstanding anything to the contrary, the Collateral shall exclude Excluded Assets.

As used herein, "Excluded Assets" means: (i) any fee-owned real property and all leasehold interests in real property, (ii) any "intent-to-use" application for registration of a trademark filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, prior to the filing of a "Statement of Use" pursuant to Section 1(d) of the Lanham Act or an "Amendment to Allege Use" pursuant to Section 1(c) of the Lanham Act with respect thereto, solely to the extent, if any, that and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration that issues from such intent-to-use application under applicable federal law, (iii) assets in respect of which pledges and security interests are prohibited by applicable law, rule or regulation or agreements with any governmental authority (other than to the extent that such prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408, 9-409 or other applicable provisions of the UCC of any relevant jurisdiction or any other applicable law); provided that, immediately upon the ineffectiveness, lapse or termination of any such prohibitions, such assets shall automatically cease to constitute Excluded Assets, (iv) equity interests in any entity other than wholly-owned subsidiaries to the extent pledges thereof are not permitted by the terms in such entity's organizational or joint venture documents (unless any such restriction would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408, 9-409 or other applicable provisions of the UCC of any relevant jurisdiction or any other applicable law), (v) assets subject to certificates of title (other than motor vehicles subject to certificates of title, provided that perfection of security interests in such motor vehicles shall be limited to the filing of UCC financing statements), a letter of credit right (other than to the extent the security interest in such letter of credit right may be perfected by the filing of UCC financing statements) with a face amount of \$20,000,000 or less and a commercial tort claim

with respect to which the Borrower or a Guarantor is the plaintiff or a beneficiary and that makes a claim for damages, or other claim for judgment, in an amount of \$20,000,000 or less, (vi) any lease, license, capital lease obligation or other agreement or any property subject to a purchase money security interest, similar agreement or other contractual restriction to the extent that a grant of a security interest therein would violate or invalidate such lease, license, capital lease obligation or agreement or purchase money arrangement or other contractual restriction or create a right of termination in favor of any other party thereto (other than the Borrower or a Guarantor) (other than (x) proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC notwithstanding such prohibition, (y) to the extent that any such term has been waived or (z) to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408, 9-409 or other applicable provisions of the UCC of any relevant jurisdiction or any other applicable law); provided that, immediately upon the ineffectiveness, lapse or termination of any such term, such assets shall automatically cease to constitute Excluded Assets, (vii) trust accounts, payroll accounts, custodial accounts, escrow accounts and other similar deposit or securities accounts, (viii) foreign assets (other than pledges of equity interests in material first tier foreign subsidiaries not in excess of the applicable pledge percentage subject to the limitations set forth above), (ix) equity interests in any excluded subsidiary (other than pledges of equity interests in CFC Holding Companies not in excess of the applicable pledge percentage), (x) margin stock, (xi) certain Receivables Assets (as defined in the Existing Credit Agreement) to the extent sold or encumbered pursuant to a receivables facility permitted by the Bridge Facility Documentation and (xii) those assets as to which the Administrative Agent and the Borrower reasonably agree that the burden, cost or other consequences of obtaining such a security interest or perfection thereof are excessive in relation to the practical benefit to the Lenders of the security to be afforded thereby. Notwithstanding the foregoing, Excluded Assets shall not include any proceeds, products, substitutions or replacements of Excluded Assets (unless such proceeds, products, substitutions or replacements would otherwise constitute Excluded Assets).

Notwithstanding anything to the contrary, the Borrower and the Guarantors shall not be required to enter into any deposit account control agreement or securities account control agreement with respect to any deposit account or securities account.

Voluntary Prepayments:

Voluntary prepayments may be made at any time on (i) three business days' notice in the case of Term Benchmark Loans (as defined below) or (ii) same business day's notice in the case of ABR Loans, without premium or penalty, in minimum principal amounts as set forth in the Bridge Facility Documentation; provided that voluntary prepayments of Term Benchmark Loans made on a date other than the last day of an interest period applicable thereto shall be subject to customary breakage costs.

