UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	Chapter 11
Exactech, Inc., *et al.*,[1]	Case No. 24-12441 (LSS)
	(Jointly Administered)
Debtors.	**Re: Docket No. 391 & 535**

NOTICE OF FILING OF (I) SECOND AMENDED DISCLOSURE STATEMENT RELATING TO THE SECOND AMENDED JOINT CHAPTER 11 PLAN OF EXACTECH, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE AND (II) BLACKLINE OF SAME

PLEASE TAKE NOTICE that, on December 31, 2024, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed the *Disclosure Statement Relating to the Joint Chapter 11 Plan of Exactech, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 391] with the United States Bankruptcy Court for the District of Delaware (the "Court").

PLEASE TAKE FURTHER NOTICE that, on February 3, 2025, the Debtors filed the *First Amended Disclosure Statement Relating to the First Amended Joint Chapter 11 Plan of Exactech, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy* [Docket No. 535] (the "First Amended Disclosure Statement") with the Court.

PLEASE TAKE FURTHER NOTICE that the Debtors have revised the First Amended Disclosure Statement, a copy of which is attached hereto as **Exhibit A** (the "Second Amended Disclosure Statement").

PLEASE TAKE FURTHER NOTICE that, for the convenience of the Court and parties in interest, a blackline reflecting the changes made to the Second Amended Disclosure Statement is attached hereto as **Exhibit B**.

PLEASE TAKE FURTHER NOTICE that the Debtors intend to seek approval of the Amended Disclosure Statement at the hearing scheduled for March 27, 2025 at 10:00 a.m. (ET).

PLEASE TAKE FURTHER NOTICE that the Debtors reserve their rights to further amend, supplement, or modify the Second Amended Disclosure Statement.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: Osteon Holdings, Inc. (7042); Osteon Intermediate Holdings I, Inc. (7778); Osteon Intermediate Holdings II, Inc. (1292); Exactech, Inc. (3930); and XpandOrtho, Inc. (4250). The Debtors' service address is 2320 NW 66th Court, Gainesville, Florida 32653.

Dated: March 20, 2025
Wilmington, Delaware

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Exhibit A

Second Amended Disclosure Statement

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	Chapter 11
Exactech, Inc., *et al.*,[1]	Case No. 24-12441 (LSS)
Debtors	(Jointly Administered)

SECOND AMENDED DISCLOSURE STATEMENT RELATING TO THE SECOND AMENDED JOINT CHAPTER 11 PLAN OF EXACTECH, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

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- and –

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number are: Osteon Holdings, Inc. (7042); Osteon Intermediate Holdings I, Inc. (7778); Osteon Intermediate Holdings II, Inc. (1292); Exactech, Inc. (3930); and XpandOrtho, Inc. (4250). The Debtors' service address is 2320 NW 66th Court, Gainesville, Florida 32653.

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Independent Counsel to the Special Committee

Dated: March 20, 2025

NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN OFFER, ACCEPTANCE, COMMITMENT, OR LEGALLY BINDING OBLIGATION OF THE DEBTORS OR ANY OTHER PARTY IN INTEREST, AND THIS DISCLOSURE STATEMENT IS SUBJECT TO APPROVAL BY THE BANKRUPTCY COURT AND OTHER CUSTOMARY CONDITIONS. THIS DISCLOSURE STATEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES.

IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE *SECOND AMENDED JOINT CHAPTER 11 PLAN OF EXACTECH, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE*. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE VII HEREIN.

PURSUANT TO THE RESTRUCTURING SUPPORT AGREEMENT, THE PLAN IS CURRENTLY SUPPORTED BY THE DEBTORS AND THE AD HOC GROUP CONSISTING OF HOLDERS OF SUBSTANTIALLY ALL OF THE PREPETITION FIRST LIEN CLAIMS (THE "AD HOC GROUP").

THE DEBTORS URGE EACH HOLDER OF A CLAIM OR INTEREST ENTITLED TO VOTE ON THE PLAN TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND THE PROPOSED RESTRUCTURING TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A GUARANTEE BY THE BANKRUPTCY COURT OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN, AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE MERITS OF THE PLAN, OR THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, FINANCIAL INFORMATION AND DOCUMENTS ANNEXED TO THIS DISCLOSURE STATEMENT, CERTAIN STATUTORY PROVISIONS, A SUMMARY OF THE RELEASES CONTEMPLATED BY THE PLAN AND THE SPECIAL COMMITTEE'S REPORT ON CERTAIN CAUSES OF ACTION RELATED THERETO, AND CERTAIN ANTICIPATED EVENTS IN THE CHAPTER 11 CASES. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH ANTICIPATED EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE

DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THE DEBTORS' BOOKS AND RECORDS AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES. ALTHOUGH THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE DEBTORS OR ANY OTHER AUTHORIZED PARTY MAY SEEK TO INVESTIGATE, FILE, AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS BEFORE OR AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO, AND EXPRESSLY DISCLAIM ANY DUTY TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE. HOLDERS OF CLAIMS OR INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION, MODIFICATION, OR AMENDMENT. THE DEBTORS RESERVE THE RIGHT TO FILE AN AMENDED OR MODIFIED PLAN AND RELATED DISCLOSURE STATEMENT FROM TIME TO TIME.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE

VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED HEREIN AND SET FORTH IN ARTICLE IX OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED, OR IF CONFIRMED, THAT THE CONDITIONS PRECEDENT TO BE SATISFIED FOR THE PLAN TO GO EFFECTIVE WILL BE SATISFIED.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS OR INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS OR INTERESTS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN, WHO VOTE TO REJECT THE PLAN, OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE RESTRUCTURING TRANSACTIONS CONTEMPLATED THEREBY.

YOU ARE ENCOURAGED TO READ THE PLAN AND THIS DISCLOSURE STATEMENT IN ITS ENTIRETY, INCLUDING ARTICLE XI, ENTITLED "CERTAIN RISK FACTORS TO BE CONSIDERED BEFORE VOTING," BEFORE SUBMITTING YOUR BALLOT TO VOTE ON THE PLAN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN REGULATORY AGENCY, NOR HAS THE SEC OR ANY OTHER AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT.

THE DEBTORS HAVE SOUGHT TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT; HOWEVER, THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR INCORPORATED HEREIN BY REFERENCE HAS NOT BEEN, AND WILL NOT BE, AUDITED OR REVIEWED BY THE DEBTORS' INDEPENDENT AUDITORS UNLESS EXPLICITLY PROVIDED OTHERWISE.

STATEMENTS CONCERNING THESE AND OTHER MATTERS ARE NOT GUARANTEES OF THE DEBTORS' FUTURE PERFORMANCE. THERE ARE RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE DEBTORS' ACTUAL PERFORMANCE OR ACHIEVEMENTS TO BE DIFFERENT FROM THOSE THEY MAY PROJECT, AND THE DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE THE PROJECTIONS MADE HEREIN. THESE RISKS,

UNCERTAINTIES, AND FACTORS MAY INCLUDE THE FOLLOWING: THE DEBTORS' ABILITY TO CONFIRM AND CONSUMMATE THE PLAN; THE POTENTIAL THAT THE DEBTORS MAY NEED TO PURSUE AN ALTERNATIVE TRANSACTION IF THE PLAN IS NOT CONFIRMED; THE DEBTORS' ABILITY TO CONSUMMATE A SALE TRANSACTION; THE POTENTIAL ADVERSE IMPACT OF THE CHAPTER 11 CASES ON THE DEBTORS' OPERATIONS, MANAGEMENT, AND EMPLOYEES; THE RISKS ASSOCIATED WITH OPERATING THE DEBTORS' BUSINESS DURING THE CHAPTER 11 CASES; CUSTOMER RESPONSES TO THE CHAPTER 11 CASES; THE DEBTORS' INABILITY TO DISCHARGE OR SETTLE CLAIMS DURING THE CHAPTER 11 CASES; GENERAL ECONOMIC, BUSINESS, AND MARKET CONDITIONS; EXPOSURE TO LITIGATION; THE DEBTORS' ABILITY TO IMPLEMENT COST REDUCTION INITIATIVES IN A TIMELY MANNER; THE DEBTORS' ABILITY TO DIVEST EXISTING BUSINESSES; AND ADVERSE TAX CHANGES.

THIS DISCLOSURE STATEMENT IS SUBJECT TO FURTHER REVISION AND MAY BE AMENDED TO, AMONG OTHER THINGS, TAKE INTO ACCOUNT FURTHER SPECIFICS OF ANY RESTRUCTURING TRANSACTION TO BE CONSUMMATED PURSUANT TO THE PLAN, AND TO ACCOMMODATE ADDITIONAL REQUESTS FOR DISCLOSURE.

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EXHIBITS

EXHIBIT A Chapter 11 Plan

EXHIBIT B Restructuring Support Agreement

EXHIBIT C Corporate Organization Chart

EXHIBIT D Disclosure Statement Order

EXHIBIT E Liquidation Analysis

Important Dates[2]

Event	Date
Voting Record Date	**March 13, 2025**
Disclosure Statement Hearing and Sale Hearing	**March 27, 2025 at 10:00 a.m. (ET)**
Plan Voting Deadline	**May 2, 2025 at 4:00 p.m. (ET)**
Deadline to Object to Confirmation	**May 2, 2025 at 4:00 p.m. (ET)**
Confirmation Hearing	**May 28, 2025 at 10:00 a.m. (ET)**

[2] The dates contained in the Important Dates table may be changed by the Bankruptcy Court or the Debtors without further notice other than by such change being announced in open court.

ARTICLE I

INTRODUCTION

Exactech, Inc. and its debtor affiliates, as debtors and debtors in possession (collectively, the "Debtors," and together with direct and indirect non-Debtor subsidiaries and affiliates, collectively, the "Company" or "Exactech"), submit this disclosure statement (this "Disclosure Statement"), pursuant to section 1125 of the Bankruptcy Code, to Holders of Claims against and Interests in the Debtors in connection with the solicitation of votes for acceptance of the Plan.[3] A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. The Plan constitutes a separate chapter 11 plan for each of the Debtors.

The purpose of this Disclosure Statement, including the exhibits annexed hereto, is to provide information of a kind, and in sufficient detail, to enable creditors of the Debtors that are entitled to vote on the Plan to make an informed decision on whether to vote to accept or reject the Plan. This Disclosure Statement contains summaries of the Plan, certain statutory provisions, events that have occurred or are anticipated to occur in these Chapter 11 Cases, and certain documents related to the Plan.

By order dated [March __], 2025, the Bankruptcy Court approved this Disclosure Statement as to the Debtors in accordance with section 1125 of the Bankruptcy Code, and found that it contained "adequate information" sufficient to enable a hypothetical investor of the relevant classes of Claims or Interests to make an informed judgment about the Plan, and authorized its use in connection with the solicitation of votes with respect to the Plan. Approval of this Disclosure Statement does not, however, constitute a determination by the Bankruptcy Court as to the fairness or merits of the Plan. No solicitation of votes may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code.

RELEASES UNDER THE PLAN: The Debtors are soliciting your consent to grant releases to third parties under the Plan. The Release being granted by Creditors is described in Article II.L of this Disclosure Statement. The "Released Parties" who will benefit from this Release are described in Article II.M of this Disclosure Statement.

The Plan provides that if you affirmatively cast a Ballot to accept or reject the Plan and check the relevant Opt-In box, you will be giving your consent to the Release in Article VIII.C of the Plan and the related injunction to the fullest extent permitted by applicable law.

A. Voting and Confirmation

Article VIII of this Disclosure Statement specifies the deadlines, procedures, and instructions for voting to accept or reject the Plan, as well as the applicable standards for tabulating Ballots (as defined in the Voting Procedures). The following is an overview of

[3] Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meaning ascribed to such terms in the Plan. The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between this Disclosure Statement and the Plan, the Plan will govern.

certain information related to voting that is contained in Article VIII of this Disclosure Statement and elsewhere in this Disclosure Statement.

Each holder of a Claim in Class 3 (Prepetition Pari 1L Claims) and Class 4 (General Unsecured Claims) is entitled to vote to accept or reject the Plan. Each of Class 3 and Class 4 shall have accepted the Plan pursuant to the requirements of section 1126(c) of the Bankruptcy Code if at least two-thirds in amount and more than fifty percent in number of those Claims actually voted in each of Class 3 and Class 4, respectively, accept the Plan. Assuming the requisite acceptances in either Class are obtained, the Debtors intend to seek confirmation of the Plan at the Confirmation Hearing scheduled for May 28, 2025, before the Bankruptcy Court. For the avoidance of doubt, though proposed jointly, the Plan constitutes a separate Plan for each Debtor. Accordingly, a vote cast either to accept or reject the Plan by holders of Claims in Class 3 and Class 4 will be applied in the same manner and in the same amount in each Debtor's Plan.

The Debtors have engaged Kroll Restructuring Administration LLC ("Kroll" or the "Claims, Noticing and Solicitation Agent") to assist in the voting process. The Claims, Noticing and Solicitation Agent will provide additional copies of all materials and process and tabulate Ballots for Class 3 and Class 4.

To be counted, your Ballot indicating acceptance or rejection of the Plan must be received by the Claims, Noticing and Solicitation Agent no later than 4:00 p.m. (prevailing Eastern Time) on May 2, 2025 (the "Voting Deadline"). Any executed Ballot that does not indicate either an acceptance or rejection of the Plan or indicates both an acceptance and rejection of the Plan will not be counted as an acceptance or rejection and will not count toward the tabulations required pursuant to section 1129 of the Bankruptcy Code.

Prior to deciding whether and how to vote on the Plan, each holder of a Claim entitled to vote should carefully consider all of the information in this Disclosure Statement, including Article VII entitled "Risk Factors." **You should read this Disclosure Statement and the Plan with care in evaluating how the Plan will affect your Claim(s) before voting to accept or reject the Plan.**

The Debtors believe that the Plan is in the best interests of all creditors of the Debtors. The Debtors recommend that all holders of Claims against the Debtors, whose votes are being solicited, submit Ballots to accept the Plan.

B. Preliminary Statement

Founded in 1985, Exactech is a global medical device company that designs, manufactures, and markets joint replacement implants and related surgical instruments to help surgeons worldwide make patients more mobile. The Company's broad and innovative range of products include, without limitation, hip implants, knee implants, extremity implants and Exactech GPS Systems. The Company directs commercial operations in the United States as well as nine international markets, including Spain, Australia, Japan, the United Kingdom, and Italy. The Company is headquartered in Gainesville, Florida and employs approximately 900 individuals worldwide. Since its founding in 1985, the Company has expanded its distribution to over 30 countries.

In advance of these Chapter 11 Cases, however, Exactech faced a severe liquidity crisis caused by the overhang of unliquidated and contingent liabilities resulting from litigation claims and funded debt maturity payments.

Nevertheless, the Company was successful in negotiating a sale transaction for certain of its core business lines to EI BIDCO, LLC (the "Stalking Horse Purchaser") pursuant to which EI BIDCO, LLC agreed to credit bid all of the DIP Claims and all of the Prepetition First Lien Claims on behalf of the Prepetition Pari 1L Claims, and assume certain liabilities, including for the payment of certain cure costs. The terms of the contemplated Stalking Horse sale transaction are set forth in the Stalking Horse APA dated October 29, 2024, between the Debtors and the Stalking Horse Purchaser and attached to the Restructuring Support Agreement as Exhibit D. On March 6, 2025, the Debtors and the Stalking Horse Purchaser entered into an amendment to the Stalking Horse APA [Docket No. 685]. The Stalking Horse APA was subject to higher or otherwise better bids submitted in accordance with the Bidding Procedures Order (defined below), and therefore sets a floor for such other potential bids to acquire the corresponding assets during the Company's Chapter 11 Cases.[4]

On October 29, 2024, the Debtors commenced the Chapter 11 Cases in the United States Bankruptcy Court for the District of Delaware, with the goal of completing the sale to the Stalking Horse Purchaser or, in the event the Stalking Horse Purchaser was not the Winning Bidder, then to the Winning Bidder and responsibly winding down the Debtors' Estates thereafter. Shortly thereafter, the Debtors filed their Bidding Procedures Motion (defined below) to establish certain sale process dates and deadlines discussed in greater detail herein. The Bankruptcy Court entered the Bidding Procedures Order on December 10, 2024.

Following the consummation of the contemplated sale of substantially all of the Debtors' assets (including the equity of the Debtors' non-debtor foreign subsidiaries) (the "Sale Transaction") under the Plan, the Debtors propose to wind down their Estates. Under chapter 11, a debtor may reorganize or liquidate their business for the benefit of all stakeholders. The consummation of the Sale Transaction followed by an orderly wind-down is the principal objective of these Chapter 11 Cases.

C. Overview of the Plan

The following is a general overview of how the Plan treats all holders of Claims against, and Interests in, the Debtors. It is qualified in its entirety by, and should be read in conjunction with, the more detailed discussions, information, and notes appearing elsewhere in this Disclosure Statement and in the Plan. For a more detailed description of the terms and provisions of the Plan, please refer to Article VI of this Disclosure Statement titled "The Debtors' Restructuring Support Agreement and Summary of the Plan."

Each of the Debtors is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code. The Plan does not contemplate the substantive consolidation of the Debtors'

[4] As detailed herein, no higher or otherwise better bids were received by the Debtors in accordance with the Bidding Procedures Order in advance of the Bid Deadline. On March 6, 2025, the Debtors filed the *Notice of Cancellation of Auction and Designation of Stalking Horse Bid as the Winning Bid* [Docket No. 684], designating the Stalking Horse Bid as the Winning Bid and cancelling the Auction.

Estates. Instead, the Plan, although proposed jointly, constitutes a separate chapter 11 plan for each of the Debtors.

The primary objective of the Plan is to maximize value for all stakeholders and generally to distribute all property of the Estates that is or becomes available for distribution generally in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that the Plan accomplishes this objective and is in the best interest of the Estates.

Generally speaking, the Plan:

- provides for the sale of substantially all of the Debtors' assets to the Winning Bidder through the Sale Transaction;
- provides the vesting of remaining assets following consummation of the Sale Transaction in the Wind-Down Trust for the purpose of monetization and distribution to Holders of Allowed Claims;
- designates a Wind-Down Trustee to wind down the Debtors' affairs, pay and reconcile Claims against the Debtors, and administer the Plan in an efficient manner;
- provides for payment in full or such other treatment as to render such Claims Unimpaired of Allowed Administrative Claims, Statutory Fees, Allowed Priority Tax Claims, Allowed Other Security Claims, and Allowed Priority Non-Tax Claims;
- does not provide for a recovery for holders of section 510(b) Claims or Prepetition Equity Interests; and
- subject to the consent of the Winning Bidder, does not provide a recovery for holders of Intercompany Claims or Intercompany Interests.

The Plan includes certain debtor and consensual third-party releases. The Special Committee, with the assistance of its independent counsel, assessed the existence of potential Claims or Causes of Action that the Debtors may hold against certain insiders and other affiliated Entities and whether the Debtors should retain, release, or seek to settle any such Claims and Causes of Action. In conjunction with those efforts, the Special Committee, with the assistance of its independent counsel, evaluated, among other things, the proposed releases and settlements contemplated by the Plan. As set forth in Article V.O of this Disclosure Statement, the Special Committee concluded that Estate Claims (as defined below) against the Sponsor and its Related Parties (including Sponsor Related Parties that previously served as officers or directors of the Debtors) should not be released unless the Sponsor agreed to provide adequate consideration. Additionally, the Special Committee has concluded that any proposed releases of Estate Claims should not include at this time the release of any Claims potentially held against David Petty. Finally, given the scope of the Independent Investigation, the Special Committee has also concluded that any proposed releases of Estate Claims should not include at this time the release of any Claims potentially held against former officers and directors of the Debtors unless such parties agree to provide adequate consideration (or another party agrees to provide adequate consideration on behalf of such parties).

The Debtors (including through the Special Committee) are engaged with their key stakeholders (including the Ad Hoc Group, the Committee, the DOJ, and the Sponsor) in an effort to resolve various matters. Further, the Debtors, the Special Committee, the Committee, and TPG VII Osteon Holdings, LP are participating in non-binding mediation regarding the terms of a potential consensual chapter 11 plan and the treatment of certain claims and causes of action held by the Debtors and their Estates. With the assistance of the Court-appointed mediator, following extensive negotiations with the Sponsor, the Special Committee has reached an agreement in principle with the Sponsor on the terms of a settlement pursuant to which the Special Committee would consent to providing a release of Estate Claims and Causes of Action against the Sponsor and its Related Parties (including Sponsor Related Parties that previously served as officers or directors of the Debtors) in exchange for contribution by the Sponsor of $10,000,000 in consideration. Specifically, the Sponsor shall contribute (i) $5,000,000 in cash and (ii) the portion of the New Takeback Debt and New Interests that the Sponsor is entitled to receive on account of the amount of the Prepetition Sidecar Claims that is attributable to the Exit Fee or the Applicable Premium arising and payable under the Prepetition Sidecar Credit Agreement (as defined therein), which the Special Committee values as $5,000,000.

The Special Committee also understands that the Sponsor and the Ad Hoc Group have agreed in principle to resolve the JointMedica Adversary Proceeding, subject to agreement on definitive documentation. However, the mediation and other discussions (which are ongoing and may not result in consensual resolutions with the relevant parties) may result in further settlements of certain disputed matters, including related to the Debtor releases contained in Article VIII.B of the Plan. Any such settlements, if reached, are expected to result in the potential inclusion of amendments or modifications of the Plan to propose additional settlements pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019. The Debtors believe that resolution of these controversies in advance of the Confirmation Hearing could facilitate the favorable resolution of these Chapter 11 Cases and maximize distributions to Holders of Allowed Claims.

The Debtors, at the direction of the Special Committee, reserve the right to withdraw, or modify the releases in the Plan in advance of the Confirmation Date subject in all respects to, and without limiting any rights in, the Restructuring Support Agreement.