Mandatory Prepayments and Commitment Reductions:

(i) From and after the date of signing of the Commitment Letter, the aggregate commitments in respect of the Bridge Facility shall be automatically, immediately and permanently reduced and (ii) after the Closing Date, the Bridge Loans shall be prepaid on a pro rata basis, at par plus accrued and unpaid interest, within three (3) business days of receipt of amounts from (without duplication):

(a) 100% of the commitments (in the case of credit facilities (including, without limitation, the Take-out Facility)) or Net Cash Proceeds (as defined below) received by the Borrower or any of its consolidated subsidiaries on or after the date of the Commitment Letter from the incurrence of debt for borrowed money pursuant to a capital markets transaction (including the issuance of debt securities convertible into equity securities) pursuant to a public registered offering or Rule 144A or other private placement, or a commercial bank or other syndicated term loan facility (which commercial bank or other syndicated term loan facility is subject to conditions precedent to the initial funding thereunder that are no less favorable to the Borrower than the conditions set forth herein for such similar provisions and with a termination or expiration date of the commitments thereunder that is no earlier than the termination or expiration date of the commitments in respect of the Bridge Facility), other than Excluded Debt (as defined below);

(b) 100% of the Net Cash Proceeds received by the Borrower or any of its consolidated subsidiaries on or after the date of the Commitment Letter from any issuance of equity securities by the Borrower (other than (i) pursuant to any employee equity compensation plan or agreement or other employee equity compensation arrangement, any employee benefit plan or agreement or other employee benefit arrangement or any nonemployee director equity compensation plan or agreement or other non-employee director equity compensation arrangement or pursuant to the exercise or vesting of any employee or director stock options, restricted stock or restricted stock units, warrants or other equity awards or pursuant to dividend reinvestment programs, (ii) any such issuance by a subsidiary of the Borrower to the Borrower or any other subsidiary, (iii) securities or interests issued or transferred directly (and not constituting cash proceeds of any issuance of such securities or interests) as consideration in connection with any acquisition (including the Acquisition), divestiture or joint venture arrangement (excluding, for the avoidance of doubt, the Senior Notes), (iv) equity issued upon conversion or exercise of outstanding securities or options, (v) issuances resulting in the receipt by the Borrower of Net Cash Proceeds not exceeding \$30,000,000 in the aggregate, and (vi) other exceptions to be agreed);

(c) 100% of Net Cash Proceeds received by the Borrower or any of the Borrower's subsidiaries on or after the date of the Commitment Letter from the sale or other disposition (including as a result of a casualty or condemnation) of any assets (other than (i) the sale or other disposition of inventory or other assets in the ordinary course of business, (ii) intercompany transactions and (iii) sales or other dispositions of assets (including as a result of a casualty or condemnation) the Net Cash Proceeds of which do not exceed an aggregate amount of \$30,000,000), in each case, by the Borrower or any of the Borrower's subsidiaries, in each case to the extent that such net cash proceeds are not (i) reinvested or committed to be reinvested in the Borrower's or its subsidiaries' business within 365 days following receipt thereof (and if so committed, reinvested within 180 days after the end of such 365 day period) or (ii) required to be offered to repay

any indebtedness that is pari passu in right of payment with the Bridge Facility, solely to the extent such offer to repay is accepted and actually repaid; and

(d) solely on and after the Closing Date, to the extent applied to pay any Transaction Costs on or after the Closing Date (and without duplication of any reduction from Net Cash Proceeds that reduce the Bridge Facility pursuant to the foregoing clauses (a) through (c)), 100% of any borrowings under the Existing Credit Agreement or the Amended Facility, and cash on hand.

Notwithstanding anything to the contrary above, mandatory repayments and commitment reductions required pursuant to clauses (a) through (c) above received by a foreign subsidiary of the Borrower shall not be required if and for so long as the Borrower has reasonably determined in good faith that repatriation of funds to the Borrower to make any such payment would have adverse tax consequences or would violate applicable local law or the applicable organizational documents of such foreign subsidiary.

All mandatory prepayments or commitment reductions (a) in respect of the issuance of the Senior Notes shall be applied, first, to the Tranche 1 Bridge Loans and commitments in respect of Tranche 1 (the "Tranche 1 Commitments") and, second, to the Tranche 2 Bridge Loans and commitments in respect of Tranche 2 (the "Tranche 2 Commitments"), (b) in respect of the incurrence of the Take-out Facility shall be applied, first, to the Tranche 2 Bridge Loans and the Tranche 2 Commitments and, second, to the Tranche 1 Bridge Loans and Tranche 1 Commitments, and (c) in respect of other mandatory prepayments or commitment reductions shall be applied ratably to Tranche 1 Bridge Loans and Tranche 1 Commitments and Tranche 2 Bridge Loans and Tranche 2 Commitments.

For purposes hereof:

"Excluded Debt" means (i) intercompany indebtedness, loans, and advances among the Borrower and/or its subsidiaries, (ii) credit extensions under the Existing Credit Agreement or any revolving facility in replacement thereof or amendments thereto (it being understood that the foregoing excludes any increase in commitments from the amount available under the Existing Credit Agreement), (iii) any trade or customer related financing in the ordinary course of business, (iv) ordinary course capital leases, purchase money and equipment financings, (v) any ordinary course borrowings under working capital, liquidity, letter of credit or overdraft facilities, (vi) issuances of commercial paper and refinancings thereof, (vii) indebtedness under any facility to obtain or support bid, appeal and similar bonds, (viii) refinancings of existing indebtedness and (ix) other indebtedness (other than the Senior Notes) in an aggregate principal amount not to exceed \$25,000,000; provided that, notwithstanding the foregoing, no borrowings under the Amended Facility to pay for any Transaction Costs on or after the Closing Date shall constitute "Excluded Debt".

"Net Cash Proceeds" means, with respect to any event, (a) the cash (which term, for purposes of this definition, shall include cash equivalents) proceeds received in respect of such event including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment



receivable or otherwise, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, minus (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid to third parties (other than affiliates) in connection with such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay indebtedness secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all taxes paid (or reasonably estimated to be payable) and the amount of any reserves established to fund contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event (as determined reasonably and in good faith by the Borrower).

Interest Rates:

At the Borrower's option, Bridge Loans shall bear interest at a rate per annum equal to (x) the ABR plus the Applicable Margin or (y) the Adjusted Term SOFR Rate plus the Applicable Margin.

As used herein:

"ABR" means the greatest of (i) the Prime Rate, (ii) the NYFRB Rate from time to time (but not less than 0%) plus 0.5% and (iii) the Adjusted Term SOFR Rate for a one month interest period on the applicable date plus 1%. If the ABR as determined pursuant to the foregoing would be less than 1.50%, such rate shall be deemed to be 1.50%.

"Adjusted Term SOFR Rate" means the Term SOFR Rate, plus 0.10%; provided that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of calculating such rate.

"Applicable Margin" means (i) 3.00% in the case of Term Benchmark Loans and (ii) 2.00% in the case of ABR Loans. Each such margin will increase by 0.25% at the end of each 90-day period after the Closing Date.

"CME Term SOFR Administrator" means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

"Federal Funds Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding business day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than 0%, such rate shall be deemed to be 0% for the purposes of the credit documentation.

“Floor” means the benchmark rate floor, if any, provided in the credit documentation initially (as of the execution of the credit documentation, the modification, amendment or renewal of the credit documentation or otherwise) with respect to the Adjusted Term SOFR Rate. For the avoidance of doubt the initial Floor for the Adjusted Term SOFR Rate shall be 0.50%.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (i) the Federal Funds Effective Rate in effect on such day and (ii) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a business day, for the immediately preceding business day); provided that if none of such rates are published for any day that is a business day, the term

“NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m., New York City time, on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined would be less than 0%, such rate shall be deemed to be 0% for purposes of the credit documentation.

“NYFRB’s Website” means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in U.S. dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB’s Website from time to time, and published on the next succeeding business day by the NYFRB as an overnight bank funding rate.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“RFR Business Day” means a U.S. Government Securities Business Day.

“SOFR” means, with respect to any business day, a rate per annum equal to the secured overnight financing rate for such business day published by the NYFRB on the NYFRB’s Website on the immediately succeeding business day.

“Term Benchmark” when used in reference to any Bridge Loan or borrowing, refers to whether such Bridge Loan, or the Bridge Loans comprising such borrowing, bear interest at a rate determined by reference to the Adjusted Term SOFR Rate.