As referenced above, among other things, the Plan provides for the sale of substantially all of the Debtors' assets to the Winning Bidder through the Sale Transaction. Although there is not present intention to do so, the Debtors may, with the consent of the Required Consenting Lenders, modify the Plan to provide for a reorganization of the Debtors rather than a sale of substantially all assets. In the event the Debtors pivot to a reorganization of the Debtors and away from a sale of all or substantially all assets, the Debtors anticipate that the treatment of all Claims and Interests would remain as currently set forth in the Plan with the exception of the treatment of (1) DIP Claims, and (2) Prepetition Pari 1L Claims, which claims would receive takeback debt issued by the reorganized Debtors and 100% of the equity interests of the reorganized Debtors.

The Debtors believe that the Plan maximizes recoveries in the Chapter 11 Cases. While the Debtors reserve the right to amend or modify the Plan, including, with the consent of the Required Consenting Lenders, to provide for a reorganization of the Debtors rather than a sale of substantially all of the Debtors' assets, the Debtors do not currently have a viable alternative to the Sale

Transaction meaning that absent consummating a Sale Transaction and confirming the Plan, the Debtors would need to convert these Chapter 11 Cases to a liquidation under Chapter 7 of the Bankruptcy Code, which would materially reduce recoveries to Holders of Claims, as reflected in the Liquidation Analysis, attached hereto as **Exhibit E**. Accordingly, the Debtors urge all Holders of Claims entitled to vote to accept the Plan.

ARTICLE II

QUESTIONS AND ANSWERS REGARDING THIS DISCLOSURE STATEMENT AND PLAN

A. Why are the Debtors sending me this Disclosure Statement?

The Debtors will be seeking to obtain Bankruptcy Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the Debtors to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the Plan and to share such disclosure statement with all Holders of Claims whose votes on the Plan are being solicited. This Disclosure Statement is being submitted in accordance with these requirements.

B. Am I entitled to vote on the Plan?

Your ability to vote on, and your distribution under, the Plan, if any, depends on what type of Claim you hold. Each category of Claims or Interests, as set forth in Article III of the Plan pursuant to section 1122(a) of the Bankruptcy Code, is referred to as a "Class." Each Class's respective voting status is set forth below:

Class	Claim or Interest	Status	Voting Rights
1.	Other Secured Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
2.	Priority Non-Tax Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
3.	Prepetition Pari 1L Claims	Impaired	Entitled to Vote
4.	General Unsecured Claims	Impaired	Entitled to Vote
5.	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
6.	Intercompany Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
7.	Intercompany Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

Class	Claim or Interest	Status	Voting Rights
8.	Prepetition Equity Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

As set forth in Article III of the Plan and in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code, all Claims and Interests (other than Administrative Claims, Professional Fee Claims, DIP Claims, and Priority Tax Claims) are classified into Classes for all purposes, including voting, Confirmation, and distributions. A Claim or Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. A Claim or Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The table above summarizes the classification and voting rights of all classified Claims against and Interests in each Debtor under the Plan. As set forth in more detail in the Plan, the Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth in the Plan shall apply separately to each of the Debtors. All of the potential Classes are set forth in the Plan. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Classes shall be treated as set forth in Article III of the Plan.

C. I filed a Proof of Claim, how do I vote on the Plan?

If you held a Claim entitled to vote on the Plan as of the Voting Record Date of March 13, 2025, a Solicitation Package will be mailed to you at the address set forth in your proof of claim or, if no proof of claim was filed, the address listed for you in the Schedules. The Solicitation Package will include an appropriate form of Ballot, together with detailed voting instructions and a pre-addressed, postage prepaid return envelope. You can vote using the Ballot and following the detailed instructions for submitting the Ballot by mail or using the electronic balloting portal.

D. I filed a Proof of Claim, why did I not receive a Solicitation Package?

Only parties holding Claims entitled to vote on the Plan as of the Voting Record Date of March 13, 2025, will receive Solicitation Packages. If you believe you should have received a Solicitation Package and did not, you can reach out to the Claims, Noticing and, Solicitation Agent by: (a) writing via first-class mail, hand delivery, or overnight mail to Exactech, Inc. Ballot Processing Center, c/o Kroll Restructuring Administration LLC, 850 3rd Avenue, Suite 412, Brooklyn, NY 11232; (b) by writing via electronic mail to ExactechInfo@ra.kroll.com with a reference to "Exactech, Inc. Solicitation Inquiry" in the subject line, or (c) calling the Debtors' restructuring hotline at (833) 918-0986 (U.S./Canada, toll-free) or +1 (646) 781-8728 (international, toll) / +61 (2) 72-094-837 (Australia, toll).

E. My attorney filed my Proof of Claim, why did I not receive a Solicitation Package?

If your attorney filed a Proof of Claim on your behalf, your Solicitation Package, including your Ballot to vote to accept or reject the Plan, may have gone directly to your attorney. You should communicate with your attorney directly about your Solicitation Package and voting on the Plan.

F. Why does the Ballot I received say the amount of my Claim is $1.00 when I filed my Proof of Claim in a higher amount?

Pursuant to the Debtors' Solicitation Procedures, Personal Injury Claims (as determined on the face of the Claim or after a reasonable review of the supporting documentation by the Claims, Noticing and Solicitation Agent) will be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, at $1.00, unless the Claim is accompanied by supporting documentation evidencing that the value of the Claim has been liquidated at a higher value either though settlement signed by the applicable Debtor or by a judgment of an appropriate tribunal. *See* Solicitation Procedures at 6.

G. Why does the Ballot I received say the amount of my Claim is $1.00 when I filed my Proof of Claim in an unliquidated amount?

Pursuant to the Debtors' Solicitation Procedures, a Claim for which a Proof of Claim was timely filed for unknown or undetermined amounts, or that is wholly unliquidated or wholly contingent (for example, a Claim based on litigation, potential litigation or product liability) (as determined on the face of the Claim or after a reasonable review of the supporting documentation by the Claims, Noticing and Solicitation Agent) and that has not been allowed, will be temporarily allowed for voting purposes only at $1.00. *See* Solicitation Procedures at 6-7.

H. What can I do if I disagree with the amount of my Claim listed on my Ballot?

To the extent you disagree with the amount of your Claim listed on your Ballot and wish to have your Claim temporarily allowed for voting purposes in a different amount, you may file a motion under Bankruptcy Rule 3018(a) by no later than April 18, 2025 at 4:00 p.m. (ET). The Debtors will have ten (10) days to respond to any such motions.

I. What are the sources of Cash and other consideration required to fund the Plan?

The Debtors or the Wind-Down Trust, as applicable, will fund the distributions under the Plan as set forth in the Plan with (i) the Sale Proceeds, including the Wind-Down Amount, (ii) Wind-Down Trust Assets, (iii) the GUC Reserve, and (iv) the Sponsor Consideration.

J. What will I receive from the Debtors if the Plan is consummated?

The following chart provides a summary of the anticipated recovery to Holders of Claims and Interests under the Plan. Any estimates of Claims or Interests in this Disclosure Statement may vary from the final amounts allowed by the Bankruptcy Court. Your ability to receive distributions under the Plan depends upon the ability of the Debtors to obtain Confirmation and meet the conditions necessary to consummate the Plan.

Each Holder of an Allowed Claim shall receive under the Plan the treatment described below in full and final satisfaction, settlement, release, and discharge of and in exchange for such Holder's Claim, except to the extent different treatment is agreed to by the Debtors and the Holder of such Allowed Claim. Unless otherwise indicated, the Holder of an Allowed Claim, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter. Projected recoveries included in the summary table below reflect the Debtors' analysis of anticipated Claims.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/ Equity Interest**	**Treatment of Claim/Equity Interest**	**Projected Amount of Claims[5]**	**Projected Recovery[6]**
1.	Other Secured Claims	Each Holder of an Allowed Other Secured Claim shall receive, at the option of the applicable Debtor or the Wind-Down Trustee, with the consent of the Winning Bidder, as applicable: (i) payment in full in Cash, (ii) the collateral securing such Holder's Other Secured Claim, or (iii) such other treatment as to render such Holder's Other Secured Claim Unimpaired; *provided* that if any such Allowed Other Secured Claim is Secured by an Acquired Asset, such choice of treatment will be with the consent of the Stalking Horse Purchaser.	$77.2 million	100%

[5] The estimated amount of each Allowed Claim is an estimate only, and actual amounts may be more or less than those set forth herein.

[6] The estimated recovery is an estimate only, and actual amounts may be more or less than those set forth herein based on, among other things, Proofs of Claim filed but not yet reconciled with the Debtors' books and records, Proofs of Claim filed subsequent to the filing of this Disclosure Statement, Claims arising from the rejection of Executory Contracts or Unexpired Leases and the resolution of Disputed Claims.

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/ Equity Interest**	**Treatment of Claim/Equity Interest**	**Projected Amount of Claims[5]**	**Projected Recovery[6]**
2.	Priority Non-Tax Claims	Each Holder of an Allowed Priority Non-Tax Claim shall receive, at the option of the applicable Debtor or the Wind-Down Trustee, as applicable: (i) payment in full in Cash of the unpaid portion of its Priority Non-Tax Claim on the later of the Effective Date and such date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, or (ii) such other treatment as to render such Allowed Priority Non-Tax Claim Unimpaired.	Less than $50,000	100%
3.	Prepetition Pari 1L Claims	Each Holder of a Prepetition Pari 1L Claim shall receive in accordance with the Sale Transaction Documents, its Pro Rata share of (A) the amount of New Takeback Debt remaining after the DIP Takeback Exchange and (B) 100% of the New Interests (subject to dilution by the Management Incentive Plan); *provided* that the portion of the New Takeback Debt and New Interests that the Sponsor is entitled to receive on account of the Prepetition Sidecar Claims that is attributable to the Exit Fee or the Applicable Premium arising and payable under the Prepetition Sidecar Credit Agreement shall constitute part of the Sponsor Contribution for liquidation and distribution to the Holders of Allowed General Unsecured Claims.	$369.2 million	Not determined

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/ Equity Interest**	**Treatment of Claim/Equity Interest**	**Projected Amount of Claims[5]**	**Projected Recovery[6]**
4.	General Unsecured Claims	Each Holder of an Allowed General Unsecured Claim shall receive its aggregate Pro Rata share of (A) the GUC Reserve and (B) the Sponsor Consideration.	$70-100 million[7]	Less than 1%[8]
5.	Section 510(b) Claims	Each Holder of a Section 510(b) Claim, if any, will not receive any distribution on account of such Section 510(b) Claims.	$0	0%
6.	Intercompany Claims	On the Effective Date, except to the extent that an Intercompany Claim is assumed by or sold to the Winning Bidder in the Sale Transaction, each Allowed Intercompany Claim shall with the consent of the Winning Bidder, either be cancelled, released, reinstated, contributed, distributed, transferred, set off, settled, or otherwise addressed. No distribution should be made on account of Intercompany Claims.	$100,000	0%
7.	Intercompany Interests	On the Effective Date, each Allowed Intercompany Interest shall, with the consent of the Winning Bidder, either be cancelled, released, extinguished, reinstated, transferred, set off, settled, or otherwise	Undetermined	0%

[7] As discussed in Article IV herein, the Debtors face many litigation-related Claims that are contingent, unliquidated, and disputed and the liability on such Claims, if any, is highly speculative. Therefore, the estimate for the General Unsecured Claims does not include such amounts for litigation related Claims, which could materially increase the estimate.

[8] Due to the many litigation-related Claims filed against the Debtors, including thousands of unliquidated claims, the Debtors estimate that the recovery to Holders of General Unsecured Claims will be less than 1%. The projected recovery could potentially be reduced on account of sums paid to Huron (defined below) during the pendency of these Chapter 11 Cases and pursuant to any Final Order approving Huron's Professional Fee Claims. If the Stalking Horse Bid is approved at the Sale Hearing, the Debtors anticipate that Huron's fees will be approximately $750,000 and the resulting amount of the GUC Reserve based on that amount will be $125,000.

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/ Equity Interest**	**Treatment of Claim/Equity Interest**	**Projected Amount of Claims[5]**	**Projected Recovery[6]**
		addressed pursuant to the Sale Transaction such that such Intercompany Interest is, to the extent reasonably practicable, treated in a tax-efficient manner. Each Holder of an Intercompany Interest shall not receive or retain any distribution, property, or other value on account of its Intercompany Interest.		
8.	Prepetition Equity Interests	Each Prepetition Equity Interests shall be cancelled, and the Holders thereof shall not receive or retain any property on account of such interests under the Plan.	N/A	0%

K. What will I receive from the Debtors if I hold an Allowed Administrative Claim, or Priority Tax Claim?

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims or Interests in accordance with Article III of the Plan, and as set forth below.

1. Administrative Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims, Transaction Expenses, or DIP Claims) will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim in accordance with the following: (1) if such Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim, without any further action by the Holder of such Allowed

Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Wind-Down Trustee, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except for Professional Fee Claims, DIP Claims, and Transaction Expenses (which are addressed in Article II.B, Article II.D, and Article II.F of the Plan, respectively), and unless previously Filed, requests for payment of Administrative Claims arising after January 10, 2025 must be Filed and served on the Wind-Down Trustee no later than the Administrative Claim Bar Date or other bar date pursuant to the procedures specified in the Bar Date Order, the Plan, the Confirmation Order, and the notice of entry of the Confirmation Order. Objections to such requests must be Filed and served on the Wind-Down Trustee (if the Wind-Down Trustee is not the objecting party) and the requesting party on or before the Administrative Claim Objection Bar Date. If an objection is timely filed, after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, an order of the Bankruptcy Court that becomes a Final Order. If no objection is timely filed, each Administrative Claim shall be Allowed in the amount asserted in the Administrative Claim.

Objections to such requests must be Filed and served on the Wind-Down Trustee (if the Wind-Down Trustee is not the objecting party) and the requesting party on or before the Administrative Claim Objection Bar Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, an order of the Bankruptcy Court that becomes a Final Order.

Except for Professional Fee Claims, DIP Claims, and Transaction Expenses, Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not File and serve such a request on or before the applicable Administrative Claim Bar Date or other date established by the Bar Date Order shall be Disputed and unless Allowed by a Final Order shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Estates, the Wind-Down Trust, the Wind-Down Trustee, or the property of any of the foregoing, and such Administrative Claims shall be deemed discharged and released as of the Effective Date.

2. DIP Claims

Notwithstanding anything to the contrary herein, in full and final satisfaction, settlement, release and discharge of and in exchange for release of all Allowed DIP Claims, on the Effective Date, each Allowed DIP Claim shall be credit bid in its entirety in accordance with the Stalking Horse APA and the Restructuring Transactions Memorandum, and each holder of an Allowed DIP Claim shall receive New Takeback Debt in accordance with the DIP Takeback Exchange. The DIP Claims shall be Allowed in the aggregate amount outstanding under the DIP Credit Agreement Documents as of the Effective Date. For the avoidance of doubt, the DIP Claims include interest and any of the DIP Fees and Expenses (as defined in the Final DIP Order). Upon satisfaction of all

DIP Claims in accordance with the DIP Credit Agreement, all Liens and security interests granted by the Debtors to secure the DIP Claims shall be of no further force or effect.

3. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim and the Debtors against which such Allowed Priority Tax Claim is asserted agree to a less favorable treatment, in exchange for full and final satisfaction, settlement, release and discharge of each Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive, at the option of the Debtors (with the consent of the Winning Bidder), either: (i) the full unpaid amount of such Allowed Priority Tax Claim in Cash on the later of the Effective Date and the date on which such Priority Tax Claim becomes an Allowed Claim (or, if not then due, when such Allowed Priority Tax Claim is due); (ii) equal annual installment payments in Cash, of a total value equal to the Allowed amount of such Priority Tax Claim, over a period ending not later than five (5) years after the Petition Date, or (iii) otherwise treated in accordance with Section 1129(a)(9)(C) of the Bankruptcy Code.

4. Transaction Expenses

Without the filing of any retention applications, fee applications, or any other applications in the Chapter 11 Cases, and without any requirement for further notice or Bankruptcy Court review or approval, on the Effective Date, the Debtors shall pay in full in Cash any outstanding Transaction Expenses.

L. Are there any regulatory approvals required to consummate the Sale Transaction contemplated under the Plan?

Certain regulatory approvals are required prior to the consummation of the Sale Transaction proposed under the Plan. More specifically, the devices and other products developed and sold by the Debtors are subject to extensive regulation, and licensing and certification requirements by foreign, federal, state and local governmental and regulatory authorities. In order to avoid unwanted market disruption, which could jeopardize patient care, consummation of the Sale Transaction requires consent of certain regulatory authorities to the transition of the Debtors' existing product licenses and certifications, as well as pending applications for product licenses and certifications, to the Winning Bidder. Any delays or denials from regulatory authorities on the transfer of product licenses and certifications to the Winning Bidder could significantly delay or ultimately endanger the consummation of the Sale Transaction.

M. What happens if a Sale Transaction is not consummated?

The Debtors, with the consent of the Required Consenting Lenders, may modify the Plan to provide for a reorganization rather than a contemporaneous sale of all of substantially all of the Debtors' assets. In the event the Debtors pivot to a reorganization of the Debtors and away from a sale of all or substantially all assets, the Debtors anticipate that the treatment of all Claims and Interests would remain as currently set forth in the Plan with the exception of the treatment of (1) DIP Claims, and (2) Prepetition Pari 1L Claims, which claims would receive takeback debt issued by the reorganized Debtors and 100% of the equity interests of the reorganized Debtors following the reorganized Debtors' emergence from chapter 11.

The Debtors believe that the Plan maximizes recoveries in the Chapter 11 Cases. While the Debtors reserve the right to amend or modify the Plan, including to provide for a reorganization of the Debtors rather than a sale of substantially all of the Debtors' assets, the Debtors do not currently have a viable alternative to the Sale Transaction meaning that absent consummating a Sale Transaction and confirming the Plan, the Debtors would need to convert these Chapter 11 Cases to a liquidation under Chapter 7 of the Bankruptcy Code, which would materially reduce recoveries to Holders of Claims, as reflected in the Liquidation Analysis.

N. What happens to my recovery if the Plan is not confirmed or does not go effective?

In the event that the Plan is not confirmed or does not go effective, there is no assurance that the Debtors will be able to implement the Restructuring Transactions, including the Sale Transaction. It is possible that any alternative may provide Holders of Allowed Claims with less than they would have received pursuant to the Plan. For a more detailed description of the consequences of an extended chapter 11 case, or of a scenario involving the liquidation of the Company, *see* Article IX of this Disclosure Statement, entitled "Confirmation of the Plan" and the Liquidation Analysis attached hereto as **Exhibit E**.

The Debtors believe that liquidation under chapter 7 of the Bankruptcy Code—a distinctly possible event if the Restructuring Transactions, including the Sale Transaction, are not consummated or the Plan is not confirmed—would result in reduced creditor recoveries as compared to the Plan. Smaller recoveries would result because of, among other things, the loss of the Debtors' going-concern value, significant additional administrative expenses associated with the appointment of a chapter 7 trustee and administration of a chapter 7 liquidation, including additional claims that may be entitled to administrative priority.

O. If the Plan provides that I get a distribution, do I get it upon Confirmation or when the Plan goes effective, and what is meant by "Confirmation," "Effective Date," and "Consummation?"

"Confirmation" of the Plan refers to approval of the Plan by the Bankruptcy Court. Confirmation of the Plan does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of the Plan by the Bankruptcy Court, there are conditions that must be satisfied or waived before Plan can go effective. Initial distributions to Holders of Allowed Claims will only be made on the date the Plan becomes effective—the "Effective Date"—or as soon as reasonably practicable thereafter, as specified in the Plan. *See* Article IX of the Plan for the conditions precedent to consummation of the Plan. "Consummation" of the Plan refers to the occurrence of the Effective Date, on and after which date the various Restructuring Transaction under the Plan will be implemented.

P. Is there potential litigation related to the Plan?

Parties in interest may object to the approval of this Disclosure Statement and may object to Confirmation of the Plan as well, which objections potentially could give rise to litigation. *See* Article IX.A of this Disclosure Statement.

In the event that it becomes necessary to confirm the Plan over the rejection of certain Classes, the Debtors may seek confirmation of the Plan notwithstanding the dissent of such rejecting

Classes. The Bankruptcy Court may confirm the Plan pursuant to the "cram down" provisions of the Bankruptcy Code, which allow the Bankruptcy Court to confirm a plan that has been rejected by an impaired Class if it determines that the Plan satisfies section 1129(b) of the Bankruptcy Code. *See* Article IX.F of this Disclosure Statement.

Q. Will the final amount of Allowed General Unsecured Claims affect the recovery of Holders of Allowed Unsecured Claims?

Following expiration of the Claims Bar Date, the Debtors' current estimate of aggregate Allowed General Unsecured Claims is approximately $70-100 million.[9] However, Proofs of Claim asserting over $23 billion in General Unsecured Claims have been filed against the Debtors. The Debtors have not yet reviewed or analyzed all filed proofs of claim and anticipate that many of the filed proofs of claim are related to the product liability claims. The Company disputes the merits of the product liability claims and any attendant liability on account thereof.

Although the Debtors' estimate of Allowed General Unsecured Claims is the result of the Debtors' and their advisors' analysis of reasonably available information, the projected amount of Allowed General Unsecured Claims set forth herein is subject to material change (either higher or lower), which difference could materially affect Class 4 recoveries, if any, and reflects the Debtors' current view on potential rejection damages and the universe of General Unsecured Claims that will be filed. The Debtors may object to certain Proofs of Claim, and any such objections would cause the total amount of Allowed General Unsecured Claims to change.

Furthermore, the Debtors may also reject Executory Contracts and Unexpired Leases, which will result in parties asserting General Unsecured Claims for rejection damages. The number, identity, or timing of actual rejected Executory Contracts and Unexpired Leases could have a material impact on the amount of General Unsecured Claims.

All of this could materially affect recoveries to Holders of Allowed General Unsecured Claims.

R. How will the preservation of certain Causes of Action affect my recovery under the Plan?

The Plan provides for the retention of all Causes of Action other than those that are sold, waived, abandoned, relinquished, exculpated, released, compromised, or settled.