“Term SOFR Rate” means, with respect to any Term Benchmark borrowing for any interest period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such interest period, as such rate is published by the CME Term SOFR Administrator.

“Term SOFR Reference Rate” means, for any day and time, with respect to any Term Benchmark borrowing and for any tenor comparable to the applicable interest period, the rate per annum published by the CME Term SOFR Administrator and identified by the Administrative Agent as the forward-looking term rate based on SOFR.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

The Bridge Facility Documentation will contain provisions to be mutually agreed with respect to a replacement of the Term Benchmark.

The Bridge Facility shall include customary protective provisions for such matters as defaulting banks, capital adequacy, increased costs, reserves, funding losses, illegality and withholding taxes. The Borrower shall have the right to replace any Lender that (i) charges an amount in excess of that being charged by the other Lenders with respect to contingencies described in the immediately preceding sentence or (ii) refuses to consent to certain amendments or waivers of the Bridge Facility which expressly require the consent of such Lender and which have been approved by the Required Lenders (as defined below).

Interest in respect of Bridge Loans bearing interest based on ABR (“ABR Loans”) shall be payable quarterly in arrears on the last business day of each calendar quarter. Interest in respect of Bridge Loans bearing interest based upon the Term Benchmark (“Term Benchmark Loans”) shall be payable in arrears at the end of the applicable interest period and every three months in the case of interest periods in excess of three months. Interest will also be payable at the time of repayment of any Bridge Loans and at maturity. All interest on ABR Loans and Term Benchmark Loans shall be based on a 360-day year and actual days elapsed (or, in the case of ABR Loans determined by reference to the Prime Rate, a 365/366-day year and actual days elapsed).

Default Interest:

Overdue principal, interest and other amounts shall bear interest at a rate per annum equal to the greater of (i) the rate which is 2% in excess of the rate otherwise applicable to ABR Loans from time to time and (ii) the rate which is 2% in excess of the rate then borne by the applicable borrowing (or, if any such amount does not relate to a borrowing, the rate which is 2% in excess of the rate applicable to Bridge Loans maintained as ABR Loans). Such interest shall be payable on demand.

<u>Agent / Lender Fees:</u>	The Administrative Agent, the Lead Arrangers and the Lenders shall receive such fees as have been separately agreed upon.
<u>Duration Fees:</u>	The Borrower shall pay to each Lender, in accordance with its respective interest, duration fees as follows: (a) 0.50% of the aggregate principal amount of the Bridge Loans held by such Lender on the date that is 90 days after the Closing Date, (b) 0.75% of the aggregate principal amount of the Bridge Loans held by such Lender on the date that is 180 days after the Closing Date and (c) 1.00% of the aggregate principal amount of the Bridge Loans held by such Lender on the date that is 270 days after the Closing Date.
<u>Representations and warranties:</u>	Same as the Existing Credit Agreement, including as modified by the Amendment.
<u>Affirmative Covenants:</u>	Same as the Existing Credit Agreement, including as modified by the Amendment.
<u>Negative Covenants:</u>	Same as the Existing Credit Agreement, including as modified by the Amendment.
<u>Financial Covenants:</u>	<p>The following financial covenants (the “<u>Financial Covenants</u>”) (with financial definitions to be substantially consistent with those set forth in the Existing Credit Agreement; <u>provided</u> that if the Specified Consents are obtained, the Total Leverage Ratio will be replaced with a Senior Secured Net Leverage Ratio but the maximum ratio levels below shall remain in place):</p> <ul style="list-style-type: none"> <li>• <u>Total Leverage Ratio.</u> Maintenance on the last day of each fiscal quarter a Total Leverage Ratio of not more than 3.75:1.00, with a step-down to 3.50:1.00 at the end of the fiscal quarter ending June 30, 2024.</li> <li>• <u>Interest Coverage Ratio.</u> Maintenance on the last day of each fiscal quarter an Interest Coverage Ratio of not less than 3.00:1.00.</li> </ul> <p>The Financial Covenants will be tested on a quarterly basis and calculated on a consolidated basis for the Borrower and its subsidiaries for each consecutive four fiscal quarter period and the Maximum Total Leverage Ratio or Senior Secured Net Leverage Ratio, as applicable, shall be subject to increase by 0.50:1.00 (but to not more than 4.50:1.00) in connection with certain acquisitions and subject to the terms and conditions set forth in the Existing Credit Agreement.</p>
<u>Events of Default:</u>	Same as the Existing Credit Agreement, including as modified by the Amendment.
<u>Assignments and Participations:</u>	Same as the Existing Credit Agreement, including as modified by the Amendment.
<u>Waivers and Amendments:</u>	Same as the Existing Credit Agreement, including as modified by the Amendment.
<u>Defaulting Lenders:</u>	Same as the Existing Credit Agreement, including as modified by the Amendment.