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to the Plan and the Sale Transaction Documents, the Wind-Down Trustee shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan, other than Avoidance Actions

[9] As discussed in Article IV herein, the Debtors face many litigation related Claims that are contingent, unliquidated, and disputed and the liability on such Claims, if any, is highly speculative. Therefore, the estimate for the General Unsecured Claims does not include such amounts for litigation related Claims, which could materially increase the estimate.

and the Causes of Action (a) acquired by Exactech NewCo or its subsidiaries in accordance with the Sale Transaction, (b) released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII.B, or (c) waived.

The Wind-Down Trustee may pursue such retained Causes of Action, as appropriate, in accordance with the best interests of the Wind-Down Trust. The Wind-Down Trustee shall retain and may exclusively enforce any and all such Causes of Action. The Wind-Down Trustee shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Wind-Down Trustee will not pursue any and all available Causes of Action against it, except as assigned or transferred to Exactech NewCo in accordance with the Sale Transaction Documents, or otherwise expressly provided in the Plan. Unless any such Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, assigned, or transferred to the Exactech NewCo in accordance with the Sale Transaction Documents, or settled in the Plan or a Final Order, the Wind-Down Trustee expressly reserves all such Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

S. Will there be releases and exculpation granted to parties in interest as part of the Plan?

Yes. The Plan proposes to release the Released Parties[10] and to exculpate the Exculpated Parties.[11] The Debtors' releases, third-party releases, and exculpation provisions included in the Plan are an integral part of the Debtors' chapter 11 efforts.

The releases proposed in Article VIII.B of the Plan encompass all Claims and Causes of Action held by the Debtors and their Estates. A release or compromise by the Debtors and their Estates of a particular Claim or Cause of Action may subsequently preclude a claimant from

[10] "*Released Party*" means, collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) the Agents; (c) the DIP Lenders; (d) the Consenting Lenders; (e) Exactech NewCo; (f) the Sponsor; (g) the Stalking Horse Purchaser; (h) each Related Party of each Entity in clauses (a) through (g) (which, notwithstanding anything to the contrary herein, shall include Related Parties of the Sponsor that are current or former Related Parties of one or more of the Debtors); *provided* that David Petty shall not be a Released Party.

[11] "*Exculpated Party*" means, collectively, and, in each case, solely in their respective capacities as such and solely to the extent they served in such capacity between the Petition Date and the Effective Date: (a) the Debtors; (b) the Debtors' Professionals; (c) the Debtors' directors and officers; and (d) with respect to each of the foregoing in clauses (a) and (c), solely to the extent they are estate fiduciaries, and without duplication of parties otherwise set forth above, each such Entity's current and former Affiliates, and each such Entity's and its current and former Affiliates' current and former subsidiaries, officers, directors (including any sub-committee of directors), managers, principals, members (including ex officio members and managing members), employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

asserting its own Claim or Cause of Action under a similar legal theory, including theories of veil piercing, alter ego, or successor liability. Whether this occurs is a question of law that will depend on the particular theory and applicable non-bankruptcy law on which a creditor's Claim or Cause of Action is predicated. Creditors who have asserted or intend to assert Claims or Causes of Action against the Released Parties should consult their own counsel to determine how the releases in the Plan may affect the creditor's own Claims and Causes of Action.

The Special Committee, with the assistance of its independent counsel, assessed the existence of potential Claims or Causes of Action that the Debtors may hold against certain insiders and other affiliated Entities and whether the Debtors should retain, release, or seek to settle any such Claims and Causes of Action. This investigation is described in Article V.O below. In conjunction with those efforts, the Special Committee, with the assistance of its independent counsel, evaluated, among other things, the proposed releases and settlements contemplated by the Plan. As set forth in Article V.O of this Disclosure Statement, the Special Committee has concluded that Estate Claims against the Sponsor and its Related Parties (including Sponsor Related Parties that previously served as officers or directors of the Debtors) should be released because the Sponsor is providing $10,000,000 in consideration. Specifically, the Sponsor shall contribute (i) $5,000,000 in cash and (ii) the portion of the New Takeback Debt and New Interests that the Sponsor is entitled to receive on account of the amount of the Prepetition Sidecar Claims that is attributable to the Exit Fee or the Applicable Premium arising and payable under the Prepetition Sidecar Credit Agreement (as defined therein), which the Special Committee values as $5,000,000.The Special Committee, however, has concluded that any proposed releases of Estate Claims should not include at this time the release of any Claims potentially held against David Petty. Finally, given the scope of the Independent Investigation, the Special Committee has also concluded that any proposed releases of Estate Claims should not include at this time the release of any Claims potentially held against former officers and directors of the Debtors other than Related Parties of the Sponsor that previously served as directors and/or officers of the Debtors.

Other than the Independent Investigation with respect to the Sponsor and its Related Parties, which Independent Investigation is completed, the Special Committee's conclusions with respect to the Independent Investigation into potential Estate Claims against the above-referenced Released Parties are based on the facts and circumstances as identified and known by the Special Committee as of the date hereof. The Special Committee will remain responsive to any potential claims that are identified and will undertake appropriate investigation to ensure that valuable estate causes of action are not released for inadequate consideration. Accordingly, other than with respect to the Sponsor and its Related Parties as provided herein, to the extent the Independent Investigation uncovers Estate Claims or Causes of Action worthy of pursuit prior to Confirmation, the Special Committee may recommend that the Debtors amend and narrow the scope of the proposed Released Parties or remove such Claim or Cause of Action entirely in order to allow such Estate Claims or Causes of Action to be preserved. Pursuant to the Restructuring Support Agreement, the Plan (including the release provisions) and any amendments thereto must be reasonably acceptable to the Required Consenting Lenders.[12]

[12] Notwithstanding the Special Committee's Investigation, the Consenting Lenders have not consented to or agreed to support a Plan (or any modifications to the Plan) that provides any additional releases for the Sponsor other than as explicitly set forth in the Restructuring Support Agreement.

The Debtors believe that the releases and exculpations in the Plan given by the Debtors are necessary and appropriate and meet the requisite legal standard promulgated by the United States Court of Appeals for the Third Circuit, and that affirmative opt-in releases being granted through the Plan by third-parties are consensual. Moreover, the Debtors will be prepared to present evidence at the Confirmation Hearing to demonstrate the basis for and propriety of the release and exculpation provisions.[13] The release, exculpation, and injunction provisions that are contained in the Plan are copied in pertinent part below.

If you are a holder of Claim in Class 3 (Prepetition Pari 1L Claims) or Class 4 (General Unsecured Claims) and are therefore entitled to vote to accept or reject the Plan, you may "opt-in" to granting the third-party release by checking the box for the opt-in election on your Ballot. Your decision to opt-in to granting the third-party release will not affect your recovery under the Plan. By granting the release, you will be releasing recoupment rights you have against the Released Parties, which include the Debtors and the Winning Bidder.

If you are a holder of Claim in Class 1 (Other Secured Claims), Class 2 (Priority Non-Tax Claims), Class 5 (Section 510(b) Claims), Class 6 (Intercompany Claims), Class 7 (Intercompany Interests) or Class 8 (Prepetition Equity Interests), and are therefore not entitled to vote to accept or reject the Plan, you are not a Releasing Party under the Plan, and will not be deemed to grant the third-party release, in your capacity as such.

1. Releases by the Debtors

Pursuant to section 1123(b) and any other applicable provision of the Bankruptcy Code, in exchange for good and valuable consideration provided by each of the Released Parties, the adequacy and sufficiency of which is hereby confirmed, on and after the Effective Date, each Released Party is deemed released and discharged by each and all of the Debtors, their Estates, and the Wind-Down Trust, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims and Causes of Action, including any derivative Claims asserted or assertable on behalf of any of the Debtors, that the Debtors, their Estates, or the Wind-Down Trust, as applicable, would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among the Debtors and/or their Affiliates, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Prepetition First Lien Credit Agreement Documents, the Prepetition Sidecar Credit Agreement, the Restructuring Transactions, the Sale Transaction,

[13] For more information related to the risks associated with the failure to obtain approval of the releases and exculpations proposed under the Plan, *see* Article VII.A.13, "*Releases, Injunctions, and Exculpations Provisions May Not Be Approved*."

entry into the Stalking Horse APA, the New Takeback Debt, the New Revolving Facility (as defined in the Restructuring Support Agreement), the DIP Facility (as defined in the Restructuring Support Agreement), the Bridge Loan (as defined in the DIP Orders), the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, the Plan, the Definitive Documents, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of the Sale Transaction, Consummation, the administration and implementation of the Plan, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan, the Confirmation Order, or the Sale Order in lieu of such legal opinion, the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; *provided* that such releases will not apply to any Person or Entity with respect to any Claims, demands, liabilities, disputes, remedies, Causes of Action, indebtedness, or obligations arising from fraud, willful misconduct, or gross negligence by any such Person or Entity. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of the Debtors or the Stalking Horse Purchaser arising under the Stalking Horse APA or the Sale Order or any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, the Sale Order, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or Sale Transaction.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant section 1123(b) and Bankruptcy Rule 9019, of the releases described in this Article VIII.B, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each release described in Article VIII.B of the Plan is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good-faith settlement and compromise of the released Claims and Causes of Action; (3) in the best interests of the Debtors, their Estates, and all stakeholders; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; (6) a sound exercise of the Debtors' business judgment; and (7) a bar to any of the Debtors, their Estates, or the Wind-Down Trust asserting any released Claims or Causes of Action against any of the Released Parties or their property.

2. Releases by Holders of Claims and Interests

As of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each of the Releasing Parties is deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Debtor and each other Released Party from any and all Claims and

Causes of Action, including any derivative Claims asserted or assertable on behalf of any of the Debtors, their Estates, and the Wind Down Trust, as applicable, that such Entity would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor, the Wind-Down Trust, or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among the Debtors, and/or their Affiliates, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Prepetition First Lien Credit Agreement Documents, the Prepetition Sidecar Credit Agreement, the Restructuring Transactions, the Sale Transaction, entry into the Stalking Horse APA, the New Takeback Debt, the New Revolving Facility (as defined in the Restructuring Support Agreement), the DIP Facility (as defined in the Restructuring Support Agreement), the Bridge Loans (as defined in the DIP Orders), the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, the Definitive Documents, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of the Sale Transaction, the Consummation, the administration and implementation of the Plan, including providing any legal opinion requested by any Person or Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan, the Confirmation Order, or the Sale Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; *provided* that such releases will not apply to any Person or Entity with respect to any Claims, demands, liabilities, disputes, remedies, Causes of Action, indebtedness, or obligations arising from fraud, willful misconduct, or gross negligence by any such Person or Entity. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of the Debtors or the Stalking Horse Purchaser arising under the Stalking Horse APA or the Sale Order or any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, the Sale Order, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or Sale Transaction.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in Article VIII.C of the Plan which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each release described in this Article VIII.C is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good-faith settlement and compromise of the released Claims and Causes of Action; (3) in the best interests of the Debtors, their Estates, and all stakeholders;

(4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; (6) a sound exercise of the Debtors' business judgment; and (7) a bar to any of the Releasing Parties asserting any Claim or Cause of Action against any of the Released Parties or their property.

3. Exculpation

Notwithstanding anything herein to the contrary, to the fullest extent permitted by applicable law, no Exculpated Party shall have or incur, and each Exculpated Party (in each case in its capacity as such) is released and exculpated from, any liability to any holder of a Claim or Cause of Action against or Interest in a Debtor for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases from the Petition Date to the Effective Date, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, the Plan, the Sale Transaction, entry into the Stalking Horse APA, the New Takeback Debt, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of the Sale Transaction, Consummation, the administration and implementation of the Plan, including providing any legal opinion requested by any Person or Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan, the Confirmation Order, or the Sale Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan or the distribution of property under the Plan or any other agreement (whether or not such issuance or distribution occurs following the Effective Date), negotiations regarding or concerning any of the foregoing, or the administration of the Plan or property to be distributed hereunder, except for Claims and Causes of Action related to any act or omission that is determined by Final Order to have constituted fraud, willful misconduct, or gross negligence, but in all respects such Persons and Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. For the avoidance of doubt, no Exculpated Party shall be exculpated with respect to any Claim or Cause of Action related to or arising from the Excluded Litigation, including any Excluded Product Liability Claims (each as defined in the Stalking Horse APA) or the Qui Tam Claims.

4. Injunction

Except as otherwise expressly provided in the Plan, the Confirmation Order, or the Sale Order, all Persons and Entities who have held, hold, or may hold Claims, Interests or Causes of Action that have been released, discharged, or are subject to exculpation under the Plan are permanently enjoined and precluded, from and after the Effective Date, from taking

any of the following actions against, as applicable, the Debtors, the Wind-Down Trust, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests or Causes of Action; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action; (3) creating, perfecting, or enforcing any Lien, Claim, or encumbrance of any kind against such Entities or their respective assets and property or the estates of such Entities on account of or in connection with or with respect to any such Claims, Interests or Causes of Action; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action, unless such Holder has Filed a motion requesting the right to perform such setoff, subrogation, or recoupment of any kind on or before the Effective Date, and notwithstanding any indication in any Proof of Claim or Proof of Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff, subrogation, and recoupment pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind against such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action released, settled, or compromised pursuant to the Plan.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former directors, managers, officers, principals, predecessors, successors, employees, agents, and direct and indirect Affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or Reinstatement of such Claim or Interest, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in Article VIII.E of the Plan.

5. Release of Liens

Except as otherwise expressly provided in the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created pursuant to the Plan, the Confirmation Order, or the Sale Order, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Debtors shall automatically revert to the applicable Debtor, Exactech Newco or, Wind-Down Trust, as applicable, and their successors and assigns, in each case, without any further approval or order of the Bankruptcy Court and without any action or Filing being required to be made by any Person or Entity. To the extent that any Holder of a Secured Claim that has been satisfied in full or discharged pursuant to the Plan, or any agent for such Holder, including the Agents, has filed or recorded publicly any Liens and/or security interests to secure such Holder's Secured Claim, then as soon as practicable on or after the Effective Date, such Holder (or the agent for such Holder) shall take any and all steps reasonably requested by the

Debtors, the Wind-Down Trustee, Exactech NewCo or any administrative agent, collateral agent or indenture trustee under any exit financing facility that are necessary or desirable to record or effectuate the cancelation and/or extinguishment of such Liens and/or security interests, including the filing of Uniform Commercial Code termination statements, termination of deposit account control agreements, and any other applicable filings or recordings, and the Wind-Down Trustee or Exactech NewCo shall be entitled to file Uniform Commercial Code termination statements or to make any other such filings or recordings on such Holder's behalf. The filing of a copy of the Confirmation Order or the Sale Order with any local, state, federal, or foreign agency or department shall not be required to effect the termination of such Liens or security interests, but, if presented for filing or recording, shall constitute good and sufficient evidence of such termination.

T. Who are the "Released Parties" under the Plan?

The Released Parties include, collectively, and in each case in its capacity as such (and each of their Related Parties[14]):

- each of the Debtors, including Osteon Holdings, Inc., Osteon Intermediate Holdings I, Inc., Osteon Intermediate Holdings II, Inc., Exactech, Inc., and XpandOrtho, Inc.;

- the Agents, including GLAS USA LLC, as administrative and collateral agent under any DIP Credit Facility, and any predecessors and successors in such capacity, GLAS USA LLC, as successor administrative agent and collateral agent under the Prepetition First Lien Credit Agreement, and any predecessors and successors in such capacity, TPG VII Osteon Holdings, LP solely in its capacity as Prepetition Sidecar Agent, and any predecessors and successors in such capacity;

- the DIP Lenders, including Greywolf Capital Management LP, Post Advisory Group, LLC, Stellex Capital Management LLC, Strategic Value Partners, LLC;

- the Consenting Lenders, including Greywolf Capital Management LP, Octagon Investment Partners 48, Ltd., POST CLO 2021-1 LTD, Post CLO 2018-1 LTD, Post Senior Loan Master Fund, LP, Stellex Capital Partners II LP, Strategic Value Capital

[14] "*Related Party*" means, with respect to an Entity, each of, and in each case solely in its capacity as such, (a) such Entity's Affiliates and (b) such Entity's respective directors, managers, officers, shareholders, equity holders(regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, predecessors, participants, successors, assigns, (whether by operation of law or otherwise) subsidiaries, associated entities, managed or advised entities, accounts or funds, partners, limited partners, general partners, principals, members, management companies, fund advisors, fiduciaries, trustees, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, and other professionals, representatives, advisors, predecessors, successors, and assigns, and the respective heirs, executors, estates, and nominees of the foregoing. For purposes of the Plan, as to any Person or Entity (other than a Debtor for purposes of the Debtor Release), such Person or Entity's Related Parties shall mean its current and former Related Parties. For the avoidance of any doubt, the Debtors shall not release nor be deemed to release any Debtor's former Related Parties except those Persons or Entities that are also Related Parties of the Sponsor. For additional information on the Debtors' Related Parties, including former and current directors and officers, please refer to the Debtors' Schedules of Assets and Liabilities and Statements of Financial Affairs [Docket Nos. 193-202].

Solutions II MF L.P., Strategic Value Excelsior Fund, L.P., Strategic Value Special Situations Master Fund V, L.P., Channel Islands LLC;

- the Winning Bidder, EI BIDCO, LLC; and

- the Sponsor, which includes TPG, Inc., TPG Capital, L.P., JointMedica Limited, JointMedica Investment Holdings, L.P., TPG VII Osteon Holdings, LP, TPG Partners VII, L.P., TPG Genpar VII, L.P., TPG Genpar VII Advisors, LLC, Osteon Merger Sub, Inc., TPG Global, LLC.

The Debtors' Related Parties include, without limitation, the Debtors' current directors, officers, and employees, including Elizabeth Abrams, Laurent Angibaud, Travis Autrey, Jeffrey Binder, Gwen Bingham, Matthew Brzozowski, Matt Collins, Tony W. Collins, Brian Danahy, Donna Edwards, Stacey Fedorka, Kendall Garrison, Karen Golz, Adam Hayden, Darin Johnson, Jessica Livingston, Cassy Morgan, Diana Nole, Timothy Pohl, Chris Roche, John Schilling, Dale Wolf, Jesse York, and Andrew Zeltwanger.

Other than the Independent Investigation with respect to the Sponsor and its Related Parties, which Independent Investigation is completed, the Special Committee's conclusions with respect to the Independent Investigation into potential Estate Claims against the above-referenced Released Parties are based on the facts and circumstances as identified and known by the Special Committee as of the date hereof. The Special Committee will remain responsive to any potential Claims that are identified and will undertake appropriate investigation to ensure that valuable Estate Causes of Action are not released for inadequate consideration. Accordingly, other than with respect to the Sponsor and its Related Parties as provided herein, to the extent the Independent Investigation uncovers Estate Claims or Causes of Action worthy of pursuit prior to Confirmation, the Special Committee may recommend that the Debtors amend and narrow the scope of the proposed Released Parties or remove such Claim or Cause of Action entirely in order to allow such Estate Claims or Causes of Action to be preserved.

U. Does the Debtor Release affect any Claims or Causes of Action I may have against the Released Parties?

As referenced above and discussed in more detail in Article V.M, the Debtor Release proposed in Article VIII.B of the Plan encompass all Claims and Causes of Action held by the Debtors and their Estates. Upon the commencement of a bankruptcy case, certain claims or causes of action based on theories that can be asserted by both a debtor and its creditors prior to bankruptcy become property of the debtor's estate and may only be pursued by the debtor (as debtor in possession) or a bankruptcy trustee (or other designated representative of the debtor's estate) unless abandoned.[15]

[15] *See In re Wilton Armetale, Inc.,* 968 F.3d 273, 282-284 (3d Cir. 2020).

A release or compromise by the Debtors and their Estates of a particular Claim or Cause of Action that is property of the Estates subsequently precludes a claimant from asserting its own Claim or Cause of Action under a similar legal theory.[16]

Whether a Claim or Cause of Action becomes property of the estate requires that it "existed at the commencement of the bankruptcy filing and … the debtor could have asserted [the claim] on its own behalf."[17] Whether a Claim or Cause of Action existed on the Petition Date is a question of applicable non-bankruptcy, and whether the Debtors could have asserted the Claims or Causes of Action on their own behalf is determined by the facts and circumstances of the Debtors' cases and the nature of the Claims or Causes of Action.

Creditors of the Debtors have sued Debtor Osteon Holdings, Inc. and certain entities affiliated with the Sponsor seeking to hold them liable for the conduct of Exactech, Inc., on an alter ego or a veil piercing theory.[18] Courts have found that under certain states' laws veil piercing and alter ego theories of liability (which are Causes of Action under the Plan) become property of a debtor's bankruptcy estate upon the commencement of chapter 11 cases.[19] If those cases govern individual creditors' Causes of Action based on those theories against non-Debtors, then such Causes of Action may not be asserted unless the Debtors (or another Estate representative) abandon such claims. The Debtors believe that these cases control with respect to alter ego and veil piercing Causes of Action related to the conduct of these defendants, and that such Causes of Action are property of the Debtors' Estates.

One case has found that Causes of Action based on alter ego or veil piercing were not property of the estate when the underlying claim arose under federal law and after the petition date.[20] The Committee's view is that: "Under applicable Florida law, the Debtors here could not have asserted personal injury claims against TPG under the alter ego and veil piercing doctrines under state law prior to the bankruptcy. Pre-bankruptcy, only the individuals injured by the defective products and other creditors of the Debtors have standing to assert such claims." *See* Committee Obj. to Discl. Stmt. ¶ 80. Thus, the Committee does not believe that the alter ego or veil piercing Causes of Action that the Debtors' creditors have asserted ever became property of the Debtors' Estates. The Debtors and the Sponsor disagree.

If the Committee is wrong as to the ultimate question of whether Causes of Action for theories of alter ego or veil piercing are property of the Estates, the Debtor Release in the Plan

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16 *See In re Emoral, Inc*., 740 F.3d 875, 879 (3d Cir. 2014).

17 *Wilton*, 968 F.3d at 282.

18 As discussed herein, with respect to certain plaintiffs, these Causes of Action were dismissed with prejudice, and on March 6, 2025, the plaintiffs filed the Rule 60 Motion (as defined below) in the MDL, which seeks Court permission to amend their complaint to re-plead those Causes of Action.