EU Bail In Provisions: Same as the Existing Credit Agreement, including as modified by the Amendment.

Indemnification: Same as the Existing Credit Agreement, including as modified by the Amendment.

Costs and Expenses: Same as the Existing Credit Agreement, including as modified by the Amendment.

Governing Law: New York.

Forum: United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof.

Counsel to Administrative Agent and Lead Arrangers: Latham & Watkins LLP.

Project Inca  
Conditions

The availability and initial funding of the Bridge Facility shall be subject to the satisfaction (or waiver by the Commitment Parties) of solely the following conditions (subject to the Limited Conditionality Provision). Capitalized terms used but not defined herein have the meanings set forth in the Commitment Letter to which this Exhibit C is attached and in Exhibits A and B thereto.

1. The Borrower and the Guarantors shall have executed and delivered the Bridge Facility Documentation they are party to on terms consistent with the Commitment Letter and the Term Sheet and the Administrative Agent shall have received the following (collectively, the “Closing Deliverables”):

- a. customary borrowing notices (which shall not include any requirements to make any certifications as to “no default or event of default” and, other than with respect to representations and warranties described in paragraph 6 below, no “bring downs” of representations and warranties), closing certificates, corporate and organizational documents, good standing certificates, customary evidence of authorization and good standing certificates in the jurisdiction of organization (if applicable), in each case with respect to the Borrower and each Guarantor and customary legal opinions; and
- b. a certificate from the chief financial officer of the Borrower, in the form attached as Annex I to this Exhibit C, certifying that the Borrower and its subsidiaries, on a consolidated basis after giving effect to the Transactions and the other transactions contemplated hereby, are solvent.

2. On the Closing Date, after giving effect to the Transactions or substantially concurrently with the initial funding of the Bridge Facility on the Closing Date, the Refinancing shall have been consummated.

3. The Acquisition shall, substantially concurrently with the initial funding of the Bridge Facility, be consummated pursuant to the Purchase Agreement, and no provision thereof shall have been amended or waived, and no consent or request shall have been given under the Purchase Agreement, without the prior written consent of the Commitment Parties (not to be unreasonably withheld, conditioned or delayed), in any way that is materially adverse to the Lenders or the Lead Arrangers in their capacities as such (it being understood and agreed that any modification, amendment or express waiver or consents by the Borrower that results in (x) an increase to the Base Cash Consideration (as defined in the Purchase Agreement as in effect on the date hereof) shall be deemed to not be materially adverse to the Lenders or Lead Arrangers so long as such increase is funded solely with a public issuance of common equity of the Borrower and (y) a decrease to the Base Cash Consideration shall be deemed to not be materially adverse to the Lenders or the Lead Arrangers so long as such reduction is allocated to reduce the commitments in respect of the Bridge Facility without the prior written consent of the Commitment Parties.