19 *See e.g., In re Buildings by Jamie, Inc*., 230 B.R.36, 43 (Bankr. D.N.J. 1998) (applying New Jersey law, concluding that a debtor's individual creditors lacked standing to bring an alter ego veil-piercing cause of action as such action was property of the estate because New Jersey law permits a corporation to pierce its own veil and recovery would benefit the estate as a whole); *In re TPC Grp. Inc., No. 22-10493,* 2023 Bankr. LEXIS 446, at*19 (Bankr. D. Del. Feb. 22, 2023) (finding that any veil-piercing claim is an estate cause of action).

20 *See Bd. of Trs. of Teamsters Local 863 v. Foodtown, Inc.*, 296 F.3d 164, 170-71 (3d Cir. 2002) (finding that a claim based on withdrawal liability under ERISA was not property of the estate).

would serve to compromise and preclude any of the Debtors' creditors from suing any of the Released Parties under such theories. Creditors would also be precluded from asserting claims against the non-debtors based on those Causes of Action if the Debtors enter into settlements or otherwise resolve the alter ego or veil piercing theories against such non-debtors. Therefore, creditors should consult their own counsel to determine whether they believe that alter ego or veil piercing Causes of Action are property of the Debtors' Estates.

Individual creditors may believe that they have Causes of Action against Released Parties under other theories of liability. Such Causes of Action would be subject to the same analysis set forth above. Thus, creditors who have asserted or intend to assert Claims or Causes of Action against the Released Parties should consult their own counsel to determine how the Debtor Releases in the Plan may affect the creditor's own Claims and Causes of Action.

V. What is the deadline to vote on the Plan?

The Voting Deadline is May 2, 2025, at 4:00 p.m. (prevailing Eastern Time).

W. How do I vote for or against the Plan?

Detailed instructions regarding how to vote on the Plan are contained on the Ballots distributed to Holders of Claims that are entitled to vote on the Plan. For your vote to be counted, your Ballot must be properly completed, executed, and delivered as directed, so that your Ballot (or a master ballot) including your vote is ***actually received*** by Kroll Restructuring Administration LLC, the Debtors' Claims, Noticing and Solicitation Agent, ***on or before the Voting Deadline, i.e. May 2, 2025, at 4:00 p.m. (prevailing Eastern Time)***. *See* Article VIII of this Disclosure Statement for more information.

X. Why is the Bankruptcy Court holding a Confirmation Hearing?

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a hearing on confirmation of the Plan and recognizes that any party in interest may object to Confirmation of the Plan.

Y. When is the Confirmation Hearing set to occur?

The Bankruptcy Court has scheduled the Confirmation Hearing for May 28, 2025, at 10:00 a.m. (prevailing Eastern Time). The Confirmation Hearing may be adjourned from time to time without further notice.

Objections to Confirmation must be filed and served on the Debtors, and certain other parties, by no later than May 2, 2025, at 4:00 p.m. (prevailing Eastern Time) in accordance with the notice of the Confirmation Hearing that accompanies this Disclosure Statement and the Disclosure Statement Order attached hereto as **Exhibit D** and incorporated herein by reference.

Z. What is the purpose of the Confirmation Hearing?

The confirmation of a chapter 11 plan by a bankruptcy court binds the debtor, any issuer of securities under a chapter 11 plan, any person acquiring property under a chapter 11 plan, any

creditor or equity interest holder of a debtor, and any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code.

AA. Who do I contact if I have additional questions with respect to this Disclosure Statement or the Plan?

If you have any questions regarding this Disclosure Statement or the Plan, please contact the Debtors' Claims, Noticing and Solicitation Agent, Kroll Restructuring Administration LLC, via one of the following methods:

By first-class mail, hand delivery, or overnight mail at:
Exactech, Inc. Ballot Processing Center.
c/o Kroll Restructuring Administration LLC
850 3rd Avenue, Suite 412
Brooklyn, NY 11232

By electronic mail at:
ExactechInfo@ra.kroll.com *with a reference to "Exactech, Inc. Solicitation Inquiry" in the subject line*

By telephone at:
(833) 918-0986 *(U.S./Canada, toll-free) or +1 (646) 781-8728 (international, toll) / +61 (2) 72-094-837 (Australia, toll)*

Copies of the Plan, this Disclosure Statement, and any other publicly filed documents in the Chapter 11 Cases are available upon written request to the Claims, Noticing and Solicitation Agent at the address above or by downloading the exhibits and documents from the website of the Claims, Noticing and Solicitation Agent at https://restructuring.ra.kroll.com/Exactech/ (free of charge) or the Bankruptcy Court's website at https://www.deb.uscourts.gov/ (for a fee).

BB. Do the Debtors recommend voting in favor of the Plan?

Yes. The Debtors believe the Plan provides for a greater distribution to the Debtors' creditors than would otherwise result from any other available alternative. The Debtors believe the Plan, which provides for consummation of the Sale Transaction, an orderly Wind-Down and dissolution of the Debtors and for distributions to Holders of Allowed Claims and Allowed Interests, is in the best interests of all Holders of Claims and Interests, and that other alternatives fail to realize or recognize the value inherent under the Plan.

CC. Who is committed by the Restructuring Support Agreement to support the Plan?

The Plan is supported by, among others, the Debtors and the Ad Hoc Group.

ARTICLE III

THE DEBTORS' CORPORATE HISTORY, STRUCTURE, AND BUSINESS OVERVIEW

A. Exactech's Corporate History

The Company is a privately held, leading manufacturer and developer of orthopedic implant devices, related surgical instruments, and an AI-based platform of smart technologies to hospitals and physicians. Founded in 1985 by Dr. Bill Petty, an orthopedic surgeon, Dr. Gary Miller, a biomedical engineer, and Betty Petty, the Company's mission since its inception remains the same—to help people with joint and arthritic diseases and injuries improve their quality of life by maintaining their activity and independence.

In its early stages, the Company exclusively focused on hip-related products. Its first product was a cemented primary hip system, followed by additional hip joint products. Building on its success with hip products, in 1992, the Company expanded its scope and developed its first knee implant. In 1996, in order to support the full commercialization of its knee implants, the Company went public with an IPO on Nasdaq. The Company further expanded its scope in 2005 by entering the extremities market with the launch of its shoulder products, which quickly gained surgeon acceptance and have been market leaders for more than ten years. In 2014, the Company acquired an advanced, computer-assisted surgical technology company to develop ExactechGPS, a computer-assisted device that provides surgeons with a 3D view of the patients' joints, which has since changed the way total joint replacement surgeries are performed.

After being a public company for 21 years, in 2018, the Company became privately-held after the Sponsor acquired substantially all of the common stock of Debtor Osteon Holdings, Inc.

B. Exactech's Business Operations

1. Operations Overview

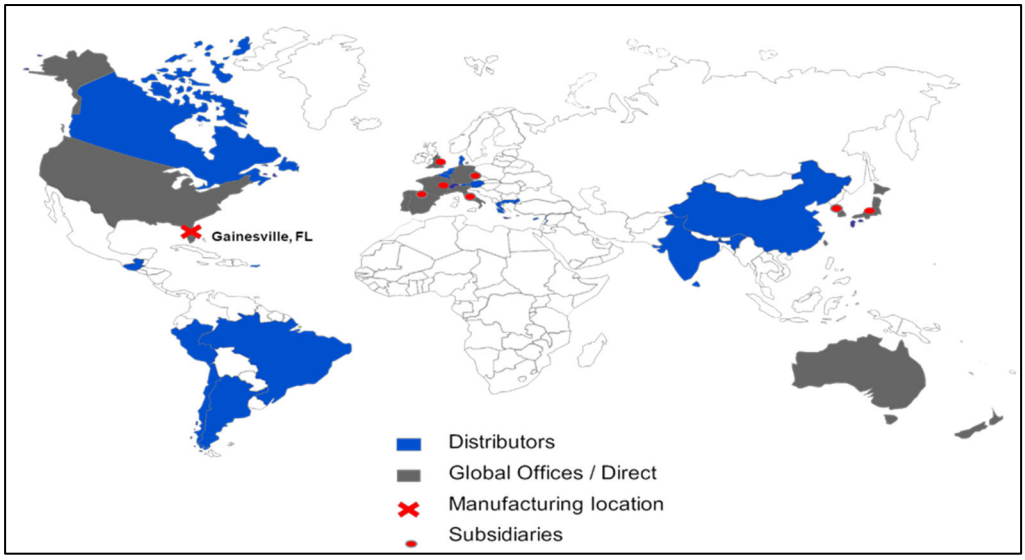
Exactech is vertically integrated with approximately 70% of its products being manufactured in-house across four manufacturing facilities in Gainesville and Sarasota, Florida, and Gieres, France. The Company employs approximately 900 employees worldwide, of which approximately 580 are employed in the United States. Further details about the Company's in-house manufacturing capabilities are set forth in the chart below.

	Gainesville, FL (Headquarters)	Sarasota, FL (Instruments)	Sarasota, FL (Molding)	Gieres, France (Exactech GPS)
Operations	Manufacturing, distribution, warehouse, and customer service	Instrument and screw manufacturing	Compression molding of ultra-high-molecular-weight polyethylene	Hardware and software development and manufacturing of ExactechGPS
Product Lines	Implant manufacturing	Knee and shoulder instruments; hip and shoulder screw implants	Tibial bearings, humeral liners, and glenoids	GPS navigation system
Key Manufacturing Capabilities	Milling, turning, grinding, finishing, sterile and non-sterile packaging	Milling, turning, grinding, finishing, sterile and non-sterile packaging	Compression molding and finishing	Component assembly and testing

In addition to its manufacturing capabilities, the Company also maintains a robust sales force of independent contractors with well-established global commercial infrastructure, who are key to driving the Company's revenue generation. The Company has focused on global expansion since 2010 and currently maintains direct sales presence in ten countries with more than 350 sales representatives in the U.S. sales force, focusing on direct agency support and medical education activities, and distribution in approximately 20 markets worldwide including Europe, Latin America, and Asia.

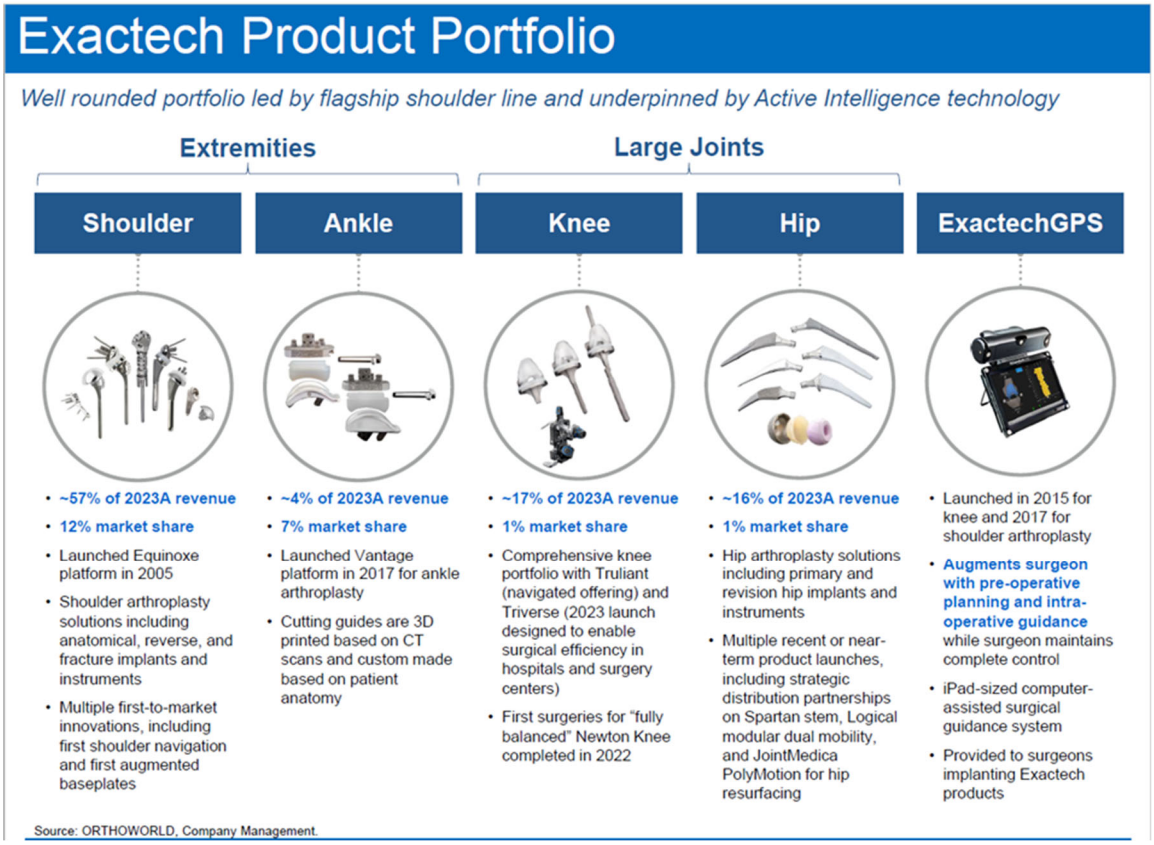
The Company's corporate structure is set forth on the structure chart attached hereto as Exhibit C. As detailed on the structure chart, the Company has twelve non-debtor foreign subsidiaries, organized under the laws of Australia, Austria, France, Germany, Japan, Portugal, South Korea, Spain, Switzerland, the United Kingdom.

As of 2023, approximately 70% of the Company's net revenue is generated in the U.S. and approximately 30% is generated outside of the U.S. Of the 30% revenue generated outside of the U.S., a majority of the sales are from the United Kingdom, Western Europe, Japan, and Australia, with approximately 93% of the revenue outside the U.S. generated through the Company's direct global offices while approximately 7% is generated through distributors.



2. Product Portfolio

The Company's product portfolio spans across three different categories: (i) extremities (shoulder and ankle), (ii) large joints (knee and hip), and (iii) others (ExactechGPS and other supporting materials). Approximately 61% of the Company's revenues is generated from the sale of its extremities products, 33% from large joint products, and 6% from others.



i. **Extremities**: Extremities product category includes shoulder (Equinoxe) and ankle (Vantage) platforms.

- **Shoulder (Equinoxe)**: Launched in 2005, Equinoxe provides shoulder arthroplasty solutions, including anatomical, reverse, and fracture implants and instruments. Shoulder products are the Company's leading product category accounting for 57% of the Company's revenue in 2023, and include multiple first-to-market innovations, including first shoulder navigation and first augmented baseplates.
- **Ankle (Vantage)**: Launched in 2017, Vantage accounted for 4% of the Company's revenue in 2023. Vantage products are manufactured and custom-made with cutting guides 3D-printed based on the patient's anatomy. In 2023, the Company received FDA clearance for ExactechGPS® Ankle, the first surgical navigation system for total ankle arthroplasty (TAA), which it launched on December 2nd, 2024.

ii. **Large Joints**: Large joints products include knee (Truliant / TriVerse), and hip (Alteon) platforms.

- **Knee (Truliant and TriVerse)**: Knee products accounted for 17% of the Company's revenue in 2023. The Company maintains a comprehensive knee portfolio with Truliant (navigated offering) and TriVerse, which was launched in 2023, designed to enable surgical efficiency in hospitals and surgery centers.
- **Hip (Alteon)**: Hip products accounted for 16% of the Company's revenue in 2023 and provide arthroplasty solutions, including primary and revision hip implants and instruments. There are multiple recent and near-term product launches including strategic distribution partnerships on the Company's Spartan Stem, Logical system and with JointMedica PolyMotion for hip resurfacing.

iii. **Others:** ExactechGPS is an iPad-sized computer assisted surgical guide that is provided to surgeons implanting Exactech products and offers surgeons with a 3D view of the patient's joints for the surgical process. In 2015, ExactechGPS was launched for knees and in 2017 for shoulder arthroplasty. ExactechGPS augments surgeons with pre-operative planning and intra-operative guidance while the surgeon maintains complete control.

C. The Debtor's Prepetition Capital Structure

As of the Petition Date, the Debtors had approximately $352 million of funded principal debt obligations, consisting of obligations under the Prepetition First Lien Credit Agreement (defined herein), and the Prepetition Sidecar Credit Agreement (defined herein). The following table details the Company's prepetition capital structure (as of the Petition Date) with respect to its funded debt:

Instrument	Approx. Balance Outstanding	Rate	Security
Prepetition First Lien Credit Agreement	**$323,644,335.88**	S + Term SOFR Adj. + 3.75%	Substantially all assets subject to Excluded Assets as defined in the Prepetition First Lien Credit Agreement
Revolving Loans	$52,180,116.32		
Prepetition First Lien Term Loan	$264,917,930.82		
2024 Incremental Term Loan[21]	$6,546,288.74	S + Term SOFR Adj. + 8.00%	
Prepetition Sidecar Credit Agreement	**$28,525,064.59**	• 12% per annum on or prior to March 18, 2024 (2% cash, 10% PIK) • 18% per annum after March 18, 2024 (2% cash, 16% PIK)	Substantially all assets subject to Excluded Assets as defined in the Prepetition Sidecar Credit Agreement
Original Sidecar Term Loans	$17,600,993.96		
Incremental Sidecar Term Loans	$10,924,070.63		
Total:	**$352,169,400.47**		

1. Prepetition First Lien Credit Agreement

On February 14, 2018, Debtor Exactech, Inc. entered into that certain Credit Agreement dated as of February 14, 2018 (as amended, restated, supplemented, amended and restated or otherwise modified from time to time prior to the Petition Date, the "Prepetition First Lien Credit Agreement" and the claims outstanding thereunder, the "Prepetition First Lien Claims"), among Exactech, as borrower (the "Borrower"), Osteon Intermediate Holdings II, Inc., as holdings ("Holdings"), Goldman Sachs Bank USA, as administrative agent and collateral agent (in such capacities, the "Prepetition First Lien Agent"),[22] and the lenders party thereto from time to time

[21] The 2024 Incremental Term Loan was refinanced under the DIP Credit Agreement pursuant to the Interim DIP Order on October 31, 2024.

[22] On October 28, 2024, GLAS USA LLC replaced Goldman Sachs Bank USA as the Prepetition First Lien Agent.

(the "Prepetition First Lien Lenders"), pursuant to which the Prepetition First Lien Lenders agreed to provide the Borrower with (i) a revolving credit facility in an aggregate amount of $50,000,000 (the "Revolving Loans" and the holders thereof, the "Revolving Lenders"), and (ii) a first lien term loan facility in the aggregate principal amount of $235,000,000 (the "Original First Lien Term Loans").

Under the Prepetition First Lien Credit Agreement, the Revolving Loans have a maturity date of November 15, 2024 and bear interest at SOFR plus 3.75% with a 0.25% step-down or a 0.50% step-down depending on the first lien net leverage ratio. The Original First Lien Term Loans have a maturity date of February 14, 2025 and bear interest at SOFR plus 3.75%.

2. Amendment No. 1 to the Prepetition First Lien Credit Agreement

On December 17, 2019, the Borrower entered into that certain Amendment No. 1 to the Credit Agreement with the Prepetition First Lien Agent and the Prepetition First Lien Lenders, pursuant to which the Prepetition First Lien Lenders agreed to provide the Borrower with incremental term loans in the aggregate principal amount of $35,000,000 (the "2019 Incremental Term Loans" and, together with the Original First Lien Term Loans, the "Prepetition First Lien Term Loans"). The 2019 Incremental Term Loans have the same maturity date and interest rate as the Original First Lien Term Loans.

3. Amendment No. 2 to the Prepetition First Lien Credit Agreement.

On January 19, 2022, the Borrower entered into that certain Amendment No. 2 to the Credit Agreement with the Prepetition First Lien Agent and the Prepetition First Lien Lenders, pursuant to which the Prepetition First Lien Lenders agreed to extend the maturity date of the Revolving Loans from February 14, 2023 to November 15, 2024.

4. Amendment No. 3 to the Prepetition First Lien Credit Agreement

On March 3, 2023, the Borrower entered into that certain Amendment No. 3 to the Credit Agreement with the Prepetition First Lien Agent, pursuant to which the LIBOR interest rate on the Prepetition First Lien Term Loans were replaced with SOFR plus Term SOFR Adjustment.

5. Amendment No. 4 to the Prepetition First Lien Credit Agreement

On October 9, 2024, the Borrower entered into that certain Amendment No. 4 to the Credit Agreement with the Prepetition First Lien Agent acting at the direction of certain Prepetition First Lien Lenders, pursuant to which certain Prepetition First Lien Lenders agreed to provide incremental term loans in an aggregate principal amount of $6,500,000 (the "2024 Incremental Term Loans"). The 2024 Incremental Term Loans have a maturity date of October 10, 2025 and bear interest at SOFR + 8.00% (with 7.00% to be paid in kind). The liens and security interests securing the obligations under the Prepetition First Lien Credit Agreement (other than 2024 Incremental Term Loans) and Prepetition Sidecar Credit Agreement were subordinated to the liens and security interests securing the 2024 Incremental Term Loans.

On October 31, 2024, the 2024 Incremental Term Loan was repaid with the proceeds of the DIP Credit Agreement pursuant to the terms of the Interim DIP Order.

6. Guaranty and Security Under Prepetition First Lien Credit Agreement

Pursuant to that certain Guaranty dated as of February 14, 2018 (as supplemented by that certain Guaranty Supplement, dated as of January 8, 2020 and as further amended, restated, amended and restated, supplemented or otherwise modified), the obligations of the Borrower under the Prepetition First Lien Credit Agreement are guaranteed by Holdings and Debtor XpandOrtho, Inc. (in such capacities, the "Prepetition First Lien Guarantors").

The obligations of the Borrower under the Prepetition First Lien Credit Agreement are secured by substantially all of the assets of the Borrower and the equity interests in the Borrower and the Prepetition First Lien Guarantors and certain of its affiliates pursuant to that certain Pledge and Security Agreement, dated as of February 14, 2018 (as supplemented by that certain Joinder Agreement, dated as of January 8, 2020 and as further amended, restated, amended and restated, supplemented or otherwise modified), by and among the Borrower, the Prepetition First Lien Guarantors, and the Prepetition First Lien Agent.

7. Prepetition Sidecar Credit Facility

On September 19, 2023, Debtor Exactech entered into that certain Credit Agreement dated as of September 19, 2023 (as amended, restated, supplemented, amended and restated, or otherwise modified from time to time prior to the Petition Date, the "Prepetition Sidecar Credit Agreement"), among the Borrower, Holdings, and TPG VII Osteon Holdings, LP, as administrative agent and collateral agent (in such capacities, the "Prepetition Sidecar Agent"), and as the sole lender (in such capacity, the "Prepetition Sidecar Lender"), pursuant to which the Prepetition Sidecar Lender agreed to provide the Borrower with $15,000,000 of term loans (the "Original Sidecar Term Loans").

The Original Sidecar Term Loans had a maturity date of September 18, 2024 and bore interest at (i) 12.00% per annum for any interest accrued on or prior to March 18, 2024 (of which (x) 2.00% per annum was paid cash and (y) 10.00% per annum was paid in kind), and (ii) 18.00% per annum for any interest accrued after March 18, 2024 (of which (x) 2.00% per annum was paid in cash and (y) 16.00% per annum was paid in kind).

The Prepetition Sidecar Lender may assert that it is entitled to payment of the Exit Fee and the Applicable Premium (each as defined in the Prepetition Sidecar Credit Agreement). Pursuant to the DIP Orders and the Exit Fee/MOIC ROR, the Debtors, the Prepetition First Lien Parties, and the Committee reserve their rights to object to the extent, allowability, validity, and enforceability of the Exit Fee and the Applicable Premium.

8. Amendment No. 1 to the Prepetition Sidecar Credit Agreement

On April 23, 2024 (the "First Amendment Effective Date"), the Borrower entered into that certain Amendment No. 1 to the Credit Agreement pursuant to which the Prepetition Sidecar Lender agreed to provide the Borrower multi-draw incremental term loans in the aggregate principal amount of $20,000,000 (the "Incremental Sidecar Term Loans" and, together with the Original Sidecar Term Loans, the "Prepetition Sidecar Term Loans", and outstanding claims thereunder, the "Prepetition Sidecar Claims"), of which $5,000,000 was funded to the Debtors on the First Amendment Effective Date. On May 22, 2024, an additional $5,000,000 under the Incremental

Sidecar Term Loans was funded to the Company and $10,000,000 remains undrawn. The Incremental Sidecar Term Loans have a maturity date of February 14, 2025.

9. Guaranty and Security Under the Prepetition Sidecar Credit Agreement

Pursuant to that certain Guaranty dated September 19, 2023, (as amended, restated, amended and restated, supplemented or otherwise modified), the obligations of the Borrower under the Prepetition Sidecar Credit Agreement are guaranteed by Holdings and Debtor XpandOrtho, Inc. (in such capacities, the "Prepetition Sidecar Guarantors").

The obligations of the Borrower under the Prepetition Sidecar Credit Agreement are secured by substantially all of the assets of the Borrower and the Prepetition Sidecar Guarantors and the equity interests in the Borrower and certain of its affiliates pursuant to that certain Pledge and Security Agreement, dated as of September 19, 2023, by and among the Borrower, the Prepetition Sidecar Guarantors and the Prepetition Sidecar Agent. The liens and security interests securing the Prepetition Sidecar Credit Agreement are *pari passu* with those securing the Prepetition First Lien Credit Agreement (other than the 2024 Incremental Term Loans).

10. Trade Claims and Other Unsecured Debt

In the ordinary course of business, the Debtors incur obligations to vendors, suppliers, and trade counterparties. As of the Petition Date, the Debtors estimate they have approximately $39 million in accounts payable outstanding before application of any setoffs, credits, or deductions that may be available to the Debtors. The Debtors' largest unsecured debts are unliquidated and disputed claims arising from certain (i) False Claims Act (FCA) matters, including those pending in the United States District Court for the Northern District of Alabama in a case captioned as *US ex rel. Wallace v. Exactech, Inc.,* No. 2:18-cv-1010-LSC (N.D. Ala. March 2, 2020) ("*Qui Tam* Claims") and the separate investigation initiated in 2023 (the "FCA Investigation" and, collectively, the "FCA Matters") and (ii) actions arising out of, or in any way related to the design, manufacture, production, marketing, distribution, sale, purchase, use, exposure to, or recall of any products or component thereof, including but not limited to any allegations of defects in design, manufacturing, or labeling, failure to warn, breach of warranty, negligence, strict liability, misrepresentation, fraud, or any other theory of liability, whether under state, federal, or foreign law, including, without limitation, the *Exactech Master Case* (Case No. 01-2022-CA-002670) pending in the Eighth Judicial Circuit of Florida, Alachua County (the "Products Liability Claims").

ARTICLE IV

EVENTS LEADING TO THE CHAPTER 11 FILINGS

These Chapter 11 Cases arose as a result of the overhang of the Products Liability Claims and the *Qui Tam* Claims which have burdened the Debtors with unliquidated, contingent liabilities that have ultimately hampered the Debtors' efforts to refinance their prepetition obligations out of court.

Prior to commencing these Chapter 11 Cases, the Company, with the assistance of its advisors, explored various alternatives for obtaining additional liquidity and consensually resolving the Products Liability Claims and the *Qui Tam* Claims, which created, effectively, a "three-legged

stool" problem for the Company and its prospects for an out-of-court restructuring. On the one hand, the Company needed access to additional capital, both to refinance its existing indebtedness at maturity and to address litigation costs (including any consensual resolution of various litigation). On the other hand, no capital providers would invest incremental capital without a resolution of both the Products Liability Claims and the *Qui Tam* Claims. Recognizing the tripartite issue facing the Company, the Company and its advisors diligently sought consensual resolutions of the Products Liability Claims and the *Qui Tam* Claims, and incremental capital from existing stakeholders to finance the costs of any consensual resolution and refinance outstanding funded indebtedness prior to upcoming maturities.

However, it became clear that the second leg of the Company's "three-legged stool"—the Products Liability Claims—could not be solved on an out-of-court basis, despite good faith efforts by the Company and substantial support from the Company's existing equity sponsor to facilitate a solution. Accordingly, as the likelihood of an in-court process increased, the Company paused its negotiations with the DOJ regarding a consensual resolution of the *Qui Tam* Claims and pivoted its focus towards obtaining additional liquidity and preparing for an in-court restructuring. After months of negotiations, the Company was able to secure the support of the Ad Hoc Group to finance a value-maximizing sale process that is supported by (i) the Restructuring Support Agreement and Stalking Horse Bid,[23] (ii) approximately $85 million in DIP financing, and (iii) a commitment by the Ad Hoc Group to support a chapter 11 plan, including an agreed wind down amount sufficient to ensure the responsible winddown of the Debtors' estates and a reserve fund for distribution to general unsecured creditors.

The Company determined that, under these circumstances, commencement of the Chapter 11 Cases was in the best interests of the Debtors, their Estates, and their stakeholders. Accordingly, on October 29, 2024, the Debtors' boards of directors authorized the filing of these Chapter 11 Cases.

A. Product Liability Claims

Beginning in June 2021, the Company commenced a recall of its hip product—Connexion GXL Hip Liners—and later expanded its recall to all hip liners, knee, and ankle implants (the "Initial Recalls"). Later, in early 2024, the Company voluntarily recalled its shoulder replacement devices and knee patellar components as well (the "Shoulder Recall," and "Patella Recall," together with the Initial Recalls, the "Recalls").

The Initial Recalls covered the vast majority of the conventional and moderately crosslinked polyethylene hip liners, polyethylene knee tibial inserts, and polyethylene ankle inserts manufactured by Exactech between 2004 and August 2021. The Shoulder Recall and the Patella

[23] As set forth more fully in the Stalking Horse APA, the Stalking Horse Purchaser is (i) credit bidding all of the DIP Obligations existing as of the Closing Date, and, subject to parties' rights to file a Challenge in accordance with the DIP Order, all of the Prepetition First Lien Obligations existing as of the Closing Date (as each term is defined in the Interim DIP Order), pursuant to 11 U.S.C. § 363(k), (ii) assuming certain liabilities and certain executory contracts and unexpired leases of the Debtors, and (iii) satisfying cure costs (collectively (i), (ii), and (iii), the "Stalking Horse Bid").

Recall cover most polyethylene shoulder devices and polyethylene patellar components manufactured by the Company between 2004 and 2024.

The Recalls were voluntarily initiated due to Exactech Inc.'s vendor supplying non-conforming bags used to package the Company's affected products. The non-conforming bags were determined to be missing one of the oxygen barrier layers that was designed to protect the medical devices from oxidation, a chemical reaction with oxygen that could potentially degrade plastic components over time. Oxidation, if it reaches a certain threshold, may lead to faster device wear or failure, which could potentially lead to revision surgeries.[24]

Following the Recalls, approximately 2,600 patients—1.7% of patients across the United States who were potentially affected by a recalled device—filed lawsuits against certain of the Debtors in the United States. On October 7, 2022, the federal lawsuits against certain Debtors were consolidated into a multidistrict litigation before the United States District Court for the Eastern District of New York (the "MDL"). As of the Petition Date, there are approximately 1,840 lawsuits pending in the MDL.

In addition to the MDL, various lawsuits have also been filed against certain Debtors in the state of Florida. These cases have been consolidated before Judge Donna M. Keim in the Circuit Court of the Eighth Judicial Circuit in and for Alachua County, Florida. On November 14, 2022, these Debtors sought to dismiss the cases based on *forum non conveniens* but the request was denied. As of the Petition Date, there are over 740 lawsuits pending in the Florida state courts.

The Company has defended its alleged liability and engaged in settlement negotiations with counsel to the Plaintiff Representatives.[25] In mid-July 2024, the Company made its most recent settlement offer to the Plaintiff Representatives to resolve the MDL litigation out of court. After further good-faith settlement discussions, the Plaintiff Representatives and the Company were ultimately unable to reach a consensual resolution.

B. Debtors' Insurance Coverage

The Debtors and their non-Debtor Affiliates have one products liability insurance tower policy which covers certain claims related to the Recalls (including the 2024 Recall). All claims related to the Recalls are covered under a single policy year, 2021–2022. The Debtors' applicable 2021-2022 products liability insurance tower includes a primary policy issued by Chubb Custom Insurance Company in the amount of $10 million (the "Primary Chubb Policy"), a first excess policy issued by Travelers Excess and Surplus Lined Company in the amount of $5 million (the "Travelers Excess Policy"), a second excess policy issued by Euclid Life Science Specialty, LLC in the amount of $5 million (the "Euclid Excess Policy"), and a third excess policy issued by Noetic Specialty Insurance Company in the amount of $5 million (the "Noetic Excess Policy" and together

[24] For the avoidance of doubt, although the Company initiated Recalls out of an abundance of caution, it has consistently maintained that the non-conforming bags have not, in fact, led to overall higher rates of revision surgeries beyond industry averages (5-10 percent at 10 years of follow up), and believes that the scientific and clinical data supports the Company's position.

[25] The "Plaintiff Representatives" include those representatives the Company negotiated with over the course of several months to resolve the products liability claims.

with the Primary Chubb Policy, the Travelers Excess Policy and the Euclid Excess Policy, the "Product Liability Policy"), for a total of $25 million in coverage under the Product Liability Policy. Prior to the Petition Date, the Company fully used all proceeds available under the Primary Chubb Policy and the Travelers Excess Policy, as well as all but approximately $1,200,000 of the Euclid Excess Policy. The proceeds of the Product Liability Policy used to date have primarily been used to fund defense costs related to the thousands of pending litigations against the Company, including the MDL, as well as paying small settlements by the Debtors and Debtors' non-debtor foreign subsidiaries. The Debtors and their non-Debtor Affiliates have approximately $6.2 million remaining on the Product Liability Policy and anticipate further utilization prior to confirmation of the Plan. All rights under or arising out of the Debtors' insurance policies, excluding its D&O Insurance (as defined below), are to be acquired by the Stalking Horse Purchaser under the Stalking Horse APA. As such, if the Sale Transaction to the Stalking Horse Purchaser is approved, insurance proceeds from the Product Liability Policy will not be a potential source of recovery to any claimholders in these Chapter 11 Cases.

The Debtors maintain insurance coverage for their Directors and Officers in the amount of $15 million (the "D&O Insurance"). The D&O Insurance is a "claims made" policy, meaning it covers any claims made while the policy is in effect regardless of when the conduct giving rise to the claim occurred. The D&O Insurance is available to pay for Directors' and Officers' defense costs in the event they are sued in an individual capacity for various claims related to actions in their capacity as Directors and Officers, as well for any liability resulting therefrom. The D&O Insurance includes an exclusion for product liability claims and does not provide coverage for claims arising out of products issues.

C. *Qui Tam* Claims

In 2018, a *qui tam* lawsuit was filed against Exactech, Inc., in the United States District Court for the Northern District of Alabama by one former employee and two former sales representatives on behalf of themselves (collectively, the "Relators"), the United States of America, and various States. The Relators brought various claims under the False Claims Act alleging, among other things, that Exactech, Inc. allegedly caused false claims to be submitted for reimbursement from the federal government by selling allegedly misbranded knee devices and allegedly defective knee devices that were not medically reasonable and necessary. In August 2019, the DOJ declined to pursue the *Qui Tam* Claims, but the Relators proceeded with the case. The Company expended considerable resources defending the case while also engaging in several attempts to settle the dispute,[26] including engagement with the DOJ in settlement negotiations beginning in late-October 2023 and throughout mid-2024. The Debtors and their advisors have continued to work diligently during these Chapter 11 Cases to achieve, if possible, a full, fair, and consensual resolution to the *Qui Tam* Claims. However, in the event the Debtors are not able to consensually resolve the *Qui Tam* Claims, the *Qui Tam* Claims will be treated as General Unsecured Claims pursuant to the Plan.

[26] During the pendency of this litigation, in early 2023, the Company also received a Civil Investigative Demand from the DOJ inquiring into a different generation of the Company's knee device.

D. Engagement of Restructuring Professionals and Governance Changes

In July 2023, the Company retained Centerview as its investment banker and continued to work with Ropes & Gray LLP ("Ropes") as its legal counsel to assist with, among other things, proactively evaluating the Company's capital-structure alternatives and exploring potential strategic options. On April 25, 2024, the Company also engaged Riveron RTS, LLC to assist Ropes and Centerview with prepetition initiatives and engagement with the Company's capital structure. On August 27, 2024, the Company engaged Young Conaway Stargatt & Taylor, LLP to assist the Company as co-counsel to Ropes. The Company and its advisors have worked tirelessly for over a year to closely monitor the Company's liquidity and to strategize and implement various strategic initiatives to address liquidity concerns.

In addition to engaging restructuring professionals as the Company's advisors, the Company appointed M. Elizabeth Abrams in November 2023 to the governing bodies of Debtors Osteon Intermediate Holdings II, Inc. and Exactech as an independent director to assist the Company with its restructuring efforts.

On July 24, 2024, the Company furthered its efforts to consider strategic alternatives by (i) establishing the Special Committee with the general authority to review and approve entry into restructuring transactions, (ii) adding Timothy Pohl as the independent director to the boards of directors of Exactech Inc., Osteon Intermediate Holdings II, Inc. and XpandOrtho, Inc., and adding Elizabeth Abrams to the board of XpandOrtho, Inc., and (iii) appointing Elizabeth Abrams and Timothy Pohl to the Special Committee. The Special Committee was empowered, to the extent the Special Committee determined that a Conflict Matter (defined below) existed, to review, develop, evaluate, and recommend to the board of directors strategic and/or financial alternatives in light of the Company's cash flow, liquidity, and general financial condition, including the possibility of seeking additional financing or undertaking a sale, recapitalization transaction, or other reorganization or restructuring. Additionally, the Special Committee has been delegated certain authority to negotiate, approve, or decline restructuring transactions including the entry into the definitive agreements, and to take any other actions as the Special Committee deems necessary to discharge its duties.

On August 12, 2024, the Special Committee retained White & Case LLP ("White & Case") as independent counsel to advise the Special Committee on all matters for which the Special Committee has been delegated authority. Specifically, the Special Committee engaged White & Case to render independent services on behalf of and at the direction of the Special Committee as it relates to matters in which a conflict of interest or potential conflict of interest exists between the Selling Debtors, on the one hand, and the Sponsor, on the other hand (such matters, the "Conflict Matters"). Prior to the Petition Date, the Special Committee began an extensive independent assessment of any and all potential conflicts of interests between the Selling Debtors, on the one hand, and the Sponsor, on the other hand (the "Independent Investigation").

E. Restructuring Initiatives

1. Sponsor Discussions

In September 2023, amidst the ongoing settlement discussions with the Plaintiff Representatives related to the Products Liability Claims, the Sponsor agreed to provide the Company with up to $15 million of incremental term loans under the Prepetition Sidecar Credit Agreement, to support the Company's operational liquidity and provide near-term financial flexibility as settlement negotiations continued. In April 2024, the Sponsor agreed to amend the Prepetition Sidecar Credit Agreement to provide up to $20 million of additional funding thereunder to provide additional runway for settlement discussions to continue.

As the possibility of an in-court restructuring became more likely, in mid-June, 2024, the Sponsor delivered a restructuring proposal to the Company and the Ad Hoc Group that contemplated, among other things, debtor-in-possession funding provided by the Sponsor and an equitization of certain prepetition secured debt. Ultimately, the negotiations between the Company, the Sponsor, and the Ad Hoc Group failed to produce an actionable alternative, and the Company then continued to focus on developing an alternative baseline transaction.

2. Ad Hoc Group Restructuring Negotiations and Forbearance

Following initial Sponsor negotiations, the Company also actively engaged with the Ad Hoc Group to seek a strategic alternative transaction. In mid-July 2024, the Company entered into confidentiality agreements with the Ad Hoc Group, which is represented by Milbank LLP as legal counsel and Evercore Group LLC as financial advisor. On August 16, 2024, the Ad Hoc Group delivered a proposal which proposed, among other things, a new money DIP facility to fund the Company's Chapter 11 Cases and sale process, backed by a stalking horse credit bid to purchase substantially all of the Company's assets pursuant to sections 363 and 1123 of the Bankruptcy Code, and the Ad Hoc Group provided $6 million in new capital to provide the Company with an adequate runway to finalize negotiations and file the Chapter 11 Cases with an agreed upon restructuring support agreement.

As the Company and its advisors continued to negotiate with the Ad Hoc Group, it was faced with an approximately $6 million interest payment on the Prepetition First Lien Term Loans due August 31, 2024. To continue the positive momentum and provide the necessary runway to finalize the restructuring negotiations, the Company and the Ad Hoc Group executed a forbearance agreement with respect to the August 31, 2024 interest payment, whereby the lenders, among other things, agreed to forbear from exercising remedies on account of the default from the missed interest payment, until October 9, 2024. On October 9, 2024, the Company, the Ad Hoc Group, and the Sponsor agreed to certain additional amendments to the Debtors' prepetition debt facilities to permit the 2024 Incremental Term Loans and extend the forbearance period to October 27, 2024.

After lengthy negotiations and significant back-and-forth, the Company and the Ad Hoc Group reached an agreement on the terms of a comprehensive restructuring documented in the Restructuring Support Agreement. On October 29, 2024, the Company entered into the Restructuring Support Agreement and Stalking Horse APA with the members of the Ad Hoc Group, and filed these Chapter 11 Cases shortly thereafter.

ARTICLE V

EVENTS OF THE CHAPTER 11 CASES

A. Expected Timetable of the Chapter 11 Cases

To ensure that the Debtors' Chapter 11 Cases proceed in a structured and expeditious manner towards confirmation, the Debtors committed to certain case milestones under the DIP Credit Agreement and Restructuring Support Agreement. Subject to Court approval, the Debtors intend to solicit votes to accept or reject the Plan and proceed in accordance with the following timeline, which is consistent with those milestones.

Event	Date[27]
Voting Record Date	**March 13, 2025**
Disclosure Statement Hearing and Sale Hearing	**March 27, 2025 at 10:00 a.m. (ET)**
Entry of Disclosure Statement Order and Sale Order	**March 27, 2025**
Deadline to Complete Solicitation	**April 4, 2025**
Plan Voting Deadline	**May 2, 2025 at 4:00 p.m. (ET)**
Deadline to Object to Confirmation	**May 2, 2025 at 4:00 p.m. (ET)**
Confirmation Hearing	**May 28, 2025 at 10:00 a.m. (ET)**
Entry of Confirmation Order	**May 28, 2025**

B. First Day Relief

On the Petition Date, along with their voluntary petitions for relief under chapter 11 of the Bankruptcy Code, the Debtors filed several motions (the "First Day Motions") designed to facilitate the administration of the Chapter 11 Cases and minimize disruption to the Debtors' operations, by, among other things, easing the strain on the Debtors' relationships with employees, vendors, and customers following the commencement of the Chapter 11 Cases. On October 31 and November 4 and 6, 2024, the Bankruptcy Court entered orders approving the First Day Motions on either an interim or final basis. On December 2, 3, and 6, 2024, the Bankruptcy Court entered orders approving certain of the First Day Motions on a final basis.

[27] The dates contained in this table may be changed by the Bankruptcy Court or the Debtors without further notice other than by such change being announced in open court.

A brief description of each of the First Day Motions and the evidence in support thereof is set forth in the *Declaration of Jesse York, Chief Restructuring Officer of Exactech, Inc, in Support of Debtors' Chapter 11 Petitions and First Day Motions* [Docket No. 18] (the "First Day Declaration"), filed on October 29, 2024. The First Day Motions, the First Day Declaration, and all orders issued in the Chapter 11 Cases, can be viewed free of charge at https://restructuring.ra.kroll.com/Exactech/.

C. Appointment of Official Committee

On November 18, 2024, the U.S. Trustee filed the *Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 171], notifying parties in interest that the U.S. Trustee appointed the Committee in the Chapter 11 Cases. The Committee is currently composed of the following members: Advanta, Inc.; Hospital for Special Surgery; Ronald Irby; Vernesa Jones-Allen; Kathryn Kramer; General Harvey Schiller; Gayle Tarloff; Karen Turner; and Dennis Ricci. The Committee has engaged Brown Rudnick LLP as its legal counsel, Hogan McDaniel as its Delaware counsel, Province, LLC as its financial advisor, and Huron Transaction Advisory LLC ("Huron").