4. The Commitment Parties shall have received (a)(i) the audited consolidated balance sheets of the Borrower and its subsidiaries as of December 31, 2021 and December 31, 2022 and the related statements of income, stockholders’ equity and cash flows of the Borrower and its subsidiaries, for each of the two fiscal years ended prior to and including the fiscal year ended December 31, 2022 and (ii) to the extent ended at least 90 days before the Closing Date, the audited consolidated balance sheet of the Borrower and its subsidiaries as of December 31, 2023 and the related statements of income, stockholders’ equity and cash flows of the Borrower and its subsidiaries for the fiscal year ended December 31, 2023, (b)(i) the audited consolidated balance sheets of the Target and its subsidiaries as of December 31, 2022 and December 31, 2021, and the related consolidated profit and loss statement, comprehensive loss, (deficit) equity and cash flows of the Target and its subsidiaries for each of the two fiscal years ended prior to and including the fiscal year ended December 31, 2022 and (ii) to the extent ended at least 120 days before the Closing Date, the audited consolidated balance sheet

of the Target and its subsidiaries as of December 31, 2023, and the related consolidated profit and loss statement, comprehensive loss, (deficit) equity and cash flows of the Target and its subsidiaries for the fiscal year ended December 31, 2023, (c) the unaudited consolidated balance sheet of the Borrower and its subsidiaries as of June 30, 2023 and each fiscal quarter ending thereafter that ends at least 45 days before the Closing Date and the related statements of income, stockholders' equity and cash flows of the Borrower and its subsidiaries for the portion of the year ending on each last day of such fiscal quarters and (d) the unaudited consolidated balance sheet of the Target and its Subsidiaries as of June 30, 2023 and each fiscal quarter ending thereafter that ends at least 60 days before the Closing Date and the related consolidated profit and loss statement, comprehensive loss, (deficit) equity and cash flows of the Target and its subsidiaries for the portion of the year ending on each last day of such fiscal quarters (in the case of clauses (c) and (d), without footnote disclosure); provided that (x) the filing of the required financial statements on form 10-K and/or form 10-Q by the Borrower will satisfy the foregoing requirements in respect of the Borrower and its subsidiaries and (y) the Commitment Parties hereby acknowledge receipt of (I) the financial statements referenced in clause (a) for the fiscal years ended December 31, 2021 and December 31, 2022 and (II) the financial statements referenced in clause (b)(i), (c) (for the period ending on June 30, 2023) and (d) (for the period ending on June 30, 2023).

5. The Commitment Parties shall have received a pro forma consolidated balance sheet and related pro forma consolidated statement of income of the Borrower and its subsidiaries as of and for the twelve-month period ending on the last day of the most recently completed four-fiscal quarter period ended at least 45 days prior to the Closing Date (or 90 days in case such four-fiscal quarter period is the end of the Borrower's fiscal year), prepared after giving effect to the Transactions (including the acquisition of the Target) as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of such statement of income), which need not be prepared in compliance with Regulation S-X under the Securities Act or include adjustments for purchase accounting.

6. (a) Each of the Purchase Agreement Representations shall be true and correct, but only to the extent required by the Limited Conditionality Provision; and (b) each of the Specified Representations shall be true and correct in all material respects (and in all respects if qualified by material adverse effect or other materiality qualifier).

7. The Administrative Agent and each Lead Arranger shall have received, (x) at least 3 business days prior to the Closing Date, all documentation and other information about the Borrower as shall have been reasonably requested in writing by the Administrative Agent or any Lead Arranger at least 10 business days prior to the Closing Date and required by U.S. regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and (y) a beneficial ownership certificate to the extent required under, and in accordance with the requirements of, 31 C.F.R § 1010.230.

8. All fees required to be paid on the Closing Date pursuant to the Fee Letters and reasonable out-of-pocket expenses required to be paid on the Closing Date pursuant to the Commitment Letter, to the extent, in the case of expenses, a reasonably detailed invoice has been delivered to the Borrower at least one business day prior to the Closing Date (except as otherwise reasonably agreed by the Borrower) shall have been paid (or shall be paid from or offset against the proceeds of the initial fundings under the Bridge Facility).

9. The Closing Date shall not occur prior to October 15, 2023 (or such earlier date as agreed by the Commitment Parties).

10. The Borrower shall have engaged one or more investment banks reasonably satisfactory to the Commitment Parties to publicly sell or privately place equity securities and debt securities of the Borrower, which may include convertible debt securities, unsecured senior and/or subordinated non-convertible debt securities, convertible preferred stock (including mandatory convertible preferred securities), other equity-linked securities (including tangible equity units or other stock purchase contracts) and/or any combination of one or more of the foregoing (including units representing one or more of the foregoing), that will provide proceeds in an aggregate amount sufficient to replace the commitments with respect to, or to repay the principal and other amounts then outstanding

under, the Bridge Facility (it being understood and agreed by the Commitment Parties that the condition in this paragraph 10 has been satisfied as of the date hereof).