The Debtors held a meeting of creditors pursuant to section 341 of the Bankruptcy Code (the "341 Meeting") on December 5, 2024 and continued the 341 Meeting to a date and time to be determined.

D. Other Procedural and Administrative Motions

During the Chapter 11 Cases, the Debtors also filed several motions to further facilitate the smooth and efficient administration of the Chapter 11 Cases and reduce the administrative burdens associated therewith, including:

1. Bidding Procedures Motion. Please see Article V.I of this Disclosure Statement for discussion of the Bidding Procedures Motion.

2. Bar Date Motion. Please see Article V.G of this Disclosure Statement for discussion of the Bar Date Motion.

3. Retention Applications. On November 13, 2024, the Debtors filed a number of applications seeking to retain certain professionals postpetition pursuant to sections 327 and 328 of the Bankruptcy Code, including:

    - *Debtors' Application for Entry of an Order Authorizing the Retention and Employment of Ropes & Gray LLP as Attorneys for the Debtors Effective as of the Petition Date* [Docket No. 157], which the Bankruptcy Court approved on December 6, 2024 [Docket No. 309];
    - *Application of Debtors for Entry of an Order Authorizing the Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Co-Counsel to the Debtors, Effective as of the Petition Date* [Docket No.158], which the Bankruptcy Court approved on December 2, 2024 [Docket No. 254];
    - *Debtors' Application for Entry of an Order (I) Authorizing the Employment and Retention of Centerview Partners LLC as Investment Banker for the Debtors Effective as of the Petition Date, (II) Approving the Terms of the*

Engagement Letter, (III) Waiving Certain Reporting Requirements Pursuant to Local Rule 2016-2, and (IV) Granting Related Relief [Docket No. 155], which the Bankruptcy Court approved on December 3, 2024 [Docket No. 283];

- *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Retain and Employ Riveron Management Services, LLC to Provide a Chief Restructuring Officer and Additional Personnel for the Debtors; (II) Designating Jesse York as Chief Restructuring Officer for the Debtors, Effective as of the Petition Date; and (III) Granting Related Relief* [Docket No. 154], which the Bankruptcy Court approved on December 3, 2024 [Docket No. 282];
- *Debtors' Application for an Order Authorizing Employment and Retention of Kroll Restructuring Administration LLC as Administrative Advisor Effective as of the Petition Date* [Docket No. 156], which the Bankruptcy Court approved on December 4, 2024 [Docket No. 288];
- *Application of Debtors for Entry of an Order (I) Authorizing the Retention and Employment of PWC US Tax LLP as Tax Consulting Services Provider to the Debtors Effective as of October 29, 2024, (II) Waiving Certain of the Requirements of Local Rule 2016-2(d), and (III) Granting Related Relief* [Docket No. 163], which the Bankruptcy Court approved on December 4, 2024 [Docket No. 290]; and
- *Special Committee's Application for Entry of an Order Authorizing the Retention and Employment of White & Case LLP as Independent Counsel, Effective as of the Petition Date* [Docket No. 162], which the Bankruptcy Court approved on December 5, 2024 [Docket No. 296].

4. Ordinary Course Professionals Motion. On November 19, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Authorizing Debtors to Employ Professionals Utilized in the Ordinary Course of Business (II) Waiving Certain Information Requirements of Local Rule 2016-2, and (III) Granting Related Relief* [Docket No. 172] (the "OCP Motion"). The OCP Motion sought to establish procedures for the retention and compensation of certain professionals utilized by the Debtors in the ordinary course operation of their businesses. On December 4, 2024, the Bankruptcy Court entered an order granting the OCP Motion [Docket No. 255].

5. Interim Compensation Motion. On November 20, 2024, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses and Professionals and (II) Granting Related Relief* [Docket No. 175] (the "ICP Motion"). The ICP Motion sought to establish procedures for the interim compensation and reimbursement of expenses for professionals utilized by the Debtors and official committee members in connection with these Chapter 11 Cases. On December 2, 2024, the Bankruptcy Court entered an order granting the ICP Motion [Docket No. 253].

6. Rejection Motion. On November 8, 2024, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Authorizing the Rejection of Certain Executory Contracts Effective as of the Petition Date; and (II) Granting Related Relief* [Docket No. 174] (the "Rejection Motion"). The Rejection Motion sought the Court's authorization for the Debtors to reject certain executory contracts. On December 3, 2024, the Bankruptcy Court entered an order granting the Rejection Motion [Docket No. 298].

7. Foreign Representative Motion. On November 20, 2024, the Debtors filed the *Motion of the Debtors for Entry of an Order (I) Authorizing the Foreign Representative to Act for the Debtors in Foreign Proceedings and (II) Granting Related Relief* [Docket No. 173] (the "Foreign Representative Motion"). The Foreign Representative Motion sought the Court's authorization for Jesse York to act on behalf of the Debtors' estates in the Australian Proceeding. On December 6, 2024, the Bankruptcy Court entered an order granting the Foreign Representative Motion [Docket No. 306].

8. Key Employee Retention Plan Motion. On November 13, 2024, the Debtors filed the *Debtors Motion for Entry of an Order (I) Authorizing the Implementation of a Key Employee Retention Program, (II) Approving Payments to Participants in the Debtors Key Employee Retention Program, and (III) Granting Related Relief* [Docket No. 159] (the "KERP Motion"), which the Bankruptcy Court approved (subject to certain modifications) on December 23, 2024 [Docket No. 364].

9. Key Employee Incentive Program. On December 18, 2024, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Authorizing the Implementation of a Key Employee Incentive Program, (II) Approving Payments to Participants in the Debtors Key Employee Incentive Program, and (III) Granting Related Relief* [Docket No. 349] (the "KEIP Motion"). On January 27, 2025, the Bankruptcy Court entered an order granting the KEIP Motion [Docket No. 488] (the "KEIP Order"). As discussed in more detail below, on February 13, 2025, the Committee filed *The Official Committee of Unsecured Creditors' Motion to Reconsider in Part the January 27, 2025 Order (I) Authorizing the Implementation of a Key Incentive Program, (II) Approving Payments to Participants in the Debtors' Key Employee Incentive Program, and (III) Granting Related Relief* [Docket No. 586] (the "KEIP Reconsideration Motion"). The KEIP Reconsideration Motion asserts that information material to the Bankruptcy Court's January 27, 2025 decision to approve the KEIP Motion was not disclosed to the Committee or the Bankruptcy Court prior to the Bankruptcy Court's decision. The KEIP Reconsideration Motion is scheduled to be heard at the March 27, 2025 hearing.

10. Non-Residential Real Property Lease Extension Motion. On January 21, 2025, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Extending the Deadline for the Debtors to Assume or Reject Unexpired Leases of Nonresidential Real Property Under Which Any of the Debtors is a Lessee, and (II) Granting Related Relief* [Docket No. 453], which the Bankruptcy Court approved on January 31, 2025 [Docket No. 517].

11. Removal Extension. On January 27, 2025, the Debtors filed *Debtors' Motion for Entry of an Order (I) Extending the Time to File Notices of Removal of Related Proceedings, and (II) Granting Related Relief* [Docket No. 500], which the Bankruptcy Court approved on February 24, 2025 [Docket No. 635].

E. DIP Financing

On October 29, 2024, the Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection to the Prepetition Lenders, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* [Docket No. 16] (the "DIP Motion"), seeking approval of the DIP Credit Agreement. On October 31, 2024, the Bankruptcy Court entered the *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 100] (the "Interim DIP Order").

On December 10, 2024, the Bankruptcy Court entered the *Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief* [Docket No. 319] (the "Final DIP Order").

On March 6, 2025, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Amend the DIP Credit Agreement and (II) Granting Related Relief* [Docket No. 686] (the "DIP Upsize Motion") seeking entry of an order approving an amendment to the DIP Credit Agreement (the "DIP Amendment") (i) upsizing the DIP Facility by $16,000,000 (the "DIP Upsize Amount"), (ii) giving the Debtors access to $15,000,000 of the DIP Facility already approved under the Final DIP Order but not presently available to the Debtors, and (iii) modifying certain other provisions of the DIP Credit Agreement (including extensions of milestones to accommodate the Debtors' current contemplated case timeline, granting exclusivity protections following the designation of the Stalking Horse Purchaser as the Winning Bidder, and certain requirements related to the Debtors' ownership interests in their Australian subsidiary and actions taken with respect thereto). The full amount of the DIP Facility, including the DIP Upsize Amount, is being credit bid by the Stalking Horse Purchaser in the Sale Transaction. As explained in more detail below, in connection with the DIP Amendment, the Debtors also entered into a related amendment to the Stalking Horse APA. The DIP Upsize Motion is scheduled to be heard at the March 27, 2025 hearing.

F. Schedules and Statements

On November 25, 2024, the Debtors filed their Schedules of Assets and Liabilities and Statement of Financial Affairs. [Docket Nos. 193-202].

G. Establishment of a Claims Bar Date

On November 8, 2024, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Establishing Deadlines to File Proofs of Claim, Including Claims Under 11 U.S.C. § 503(b)(9), and Requests for Payment Procedures Related Thereto, (II) Establishing an Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form and Manner for Filing Proofs of Claim, (IV) Approving Form and Manner of Notice Thereof, (V) Approving the Confidentiality Protocol, and (VI) Granting Related Relief* [Docket No. 132] (the "Bar Date Motion").

On December 6, 2024, the Bankruptcy Court entered the *Order (I) Establishing Deadline to File Proofs of Claim, Including Claims Under 11 U.S.C. § 503(B)(9), and Requests for Payment Procedures Related Thereto, (II) Establishing an Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form and Manner for Filing Proofs of Claim, (IV) Approving Form and Manner of Notice Thereof, (V) Approving the Confidentiality Protocol, and (VI) Granting Related Relief* [Docket No. 311] (the "Bar Date Order"). The Bar Date Order established **February 7, 2025 at 4:00 p.m. (prevailing Eastern Time)** as the general claims bar date and **April 28, 2025 at 4:00 p.m. (prevailing Eastern Time)** as the governmental claims bar date. Under the Bar Date Order, any party required to file a proof of claim which fails to do so before the applicable bar date will not be treated as creditor with respect to such claim and will not be permitted to vote to accept or reject the Plan or receive any recovery under the Plan.

In addition to publication notice through traditional mediums, under the Bar Date Order, the Court also authorized the Debtors' multi-faceted supplemental noticing plan that is intended to reach its target audiences in a variety of ways, including (a) domestic and international publication in Canada and Australia, (b) broadcast, cable, internet streaming, and television advertising, (c) internet banner advertising and paid internet search listings, (d) informational releases, (e) social media advertising, and (f) a dedicated website and call center (the "Supplemental Noticing Plan"). The Supplemental Noticing Plan is described in the *Declaration of Jeanne C. Finegan, APR in Connection with the Bar Date Motion and the Bidding Procedures Motion* [Docket No. 191], and is designed to ensure the broadest, yet most targeted and efficient, noticing program practicable.

H. JointMedica Adversary Proceeding

On December 13, 2024, Exactech, Inc. and the Ad Hoc Group commenced an adversary proceeding, under case number 24-50297, against a non-debtor affiliate JointMedica Limited ("JointMedica") and its majority equity holder JointMedica Investment Holdings, L.P. ("JM Holdings" and, together with JointMedica, the "Defendants")[28] captioned *Exactech, Inc., et al., v. JointMedica Limited, et al., No. 24-12441* (the "Adversary Proceeding"). Pursuant to the Adversary Proceeding, Exactech, Inc. and the Ad Hoc Group seek entry of a declaratory judgment that:

- Exactech's shares in JointMedica (the "JointMedica Shares") can be transferred without the Defendants' consent notwithstanding provisions in JointMedica's August 24, 2023 Articles of Association and Shareholders Agreement;

[28] JM Holdings is an investment vehicle and an Affiliate of the Sponsor.

- Exactech may assume and assign its August 24, 2024 Distribution Agreement without Defendants' consent;

- Exactech may assume and assign its August 23, 2023 Shareholders Agreement without Defendants' consent or, alternatively, that the acquiror of the JointMedica Shares may succeed to Exactech by executing a Deed of Adherence; and

- the JointMedica Shares can be and have been encumbered by a lien securing the DIP Facility and that GLAS Trust Company LLC (as an administrative and collateral agent) is permitted to credit bid for the JointMedica Shares.

The Defendants oppose the relief requested in the Adversary Proceeding and assert that applicable law precludes Exactech from assuming, transferring, assigning, or disposing of in any manner both the August 23, 2023 Shareholders Agreement and/or the August 24, 2023 Distribution Agreement (together, the "JM Agreements"), absent the Defendants' consent. The Defendants further assert that any assignment, transfer, assumption, pledge, encumbrance, or disposal of the JM Agreements and/or the JointMedica Shares without the Defendants' consent would be in breach of JointMedica's constitutional documentation (*i.e.*, the August 24, 2023 Articles of Association) and unenforceable under the laws of England and Wales, which govern the JM Agreements and the Articles of Association, even if approved by the Bankruptcy Court. The Debtors disagree with the Defendants' assertions and will prosecute the Adversary Proceeding.

The Adversary Proceeding is expected to be tried on an expedited timeline and decided in advance of Confirmation. On January 28, 2025, the Bankruptcy Court entered an *Agreed Scheduling Order* [Docket No. 24], which provides for, among other things, fact discovery to be completed by February 21, 2025, expert discovery to be completed by March 17, 2025, and the trial to begin on March 27, 2025.

On February 24, 2025, the Committee filed a *Motion to Intervene of the Official Committee of Unsecured Creditors* [Docket No. 629], through which the Committee requests a Court order permitting the Committee to intervene in the Adversary Proceeding and participate fully in the Adversary Proceeding.

The Special Committee understands that the Sponsor and the Ad Hoc Group have agreed in principle to resolve the JointMedica Adversary Proceeding, subject to agreement on definitive documentations. [Specifically, the Sponsor shall support (i) the transfer of all of the Debtors' interests in JointMedica Limited (including the Distribution Agreement (as defined below) and related agreements) to the Stalking Horse Purchaser, provide or obtain any consents related thereto, and take other actions to effectuate such transfer (or cause the JointMedica entities to do so), to the extent necessary and (ii) all efforts to assign the Distribution Agreement to the Stalking Horse Purchaser and shall waive its termination rights arising thereunder from the sale of the Debtors' assets pursuant to the Sale Transaction.][29] The adversary proceeding captioned *Exactech, Inc. et al. v. JointMedica Limited et al.*, Adv. Pro. No. 24-50297 (LSS) shall be held in abeyance. If the Plan is confirmed, the adversary proceeding shall be dismissed with prejudice. If the Plan is not

[29] Language subject to agreement between the Sponsor and Ad Hoc Group, including with respect to Ad Hoc Group support of releases in favor of TPG.

confirmed, the adversary proceeding shall resume according to a scheduling order, which shall be mutually agreed by the parties in good faith, and subject to approval of the Bankruptcy Court.

I. Bidding Procedures and Marketing Process

As described above, the Debtors, led by Centerview, engaged in a thorough marketing process for the sale of substantially all of the Debtors' assets in accordance with the Bidding Procedures. This sale includes certain potential Causes of Action held by the Debtors or the Estates. Prior to commencing these Chapter 11 Cases, the Debtors entered into the Stalking Horse APA for the sale of the Acquired Assets, setting the floor for a competitive bidding process—where overbids could yield additional value for creditors—and providing a clear path to consummate a value-maximizing sale transaction.

The Debtors believe that the Bidding Procedures were designed to allow the Debtors to elicit the highest or otherwise best offer for all or substantially all of the Debtors' assets, including the Acquired Assets and any potential Causes of Action held by the Debtors or the Estates that the Winning Bidder may seek to acquire. Under the Bidding Procedures, the deadline for interested parties to submit binding bids was February 24, 2025 at 4:00 p.m. (prevailing Eastern Time). Qualified Bids were required to satisfy the general bid requirements set forth in the Bidding Procedures. No Qualified Bids, other than the Stalking Horse Bid, were received by the Qualifying Bid Deadline.

On March 6, 2025, the Debtors filed the *Notice of Cancellation of Auction and Designation of Stalking Horse Bid as the Winning Bid* [Docket No. 684], designating the Stalking Horse Bid as the Winning Bid and cancelling the Auction.

On March 6, 2025, the Debtor and the Stalking Horse Purchaser entered into an amendment to the Stalking Horse APA (the "APA Amendment") [Docket No. 685], which APA Amendment was a condition precedent to the DIP Amendment. Among other things, the APA Amendment memorializes the agreement regarding estate causes of action made between the Ad Hoc Group and the Committee in connection with the Final DIP Order and Bidding Procedures Order, reflects modifications of certain dates and deadlines, adds additional Excluded Assets that will be left in the Debtors' Estates following the Sale Transaction, and provides that, following entry of the Sale Order, the Debtors may no longer solicit alternative transactions or terminate the Stalking Horse APA if the governing body of the Debtors determines that proceeding with the Sale Transaction is inconsistent with the governing body's fiduciary duties.

A hearing on approval of sale of the Acquired Assets to the Stalking Horse Purchaser, is set for March 27, 2025 at 10:00 a.m. (prevailing Eastern Time).

J. Other Material Filings

1. Committee's Motion to Terminate Exclusivity

On January 16, 2025, the Committee filed the *Motion of the Official Committee of Unsecured Creditors to (I) Compel Discovery and (II) Terminate the Debtors' Exclusive Period* [Docket No. 439] (the "Motion to Terminate Exclusivity") seeking to terminate the Debtors' exclusivity period, pursuant to section 1121(d) of the Bankruptcy Code, to allow the Committee to

propose a chapter 11 plan. The Motion to Terminate Exclusivity is currently set for hearing on March 27, 2025. The Debtors disagree with the assertions in the Motion to Terminate Exclusivity and intend to file a formal objection to the Motion to Terminate Exclusivity in advance of the March 20, 2025 objection deadline.

2. MDL Plaintiffs' Executive Committee's Motion for Relief from Stay

On January 31, 2025, the Plaintiffs' Executive Committee ("PEC") in the MDL filed the *Motion of the Plaintiffs' Executive Committee for Relief from Automatic Stay and Related Relief* [Docket No. 525] seeking (i) a determination that the automatic stay does not bar the PEC from filing a motion in the Eastern District of New York seeking to preserve certain arguments against the Sponsor available under the Federal Rules of Civil Procedure that may otherwise be waived if not timely filed by March 7, 2025 (the "Rule 60 Motion"), or alternatively (ii) relief from the automatic stay for the purpose of allowing the PEC to file the Rule 60 Motion, or (iii) if the Court determines that the stay applies and is not included to grant relief from the automatic stay, confirmation that the Federal Rule of Civil Procedure 60(c)'s time limit for filing a reconsideration motion is also stayed. The Bankruptcy Court approved the requested relief from the automatic stay, solely for the purpose of allowing the PEC to file the Rule 60 Motion, on February 24, 2025 [Docket No. 634]. On March 6, 2025, the plaintiffs filed the Rule 60 Motion under seal in the MDL, seeking leave to amend their complaint to address pleading deficiencies identified by the MDL court in its order dismissing the Causes of Action against the Sponsor.

3. Committee's Motion for Leave and Standing to Prosecute Certain Debtor Causes of Action Against the Sponsor

On February 1, 2025 the Committee filed the *Motion of the Official Committee of Unsecured Creditors for (I) Leave, Standing and Authority to Commence and Prosecute Certain Claims and Causes of Action on Behalf of the Debtors' Estates and (II) Exclusive Settlement Authority* [Docket No. 533] (the "Committee's Standing Motion") seeking permission and authority to prosecute certain claims on behalf of the Debtors' estates against TPG VII Osteon Holdings, L.P. The Committee alleges that the Sponsor engaged in insider dealings to preserve its equity investment in the Debtors at the expense of the Debtors' creditors and seeks standing to pursue certain legal remedies with respect to the Prepetition Sidecar Term Loans for the benefit of the Debtors' estates and unsecured creditors. The Debtors disagree with the assertions in the Committee's Standing Motion and intend to file a formal objection to the Committee's Standing Motion in advance of the March 20, 2025 objection deadline.

4. DOJ's Motion to Extend the Deadline to File a Complaint to Determine Dischargeability

On February 3, 2025, the DOJ filed the *Motion of United States for an Order Extending Time to File a Complaint to Determine Dischargeability of a Debt Pursuant to 11 U.S.C. § 523(c)* [Docket No. 549] seeking to extend the deadline by which the United States may file a complaint in these chapter 11 cases to determine the dischargeability of any debt arising from *U.S. et al. ex rel. Wallace v. Exactech, Inc.*, No. 2:18-cv-1010-LSC (N.D. Ala) and certain DOJ subpoenas and investigations related to the Debtors' businesses. The Bankruptcy Court approved this motion on February 24, 2025 [Docket No. 633].

5. Relators Adversary Proceeding

On February 3, 2025, Brooks Wallace, Robert Farley, and Manuel Fuentes (the "Relators"), on behalf of themselves, the United States of America, ex rel. filed the *Complaint to Determine Dischargeability* [Docket No. 550] (the "Relators' Complaint") initiating an adversary proceeding to determine the dischargeability of debts arising pursuant to certain *qui tam* causes of action against Exactech, Inc. based on allegations of fraud and alleged violations of the False Claims Act (31 U.S.C. §§ 3729 *et seq.*), litigation on which is currently pending in *U.S. et al. ex rel. Wallace v. Exactech, Inc.*, No. 2:18-cv-1010-LSC (N.D. Ala). On March 3, 2025, the Debtors and the Relators filed a stipulation which set April 22, 2025 as the Debtors' deadline to answer the Relators' Complaint.

6. Debtors' First Amended Disclosure Statement and Plan

On February 3, 2024, the Debtors filed the *First Amended Disclosure Statement Relating to the First Amended Joint Chapter 11 Plan of Exactech, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 535] (the "First Amended Disclosure Statement") and the *First Amended Joint Chapter 11 Plan of Exactech, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 534] along with the *Debtors' Omnibus Reply to Objections to Disclosure Statement and Disclosure Statement Motion* [Docket No. 536].

7. Debtors' Motion to Extend Exclusivity

On February 25, 2025, the Debtors filed the *Debtors' Motion for Entry of an Order, Pursuant to Section 1121(d) of the Bankruptcy Code, Extending the Exclusive Periods within Which the Debtors May File a Chapter 11 Plan and Solicit Acceptances Thereof* [Docket No. [644]] (the "Exclusivity Extension Motion") seeking an extension of (i) the Debtors' exclusive period to file a chapter 11 plan to May 27, 2025 and (ii) the Debtors' exclusive period to solicit acceptances of and confirm a chapter 11 plan to July 28, 2025. The Exclusivity Extension Motion is scheduled to be heard at the March 27, 2025 hearing.

K. KEIP Investigation

On February 7, 2025, the Debtors' counsel became aware of certain communications between a KEIP Participant and a member of the Ad Hoc Group regarding sale-related matters and were provided with a copy of email correspondence in this regard (the "Correspondence").[30] On Sunday, February 9, 2025, the Special Committee convened to consider the Correspondence and related matters, including potential next steps. At the Special Committee's direction, Debtors' counsel promptly scheduled calls with counsel to the Committee, the U.S. Trustee, and the Ad Hoc Group to update on these matters. On the morning of Monday, February 10, 2025, Debtors' counsel advised the parties of the Correspondence and that the Debtors, at the direction of the Special Committee, were assessing the circumstances surrounding such Correspondence, including with respect to any implications for, among other things, the relief granted by the KEIP Order. Debtors'

[30] A copy of the Correspondence is attached to the *Declaration of Gerard T. Cicero in Support of the Motion of the Official Committee of Unsecured Creditors to Reconsider (I) in Part the January 27, 2025 Order Authorizing the Implementation of a Key Incentive Program, (II) Approving Payments to Participants in the Debtors' Key Employee Incentive Program, and (III) Granting Related Relief* as Exhibit 1.

counsel also provided each of these parties with copies of the Correspondence immediately following these calls. On February 10, 2025, the Debtors, under the Special Committee's supervision, commenced an independent review of the Sale Incentive KEIP Participants' communications and dealings with the Ad Hoc Group, including with respect to compensation and incentive structures related to the Stalking Horse APA or otherwise (the "KEIP Investigation").

As referenced above, on February 13, 2025, the Committee filed the KEIP Reconsideration Motion, asserting that information material to the Bankruptcy Court's January 27, 2025 decision to approve the KEIP Motion was not disclosed to the Committee or the Bankruptcy Court prior to the Bankruptcy Court's decision.

The Special Committee's KEIP Investigation included interviews with certain of the Sale Incentive KEIP Participants, the member of the Ad Hoc Group involved in the communications reflected in the Correspondence, as well as the Debtors Chief Restructuring Officer and Karn Chopra, the Partner at Centerview leading the Debtors' sale process, as well as document collection from the Sale Incentive KEIP Participants and review of approximately 2,500 documents. The Special Committee's KEIP Investigation is ongoing. To date, the KEIP Investigation has not revealed evidence that Special Committee believes would be sufficient to preclude either approval of the Sale Transaction to the Stalking Horse Purchaser or a finding that the Stalking Horse Purchaser is entitled to the protections of section 363(m) of the Bankruptcy Code as a good faith purchaser of the Debtors' assets. The Special Committee presently intends to substantially complete the KEIP Investigation in advance of the Sale Hearing on March 27, 2025.

L. Mediation

On February 13, 2025, the Debtors filed the *Certification of Counsel Regarding Agreement to Mediate and Order (I) Appointing a Mediator and (II) Granting Related Relief* [Docket No. 587], seeking entry of an order authorizing the Debtors, the Special Committee, the Committee, and TPG VII Osteon Holdings, LP to participate in non-binding mediation (the "Mediation"), conducted by the Honorable Shelley C. Chapman (Ret.) as Mediator. The Bankruptcy Court authorized and appointed the Honorable Shelley C. Chapman (Ret.) to serve as Mediator and conduct the Mediation on February 24, 2025 [Docket No. 632]. The Mediation is intended to address the terms of a potential consensual chapter 11 plan and the treatment of certain claims and causes of action held by the Debtors and their Estates.

Between March 10 and March 11, 2025, the Debtors, the Special Committee, the Committee, and the Sponsor participated in in-person mediation sessions regarding, among other things, the Plan's proposed release provisions. The Mediation is ongoing as of the date herein.

As set forth below, the Special Committee has reached an agreement in principle with the Sponsor on the terms of a settlement pursuant to which the Special Committee would consent to providing a release of Estate Claims and Causes of Action against the Sponsor and its Related Parties (including Sponsor Related Parties that previously served as officers or directors of the Debtors).

M. Postpetition Product Recall

On December 31, 2024, out of an abundance of caution, the Debtors commenced a voluntary recall of their XLE hip liners manufactured from 2018 through August 2021 marketed as Exactech AcuMatch, Novation, and Alteon XLE (the "2024 Recall" and the products subject to the 2024 Recall the "2024 Recalled Products"). In addition to potentially affected patients, the notice of recall was reported to the FDA and all other competent authorities and regulatory authorities. Information about the products affected by the 2024 Recall can be found at the Debtors' website by visiting https://www.exac.com/recall-information/.

As with the Recalls, the 2024 Recall was due to Exactech Inc.'s vendor supplying non-conforming bags used to package the Company's affected products. As detailed above, the non-conforming bags were determined to be missing one of the oxygen barrier layers that was designed to protect the medical devices from oxidation, a chemical reaction with oxygen that could potentially degrade plastic components over time. Oxidation, if it reaches a certain threshold, may lead to faster device wear or failure, which could potentially lead to revision surgeries.[31] The 2024 Recalled Products were not subject to the prior Recalls because the 2024 Recalled Products are made from polyethylene infused with antioxidant Vitamin E. This design feature provides an additional layer of protection, helping to mitigate risks associated with oxidation. Nevertheless, out of an abundance of caution to ensure all of the Company's devices in the field meet their intended packaging requirements, the Debtors initialed the 2024 Recall.

N. Foreign Subsidiaries

As referenced above, the Debtors have twelve foreign non-debtor subsidiaries. Pursuant to the Stalking Horse APA, the Stalking Horse Purchaser will acquire the equity of the foreign non-debtor subsidiaries in the Sale Transaction. As detailed in ARTICLE VIC.2 below, the Debtors have obligations under the Restructuring Support Agreement and the DIP Credit Agreement Documents to take certain actions with respect to certain of their foreign non-debtor subsidiaries, specifically the Debtors' indirect Australian subsidiary, Exactech Australia Pty Ltd, and indirect United Kingdom subsidiary, Exactech UK Limited.

O. Special Committee Investigation and the Plan's Releases

Prior to the Petition Date, the Special Committee commenced the Independent Investigation of the Conflict Matters. The Independent Investigation focused on examining potential Claims, Causes of Action, or theories of liability that the Debtors may hold or otherwise be able to assert against insiders, affiliated entities, and other parties (collectively, "**Estate Claims**") primarily in connection with:

[31] For the avoidance of doubt, as stated above, although the Company initiated Recalls, including the 2024 Recall, out of an abundance of caution, it has consistently maintained that the non-conforming bags have not, in fact, led to overall higher rates of revision surgeries beyond industry averages (5-10 percent at 10 years of follow up), and believes that the scientific and clinical data supports the Company's position.

(1) the Prepetition Sidecar Credit Agreement, including the Incremental Sidecar Term Loans extended pursuant to that April 23, 2024 amendment to the Prepetition Sidecar Credit agreement (such loans, the "Upsize");

(2) the August 2023 JointMedica transaction (the "JointMedica Transaction");

(3) the series of transactions between October 2017 and February 2018 pursuant to which the Sponsor acquired all outstanding shares in the Debtors (the "2018 Take Private Transaction");

(4) the pending FCA Matters as well as other prepetition litigation regarding product recalls; and

(5) certain prepetition transfers between the Debtors, from the Debtors to the Sponsor or its affiliates, and to other insiders.

Specifically, as part of the Independent Investigation, counsel to the Special Committee took various steps to analyze potential Estate Claims or theories including, but not limited to, avoidance of fraudulent conveyances and preferential transfers, unlawful dividends, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, negligent undertaking, negligent supervision, unjust enrichment, alter ego, veil-piercing, successor liability, recharacterization, disallowance, equitable subordination, breach of contract, tortious interference with contract, deepening insolvency, fraud, contribution, liability under the False Claims Act, corporate waste, and indemnification.

In furtherance of the Independent Investigation, the Special Committee issued document and information requests and received documents from: (1) Riveron Management Services, LLC, Exactech's financial advisor; (2) Centerview Partners, Exactech's investment banker; (3) Ropes & Gray LLP, Exactech's legal advisor; (4) Karen Golz, in her role as the sole member of the JM Special Committee; (5) Hogan Lovells LLP, Exactech's legal advisor in the FCA Matters; (6) Faegre Drinker Biddle & Reath LLP, Exactech's legal advisor in the MDL pending in New York and Florida relating to certain products liability claims; (7) the Sponsor; and (8) Milbank LLP, counsel to the Ad Hoc Group.

Collectively, the Special Committee, working with White & Case, issued document requests and received documents and communications in response to such requests totaling approximately 457,000. These include, among other things, corporate documents, budget forecasts, email correspondences, transaction and debt documents, board minutes, compensation policies and plans, invoices, and deposition transcripts. In addition, between September 2024 and February 2025, the Special Committee interviewed 20 current and former members of the Company's management, directors, board members, and other representatives.[32]

[32] Specifically, the Special Committee interviewed the following individuals: (1) Karn Chopra, Centerview Partners; (2) Karen Golz, Independent Director; (3) Tony Collins, Chief Financial Officer; (4) Donna Edwards, General Counsel and Secretary; (5) Dale Wolf, Chief Operating Officer; (6) Jessica Livingston, Deputy General Counsel; (7) Laurent Angibaud, Vice President of Development; (8) Adam Hayden, Chief Marketing Officer; (9) Jeff Binder, Board Member and Former CEO and Chairman; (10) Andrew Zeltwanger, Vice President Regulatory and Clinical; (11) Brian Danahy, Chief Compliance Officer; (12) Kendall Garrison, Board Member and Partner at TPG

The Special Committee investigated the Released Parties and their Related Parties, including the Sponsor and its Related Parties and the HoldCo Debtors[33] and their Related Parties. Such individuals and entities include, but are not limited to, TPG, Inc., TPG Capital, L.P., JointMedica Limited, JointMedica Investment Holdings, L.P., TPG VII Osteon Holdings, LP, TPG Partners VII, L.P., TPG Genpar VII, L.P., TPG Genpar VII Advisors, LLC, Osteon Merger Sub, Inc., TPG Global, LLC. The Special Committee also analyzed other potential Estate Claims, including against any current or former directors, officers, and employees of the Debtors.

With respect to individual directors, officers and employees included as Debtor Related Parties, the Special Committee investigated potential Estate Claims the Debtors may hold against certain persons (such individuals, the "Current D&Os") arising out of (1) transfers made to these parties within the one-year period preceding the Petition Date; (2) transfers made to these parties in connection with the 2018 Take Private Transaction; (3) transfers made to David Petty under that certain transition agreement between Mr. Petty, Osteon Holdings Inc., and Exactech, Inc. dated December 31, 2019 (the "Transition Agreement"); and (4) breaches of fiduciary duty in connection with the Prepetition Sidecar Credit Agreement, the JointMedica Transaction, and the recalls initiated by the Debtors.

The Special Committee's investigation into the above-referenced Directors, Officers, and Current Employees (as defined in the Bidding Procedures Order) was also conducted in connection with the Special Committee's assistance to the Committee and the Stalking Horse Purchaser in the investigation of plausible causes of action against these parties as set forth in Paragraph E of the Bidding Procedures Order.

As a part of the Independent Investigation, counsel to the Special Committee took various steps, including, but not limited to:

Prepetition Sidecar Credit Agreement	• Reviewed the collateral securing the obligations of the parties under the Prepetition Sidecar Credit Agreement and related loan documents, including (i) the Pledge and Security Agreement, dated as of September 19, 2023, (ii) the Perfection Certificate, dated October 19, 2023, (iii) UCC searches, (iv) judgment and tax lien searches, (v) litigation searches, and (vi) USPTO searches. • Reviewed diligence materials, board materials, governance documents, financial information, draft agreements, and presentations and analyses. • Reviewed term sheets and communications exchanged between Exactech and the Sponsor or their respective

Partners; (13) Chris Roche, Senior Vice President of Extremities; (14) Stacey Fedorka, Chief Technology Officer: (15) Mike Tepatti, TPG Partners (Principal); (16) Michael Crader, Vice President Regulatory and Clinical (Former); (17) Matt Collins, Vice President Quality Assurance; (18) Darin Johnson, CEO; (19) Cassy Morgan, Vice President Human Resources; (20) Matthew Brzozowrski, VP Sales US.

[33] "HoldCo Debtors" mean Osteon Holdings, Inc., Osteon Intermediate Holdings I, Inc., and Osteon Intermediate Holdings II, Inc.

	representatives regarding the negotiation of the terms of proposed financing. • Conducted interviews of Tony Collins (Exactech CFO), Karen Golz (Independent and Disinterested Member of the Board of Directors of Osteon Holdings, Inc.), and Karn Chopra (Partner at Centerview).
JointMedica Transaction	• Reviewed governing documents executed in connection with or otherwise related to the JointMedica Transaction, including, but not limited to, the Subscription and Shareholders' Agreement, the 2021 Exclusive Distribution Agreement, the Amended Distribution Agreement, the Articles of Association of JointMedica, the Amended Articles of Association of JointMedica, and related documents. • Reviewed documents surrounding the negotiation of the JointMedica Transaction, including, but not limited to, board materials, communications between the special committee established by the Board of Directors of Osteon Holdings, Inc. in connection with the transaction (the "JM Special Committee") and other parties, and term sheets exchanged between the Sponsor and the JM Special Committee. • Interviewed Karen Golz (in her role as the sole member of the JM Special Committee) and conferred with Exactech and its advisors on related matters.
FCA Matters	• Conducted research on whether Exactech can seek contribution or indemnification from the Sponsor for liability under the False Claims Act (FCA), as well as potential recovery on common law claims based on related facts, including breach of fiduciary duty, aiding and abetting fiduciary duty, fraud, negligent undertaking, and negligent supervision. • Convened with Exactech's *qui tam* counsel, Hogan Lovells LLP ("Hogan"), regarding background of the DOJ's investigation, the relator's allegations, Exactech's response to the Civil Investigative Demand, and Hogan's assessment of the evidence, including associated documentation such as a white paper and presentation produced by Hogan.

	• Reviewed and heard a presentation from Sidley Austin LLP (counsel to the Sponsor). • Conferred with Faegre Drinker Biddle & Reath LLP (counsel to Exactech in the MDL) on Exactech's defense in the MDL. • Conferred further with Hogan Lovells LLP and Sidley Austin LLP on the status of the FCA Matters. • Reviewed the motion to dismiss and subsequent briefing filed by the Sponsor in the MDL. • Reviewed board minutes, presentations, and resolutions related to the products subject to recall. • Reviewed documents identified by the Plaintiffs' Executive Committee described as illustrative of the Sponsor's purported control over Exactech.
Intercompany Claims	• Reviewed and analyzed transfers made by the Debtors prior to the Petition Date, with particular focus on transfers from the Debtors to the Sponsor or its affiliates, including transfers by the Selling Debtors to the HoldCo Debtors.
Claims Against Insiders	• Examined potential Estate Claims and Causes of Action against current and former insiders and affiliates of the Debtors, including in connection with the settlement between the Committee and the Ad Hoc Group under the Bidding Procedures Order, as set forth in Paragraph E thereof.

The Special Committee and White & Case held weekly, and often more frequent, in-person and virtual meetings to discuss the progress of the Independent Investigation. These meetings facilitated ongoing oversight, updates on workstreams, and deliberation on findings. Additionally, White & Case engaged in extensive discussions with advisors to interested parties, including counsel to the Debtors, the Sponsor, the Ad Hoc Group, and the Committee, ensuring active participation and transparency throughout the process.

Between February 18, 2025 and March 3, 2025, the Special Committee presented its findings to the Mediator, the Committee, counsel to the Sponsor, the Ad Hoc Group, and the Debtors. In its meetings with each of these constituencies, White & Case outlined its factual findings and conclusions, answered questions, and made clear the Special Committee was interested in receiving feedback from the parties-in-interest regarding the Independent Investigation as it considered its recommendation. Between March 10 through March 11, 2025, the Debtors, the Special Committee, the Committee, and the Sponsor participated in in-person mediation sessions

regarding, among other things, the Plan's proposed Releases. The Mediation is ongoing as of the date hereof.

On March 19, 2025, the Special Committee filed on the Court's docket a summary report of the Special Committee's principal findings and summary conclusions regarding the results of the Independent Investigation and the propriety of releases. Through its independent decision-making process, the Special Committee has determined that only a limited number of viable claims against the Sponsor and certain other parties may be asserted.

1. The Prepetition Sidecar Credit Agreement and Upsize

Avoidance and Recovery of Actual Fraudulent Transfers. The Independent Investigation revealed that there likely is not a viable claim of actual fraudulent transfer related to the Prepetition Sidecar Credit Agreement. The evidence did not show fraudulent intent in connection with the Company's entry into the Prepetition Sidecar Credit Agreement or the Upsize.

Avoidance and Recovery of Constructively Fraudulent Transfers. Similarly, the Independent Investigation revealed that there likely is not a viable claim for constructive fraudulent transfer with respect to the Prepetition Sidecar Credit Agreement and Upsize generally. The evidence shows that the Company received significant value in connection with the incurrence of the Prepetition Sidecar Credit Agreement and Upsize.

Avoidance of Interest Payments as Preferences. The Independent Investigation revealed that there likely also is not a viable claim to avoid interest payments paid to the Sponsor under the Prepetition Sidecar Credit Agreement as preferences. During the one-year period prior to the Petition Date, the Company paid the Sponsor interest totaling approximately $277,000. Although there may be disputed facts with respect to certain elements of a preference claim, even if those elements could be established, the Sponsor may have strong defenses including ordinary course of business, and the costs of pursuing this claim would likely outweigh the benefits.

Equitable Subordination and Recharacterization. The Independent Investigation revealed that there are likely not viable claims for equitable subordination or recharacterization related to the Prepetition Sidecar Credit Agreement and Upsize.

Challenges to Exit Fee, MOIC, and Guarantees. The Independent Investigation revealed that there potentially could be viable claims related to the Exit Fee, MOIC, an up-front fee paid in connection with the Upsize (the "Second Up-Front Fee") (totaling approximately $5.46 million), and/or the guarantees provided by Debtor entities in connection with the Prepetition Sidecar Credit Agreement. However, various defenses may be available. This includes, for example, that the Exit Fee became due and payable before the bankruptcy filing, meaning the obligations were not "unmatured" as of the Petition Date and section 502(b)(2) is no longer applicable. Additionally, the Sponsor may assert that the fees referenced above were "reasonable" under the circumstances, as make-wholes are disallowed under applicable state law if they are an unreasonable penalty.

2. The JointMedica Transaction

Avoidance and Recovery of Actual Fraudulent Transfers. The Independent Investigation revealed that there is likely not a viable claim of actual fraudulent transfer in connection with the

JointMedica Transaction. The evidence did not show fraudulent intent in connection with the Company's entry into the transaction.

Avoidance and Recovery of Constructive Fraudulent Transfers. The Independent Investigation revealed that there potentially could be viable claims for constructive fraudulent conveyance in connection with the JointMedica Transaction. Although there may be disputed issues concerning solvency and whether Exactech received reasonably equivalent value, the evidence shows that Exactech received benefits from the transaction, including the ability to distribute the product and reap the benefits of the Distribution Agreement. The likelihood of success on these claims is also uncertain, the cost of pursuing them could be significant, and any damages would be highly speculative.

3. The 2018 Take Private Transaction

Avoidance and Recovery of Actual or Constructive Fraudulent Transfers. The Independent Investigation revealed that there is likely no viable claim that the 2018 Take Private Transaction may be challenged as a fraudulent transfer. The evidence likely does not support a viable claim that the 2018 Take Private Transaction constituted a transfer of property of the Company at a time when it was insolvent or for less than reasonably equivalent value (based on, among other reasons, that the transaction was approved by a public company's stockholders following applicable law). Additionally, the Sponsor might raise multiple defenses, including regarding the applicable look-back period and potential safe-harbor protections, which could be costly to litigate.

4. Intercompany Claims

Inter-Debtor Transfers. The evidence does not support a viable claim arising from inter-Debtor transfers involving Osteon Holdings, Inc. and Osteon Holdings Intermediate I, Inc. between the 2018 Take Private Transaction and the Petition Date. These transfers include intercompany transactions arising out of a pooled cash account held by Osteon Holdings, Inc. (the "Account"). As of the Petition Date, the Account held approximately $5,500.

Constructive Fraudulent Transfers to Avoid Payments Under the MSA or Consulting Agreement. The evidence suggests that there may be potentially viable claim for constructive fraudulent transfers to avoid certain payments made from Osteon Holdings, Inc., Osteon Intermediate Holdings I Inc., Osteon Intermediate Holdings II, Inc., and Exactech, Inc. (the "MSA Parties") to the Sponsor pursuant to that certain Management Services Agreement dated February 14, 2018 (the "MSA"). Additionally, there may also be potentially viable claims for constructive fraudulent transfers to avoid certain payments made from Exactech to the Sponsor under that certain Consultant Agreement dated February 14, 2018 (the "Consultant Agreement"). Pursuant to the MSA, the MSA Parties agreed to pay the Sponsor and has since paid the following fees and expenses: (1) $5,909,935 in closing costs incurred for out-of-pocket expenses and fees related to the MSA Parties; (2) payments totaling $4,877,778 related to an annual fee required by the MSA and payable as a retainer for access to services; and (3) $645,046 in expenses relating to the services or enforcement of the MSA. Pursuant to the Consulting Agreement, the Sponsor agreed to provide the Company with access to one or more consultants under engagement with the Sponsor for services required by the Company, as more fully set forth in statements of work to be entered into with respect to requested services, in exchange for the reimbursement of fees and expenses.