11. So long as the Specified Consents have been obtained and subject to the Limited Conditionality Provision, all actions necessary to establish that the Administrative Agent will have a perfected first priority security interest on a pari passu basis with the Existing Credit Agreement (subject to liens permitted under the Bridge Facility Documentation) in the Collateral shall have been taken.



FORM OF SOLVENCY CERTIFICATE

[\_\_\_\_], 20[\_\_]

This Solvency Certificate is being executed and delivered pursuant to Section [\_\_] of the [\_\_\_\_] (the "Credit Agreement"), dated as of [\_\_\_\_], 20[\_\_], among Enovis Corporation (the "Borrower"), the lenders party thereto from time to time and JPMorgan Chase Bank, N.A., as the administrative agent; the terms defined therein being used herein as therein defined.

I, [\_\_\_\_], the chief financial officer of the Borrower, solely in such capacity and not in an individual capacity, hereby certify that I am the chief financial officer of the Borrower and that I am generally familiar with the businesses and assets of the Borrower and its Subsidiaries (taken as a whole), I have made such other investigations and inquiries as I have deemed appropriate and I am duly authorized to execute this Solvency Certificate on behalf of the Borrower pursuant to the Credit Agreement.

I further certify, solely in my capacity as chief financial officer of the Borrower, and not in my individual capacity, as of the date hereof and after giving effect to the Transactions and the incurrence of the indebtedness and obligations being incurred in connection with the Credit Agreement and the Transactions on the date hereof, that, with respect to the Borrower and its Subsidiaries on a consolidated basis, (a) the sum of the fair value of the assets, at a fair valuation, of the Borrower and its Subsidiaries (taken as a whole) will exceed their debt, (b) the sum of the present fair salable value of the assets of the Borrower and its Subsidiaries (taken as a whole) will exceed their debt, (c) the Borrower and its Subsidiaries (taken as a whole) have not incurred and do not intend to incur, and do not believe that they will incur, debts beyond their ability to pay such debts as such debts mature and (d) the Borrower and its Subsidiaries (taken as a whole) will have sufficient capital with which to conduct their business. For purposes hereof, (x) "debt" means any liability on a claim, (y) "claim" means (a) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured or (b) right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and (z) the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, I have executed this Solvency Certificate on the date first written above.

By: \_\_\_\_\_  
Name:  
Title: Chief Financial Officer

## CERTIFICATIONS

I, Matthew L. Trerotola, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Enovis Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 7, 2023

/s/ Matthew L. Trerotola

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**Matthew L. Trerotola**  
**President and Chief Executive Officer**  
**(Principal Executive Officer)**

## CERTIFICATIONS

I, Phillip B. Berry, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Enovis Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 7, 2023

/s/ Phillip B. Berry

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**Phillip B. Berry**  
**Senior Vice President and**  
**Chief Financial Officer**  
**(Principal Financial Officer)**

**Certification Pursuant to 18 U.S.C. Section 1350  
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)**

I, Matthew L. Trerotola, as President and Chief Executive Officer of Enovis Corporation (the "Company"), certify, pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that to my knowledge:

1. the quarterly report on Form 10-Q of the Company for the period ended September 29, 2023 (the "Report"), filed with the U.S. Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 7, 2023

/s/ Matthew L. Trerotola

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**Matthew L. Trerotola**  
**President and Chief Executive Officer**  
**(Principal Executive Officer)**

**Certification Pursuant to 18 U.S.C. Section 1350  
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)**

I, Phillip B. Berry, as Senior Vice President and Chief Financial Officer of Enovis Corporation (the "Company"), certify, pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that to my knowledge:

1. the quarterly report on Form 10-Q of the Company for the period ended September 29, 2023 (the "Report"), filed with the U.S. Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 7, 2023

/s/ Phillip B. Berry

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**Phillip B. Berry**  
**Senior Vice President and**  
**Chief Financial Officer**  
**(Principal Financial Officer)**