Between the closing of the 2018 Take-Private Transaction and the Petition Date, the Company has paid the Sponsor $1,420,557 in fees relating to the Consulting Agreement.

As set forth above, there may be potentially viable claims relating to the avoidance of these payments. These claims, however, may not ultimately succeed including based on the Company's solvency and/or the presence of reasonably equivalent value, and it is uncertain whether the cost of pursuing those claims may outweigh the benefits.

Actual Fraudulent Transfers to avoid Payments Under the MSA or Consulting Agreement. The evidence does not support viable claims for actual fraudulent transfer arising from the Company's incurrence of obligations or payments made under the MSA or the Consultant Agreement.

Avoidance of Payments under the MSA or Consulting Agreement as a Preference. The evidence does not show any payments made to the Sponsor under the MSA or the Consultant Agreement during the one-year preference period.

5. The False Claims Act

Contribution and Indemnification for FCA Claims. It is well-established that, as a matter of law, an FCA defendant cannot seek indemnification or contribution from an FCA co-defendant, including any legal claim that has as an element offsetting the defendant's FCA liability.

Alter Ego/Veil-Piercing and Successor Liability. The Independent Investigation revealed that there are likely no viable claims for alter ego, veil-piercing or successor liability. Specifically, there is not evidence that the Sponsor dominated and controlled the Company to such an extent that the Company's independent existence was in fact non-existent or that the corporate form was used fraudulently or for an improper purpose.

6. Claims Against Current Directors and Officers

Constructive Fraudulent Transfer and Preferences. The evidence generally does not support viable claims for constructively fraudulent transfer or preference to avoid payments made to the Current D&Os within the one-year period preceding the Petition Date.

Take-Private Consideration. The evidence generally does not support viable avoidance claims arising from the payment of take-private consideration paid to the Current D&Os.

Breach of Fiduciary Duty. The evidence generally does not support viable claims for breach of fiduciary duty against Current D&Os.

Transfers to Mr. Petty. The Independent Investigation revealed a potential exception to the above conclusions, which is that there may potentially be viable claims to avoid payments made to David Petty, although such claims may be subject to defenses and costly to litigate.

7. Conclusions

Based on the analysis set forth above, the Special Committee has concluded that a limited number of potentially viable claims could exist against the Sponsor and its Related Parties. Given the nature of the claims and available defenses, including the amounts at issue and the speculative nature of damages, the chance of significant recovery on account of these claims is highly unlikely. However, the Special Committee concluded that Estate Claims against the Sponsor and its Related Parties (including Sponsor Related Parties that previously served as officers or directors of the Debtors) should not be released unless the Sponsor agreed to provide adequate consideration.

Additionally, the Special Committee has concluded that potentially viable claims may exist against David Petty, and thus any proposed releases of Estate Claims should not include at this time the release of any Claims potentially held against David Petty.

Finally, given the scope of the Independent Investigation, the Special Committee has also concluded that any proposed releases of Estate Claims should not include at this time the release of any Claims potentially held against former officers and directors.

All rights to object to the releases will remain fully preserved for the Committee and other parties at the Confirmation Hearing.

Other than the Independent Investigation with respect to the Sponsor and its Related Parties, which Independent Investigation is completed, the Special Committee's conclusions with respect to its investigation into potential Estate Claims against the above-referenced Released Parties are based on the facts and circumstances as identified and known by the Special Committee as of the date hereof. The Special Committee will remain responsive to any potential claims that are identified and will undertake appropriate investigation to ensure that valuable estate causes of action are not released for inadequate consideration. Accordingly, other than with respect to the Sponsor and its Related Parties as provided herein, to the extent the Independent Investigation uncovers Estate Claims or Causes of Action worthy of pursuit prior to Confirmation, the Special Committee may recommend that the Debtors amend and narrow the scope of the proposed released parties or remove such Claim or Cause of Action entirely in order to allow such Estate Claims or Causes of Action to be preserved.

8. Settlement with the Sponsor

With the assistance of the Court-appointed mediator, following extensive negotiations with the Sponsor, the Special Committee has reached an agreement in principle with the Sponsor on the terms of a settlement pursuant to which the Special Committee would consent to providing a release of Estate Claims and Causes of Action against the Sponsor and its Related Parties (including Sponsor Related Parties that previously served as officers or directors of the Debtors) in exchange for contribution by the Sponsor of $10,000,000 in consideration. Specifically, the Sponsor shall contribute (i) $5,000,000 in cash and (ii) the portion of the New Takeback Debt and New Interests that the Sponsor is entitled to receive on account of the amount of the Prepetition Sidecar Claims that is attributable to the Exit Fee or the Applicable Premium arising and payable under the Prepetition Sidecar Credit Agreement (as defined therein), which the Special Committee values as $5,000,000.

The Special Committee also understands that the Sponsor and the Ad Hoc Group have agreed in principle to resolve the JointMedica Adversary Proceeding, subject to agreement on definitive documentation.

ARTICLE VI

THE DEBTORS' RESTRUCTURING SUPPORT AGREEMENT AND SUMMARY OF THE PLAN

A. Restructuring Support Agreement

On October 29, 2024, the Ad Hoc Group and Debtors entered into the Restructuring Support Agreement. Under the Restructuring Support Agreement, the Debtors have commenced a competitive, value-maximizing sale process for substantially all of their assets in accordance with the Bidding Procedures. The sale process supported by the Restructuring Support Agreement contemplates a Sale Transaction to the Winning Bidder, following an extensive postpetition marketing process. As additional support to a competitive and value-maximizing sale process, the Restructuring Support Agreement also established EI BIDCO, LLC as the Stalking Horse Bidder, and its Stalking Horse Bid includes a credit bid of all of the DIP Claims, the Prepetition First Lien Claims, and the Prepetition Sidecar Claims. The Stalking Horse Bid sets the floor for a competitive bidding process, where topping bids could yield additional value to stakeholders—and provide a clear path to consummate a transaction. The Restructuring Support Agreement also provided the framework for the Plan.

The Plan represents a significant step in the Debtors' restructuring process. The Restructuring Support Agreement will allow the Debtors to proceed expeditiously through chapter 11 to a successful resolution of these Chapter 11 Cases.

B. The Plan

As discussed in Article VI of the Plan, the Plan contemplates the sale of substantially all of the Debtors' assets, followed by the wind down of the Debtors' estates. The Plan contemplates the following key terms:

1. Sale Transaction

As discussed in more detail in Article V.I hereof, on November 12, 2024, the Debtors filed the Bidding Procedures Motion seeking, among other things, approval of the Bidding Procedures for the sale of all or substantially all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code. On December 10, 2024, the Bankruptcy Court entered the order approving the Bidding Procedures Motion [Docket No. 321] (the "Bidding Procedures Order").

The Debtors, led by Centerview Partners LLC ("Centerview"), engaged in a thorough marketing process for the sale of substantially all of the Debtors' assets in accordance with the Bidding Procedures. Prior to filing the Bidding Procedures Motion, the Debtors entered into the Stalking Horse APA for the Assets, setting the floor for a competitive bidding process—where topping bids could yield additional value to creditors—and provide a clear path to consummate a Sale Transaction. The Stalking Horse APA provides for the Stalking Horse Purchaser to purchase

substantially all of the Debtors' assets, including the equity of the Debtors' non-debtor foreign subsidiaries, in exchange for: (i) the assumption of Assumed Liabilities[34]; (ii) the Wind-Down Amount;[35] (iii) a credit bid pursuant to Section 363(k) of the Bankruptcy Code in an amount equal to (x) all of the Pre-petition Obligations, and (y) the full amount of the outstanding obligations of Sellers under the DIP Facility as of the Closing Date; (iv) the GUC Reserve[36]; and (v) the Plan Payment,[37] and (vi) the payment of Cure Costs.

The Debtors believe that the Bidding Procedures were designed to allow the Debtors to seek to elicit the highest or otherwise best offers for the Assets and other assets marketed by Centerview. On March 6, 2025, the Debtors filed the *Notice of Cancellation of Auction and Designation of Stalking Horse Bid as the Winning Bid* [Docket No. 684], designating the Stalking Horse Bid as the Winning Bid and cancelling the Auction. A hearing on approval of sale of the Acquired Assets to the Stalking Horse Purchaser, is set for March 27, 2025 at 10:00 a.m. (prevailing Eastern Time).

The Plan serves as a request to implement the Sale Transaction pursuant to sections 363, 1123 and 1141 of the Bankruptcy Code. Entry of the Sale Order shall approve the Sale Transaction and authorize the Debtors to consummate the Sale Transaction, including the sale of the Acquired Assets free and clear of all lien, claims and interests, subject to the conditions precedent to the consummation of the Sale Transaction, including that each of the conditions to the effective date of the Plan shall have been satisfied (or shall become effective concurrent with the closing of the Sale Transaction) or waived.

2. Recoveries to Certain Holders of Claims against Interests in the Debtors

The recoveries to Holders of Claims against and Interests in the Debtors are described in Article II.D of this Disclosure Statement, entitled "What will I receive from the Debtors if the Plan is consummated?"

3. Releases

The Plan contains certain releases, exculpations and injunction provisions, as described in Article II.L of this Disclosure Statement, entitled "Will there be releases and exculpation granted to parties in interest as part of the Plan?" The Debtors expressly reserve the right to determine prior to Confirmation of the Plan not to release and to bring any such Claims or Causes of Action. For

[34] Capitalized terms used and not otherwise defined in this sentence shall have the meanings ascribed to such terms in the Stalking Horse APA.

[35] As defined in the Stalking Horse APA, means cash in an amount equal to $2,250,000.

[36] As defined in the Stalking Horse APA, means $500,000 of Cash and Cash Equivalents that shall be an Excluded Asset and reserved for distributions to general unsecured creditors in accordance with the Approved Plan

[37] As defined in the Stalking Horse APA, "Plan Payment" means an amount of Cash and Cash Equivalents that shall be an Excluded Asset and that is necessary (i) to pay any fees required to be paid with respect to the DIP Facility in accordance with the DIP Orders and (ii) for the OpCo Debtors to pay Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims and Other Secured Claims, in each case, (x) against the OpCo Debtors (each as defined in the RSA) and (y) that arise on or before the Effective Date, are Allowed (as defined in the Approved Plan) as of the Effective Date (as defined in the RSA), and are required to be paid in cash pursuant to the Approved Plan.

more detail, *see* Article VIII.B of the Plan, entitled "Releases by the Debtors," which is incorporated herein by reference.

4. Transaction Expenses

For the avoidance of doubt, Transaction Expenses means all reasonable and documented fees, costs and expenses (whether incurred at any point before or after the commencement of these Chapter 11 Cases) incurred by the Ad Hoc Group Advisors in connection with the negotiation, formulation, preparation, execution, delivery, implementation, and consummation of the Restructuring Support Agreement, this Plan, the DIP Credit Agreement Documents, or the Sale Transaction Documents, and any other Definitive Documents, and/or the transactions contemplated hereby or thereby, and/or any amendments, waivers, consents, supplements, or other modifications to any of the foregoing.

C. Means for Implementation of the Plan

1. Restructuring Transactions

On the Effective Date, the Debtors shall take all actions set forth in the Restructuring Transactions Memorandum, and enter into any transaction and take any reasonable actions as may be necessary or appropriate to effect the transactions described herein, including, as applicable: (i) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Entities agree; (iii) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; and (iv) all other actions that the Debtors, Exactech NewCo, and the Required Consenting Lenders determine to be necessary or appropriate in connection with the consummation of the Sale Transaction, including making filings or recordings that may be required by applicable law in connection with the Sale Transaction or the Plan.

The Sale Order shall and shall be deemed to, pursuant to sections 363 and, subject to confirmation of the Plan and satisfaction of the conditions to effectiveness of the Plan set forth therein, 1123 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, and the Restructuring Transactions, including the Sale Transaction.

2. Stalking Horse Bid

Pursuant to the Restructuring Support Agreement, because the Stalking Horse Purchaser is the Winning Bidder, there will also be a series of transactions related to Exactech Australia Pty Ltd, Exactech UK Limited, and Exactech NewCo, as outlined below.

Pursuant to the terms of the Restructuring Support Agreement and the DIP Credit Agreement Documents, by no later than March 5, 2025, the Debtors shall have either (1) reached a settlement in respect of Federal Court of Australia proceedings number NSD1224/2024 and any matters the subject of those proceedings, that is acceptable to the Ad Hoc Group or (2) appointed one or more voluntary administrators to Exactech Australia Pty Ltd to pursue the potential restructuring of Exactech Australia Pty Ltd (which may include, among other things, a voluntary administration process together with a Deed of Company Arrangement or asset sale) in form and substance acceptable to the Ad Hoc Group in their reasonable discretion including without limitation, in relation to any material contracts, assets, and liabilities of Exactech Australia, and any relevant regulatory and tax considerations. If, however, at such time, the relevant governing bodies of the Debtors, Exactech International Operations AG, or Exactech Australia Pty Ltd. determine that such actions are inconsistent with their fiduciary duties based on the advice of external counsel, such milestone may be extended. The Debtors will (i) consult in good faith with, and because the Stalking Horse Purchaser is the Winning Bidder, take direction from the Ad Hoc Group and its advisors with respect to strategy and timing regarding the representative action pending against the Borrower and Exactech Australia in the Federal Court of Australia styled *Simon Harrold v. Exactech Australia Pty Ltd* (the "Australian Class Action"), including by providing updates and pertinent analysis of the opt-out process with respect thereto and (ii) provide the Ad Hoc Group and its advisors with the analysis and determination of any strategy regarding any potential claims that may be asserted by third parties with respect to the conduct underlying the Australian Class Action. While the Australian Class Action is stayed with respect to Exactech Inc., Exactech Inc. has the option to voluntarily participate in mediation to resolve the Australian Class Action. Consistent with the terms of the Restructuring Support Agreement and the Credit Agreement Documents, the Exactech Inc. and Exactech Australia Pty Ltd have been pursuing a settlement of the Australian Class Action. On December 20, 2024, Exactech Inc. and Exactech Australia Pty Ltd participated in mediation with the plaintiffs in the Australian Class Action, however no agreement was reached. Exactech Inc. and Exactech Australia Pty Ltd participated in a continued mediation with the Australian Class Action plaintiffs of March 3, 2025.

Pursuant to the terms of the Restructuring Support Agreement, the Debtors and the Ad Hoc Group shall agree on a detailed steps plan to effectuate the corporate restructuring of Exactech UK Limited, including a budget and estimate for fees, costs, taxes, and other expenses resulting from any such steps plan (the "UK Corporate Restructuring Steps Plan"). Subject to the Stalking Horse Purchaser providing the additional financing reasonably necessary to satisfy all payments required to be made in connection with effectuating the UK Corporate Restructuring Steps Plan, the Debtors will begin to effectuate the UK Corporate Restructuring Steps Plan on the date the Stalking Horse Purchaser is declared the Winning Bidder.

3. New Takeback Debt

On the Effective Date, the holders of DIP Superpriority Claims, Prepetition First Lien Claims, and Prepetition Sidecar Claims shall receive, in accordance with the Restructuring Transactions Memorandum, in full release and discharge of their liens and claims, new indebtedness of the Stalking Horse Purchaser (or such other entity issuing such debt pursuant to the Restructuring Transactions Memorandum) under a new credit agreement providing for, among other things the following:

- Principal Amount: No more than $130 million (inclusive of all of the DIP Superpriority Claims being exchanged into New Takeback Debt plus all accrued interest thereon).
- Maturity: September 2029.
- Rate: S+600 (cash).
- Amortization: 1% p.a.

4. New Interests.

On the Effective Date, the New Interests will be distributed to holders of Prepetition Pari 1L Claims in accordance with the Plan.

5. Sources of Consideration for Plan Distributions

On and after the Effective Date, the Debtors or the Wind-Down Trust, as applicable, will fund the Debtors' distributions and obligations in accordance with Article VI.B of the Plan with (i) the Sale Proceeds, including the Wind-Down Amount, (ii) the Wind-Down Trust Assets, (iii) GUC Reserve, and (iv) the Sponsor Consideration. After the Effective Date, to the extent not held in the Professional Fee Escrow Account, the cash held by the Wind-Down Trust shall be held in the Wind-Down Trust Account. For the avoidance of doubt, under no circumstances will Exactech NewCo be required to make or be responsible for making any Distributions under the Plan.

For more information regarding the mechanisms for distributions under the Plan, please refer to Article VI of the Plan.

6. Wind-Down Trustee and the Wind-Down Trust

(a) Appointment

On the Effective Date, the Wind-Down Trustee shall be appointed by the Debtors and the Required Consenting Lenders, for the purpose of conducting the Wind-Down and shall succeed to such powers as would have been applicable to the Debtors' officers, directors, and shareholders, and the Debtors, upon the conclusion of the Wind-Down, shall be dissolved by the Wind-Down Trustee. The Wind-Down Trustee shall act for the Debtors in the same fiduciary capacity as applicable to a board of directors or managers and officers, subject to the provisions hereof (and all certificates of formation, membership agreements, articles of incorporation or by-laws, and related documents, as applicable, are deemed amended pursuant to the Plan to permit and authorize the same). From and after the Effective Date, the Wind-Down Trustee shall be the sole representative of and shall act for the post-Effective Date Debtors and their Estates, including as sole director or manager and sole officer.

Among other things, the Wind-Down Trustee shall be responsible for: (1) implementing the Wind-Down as expeditiously as reasonably possible and administering the liquidation of the post-Effective Date Debtors and their Estates and of any assets held by the Wind-Down Trust after consummation of the Sale Transaction, (2) resolving any Disputed Claims and undertaking a good

faith effort to reconcile and settle Disputed Claims, (3) making distributions on account of Allowed Claims in accordance with the Plan, (4) filing appropriate tax returns, and (5) otherwise administering the Plan, in each case to the extent set forth in the Sale Transaction Documents and the Wind-Down Trust Agreement, as applicable.

All property of the Estates not distributed to the Holders of Allowed Claims on the Effective Date, or transferred pursuant to the Sale Transaction Documentation, excluding, for the avoidance of doubt, any amounts in Professional Fee Escrow Account, shall be transferred in accordance with the Restructuring Transactions Memorandum to the Wind-Down Trust and managed and distributed by the Wind-Down Trustee pursuant to the terms of the Wind-Down Trust Agreement and shall be held in the name of the Wind-Down Trust free and clear of all Claims and Interests except for rights to such distributions provided to Holders of Allowed Claims and Allowed Interests as provided in the Plan. The Wind-Down Trustee shall represent the Wind-Down Trust and shall have the right to retain the services of attorneys, accountants, and other professionals that the Wind-Down Trustee determines, in its sole discretion, are necessary to assist the Wind-Down Trustee in performing his or her duties. The Wind-Down Trustee shall pay the reasonable and documented fees and out-of-pocket expenses of such professionals upon the monthly submission of statements to the Wind-Down Trustee without further order of the Bankruptcy Court. Any and all reasonable and documented costs and expenses incurred by the Wind-Down Trustee in connection with the Wind-Down shall be paid from the Wind-Down Account subject to the terms and conditions of the Wind-Down Trust Agreement. The Wind-Down Trustee shall be compensated and reimbursed for reasonable and documented costs and out-of-pocket expenses as set forth in, and in accordance with, the Wind-Down Trust Agreement. Under no circumstances will Exactech NewCo be responsible for any related fees, costs or expenses.

(b) Authority

The Wind-Down Trustee will have the power and authority to take any reasonable action necessary to implement the Wind-Down. On and after the Effective Date, the Wind-Down Trustee shall cause the Debtors to comply with, and abide by, the terms of the Sale Transaction Document, and take such other reasonable actions as the Wind-Down Trustee may determine to be necessary or desirable to carry out the purposes of the Plan.

(c) Transfer and Vesting of Assets

On the Effective Date, the Wind-Down Trust will be formed pursuant to the Wind-Down Trust Agreement and immediately after the consummation of the Sale Transaction will receive, in accordance with the Restructuring Transactions Memorandum, all of the remaining assets of the Debtors. The Wind-Down Trust will be established for the primary purpose of liquidating the Wind-Down Trust Assets and winding down the Estates, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to and consistent with the liquidating purpose of the Wind-Down Trust. The Debtors will have no reversionary or further interest in or with respect to the Retained Assets upon the transfer of the Retained Assets as more fully set forth in the Wind-Down Trust Agreement. The Debtors have agreed to take the position that grantor trust treatment applies to the extent reasonably practicable, in which case, for all U.S. federal income tax purposes, the beneficiaries of the Wind-Down Trust would be treated as grantors and owners thereof, and it is intended, to the extent reasonably practicable, that the

Wind-Down Trust be classified as a liquidating trust under section 301.7701-4 of the Treasury Regulations. Accordingly, subject to the immediately foregoing sentence, it is intended for U.S. federal income tax purposes that the beneficiaries of the Wind-Down Trust be treated as if they had received an interest in the Wind-Down Trust's assets and then contributed such interests (in accordance with the Restructuring Transactions Memorandum) to the Wind-Down Trust. As soon as possible after the transfer of the Retained Assets to the Wind-Down Trust, the Wind-Down Trustee, in consultation with any financial advisors it deems appropriate, shall make a good faith valuation of the Retained Assets. This valuation will be made available from time to time as may be relevant for tax reporting purposes. Each of the Debtors, the Wind-Down Trustee, and the Holders of Claims receiving distributions from the Wind-Down Trust shall take consistent positions with respect to the valuation of the Retained Assets, and such valuation shall be utilized for all U.S. federal income tax purposes. The Wind-Down Trust will, in an expeditious but orderly manner, liquidate and convert to Cash the Retained Assets, make timely distributions to the beneficiaries of the Wind-Down Trust pursuant to the Plan and the Confirmation Order, and not unduly prolong its duration.

On the Effective Date, any Estate Cash and non-Cash assets remaining after the Sale Transaction is consummated shall vest in the Wind-Down Trust for the purpose of facilitating the above tasks. Such assets shall be held free and clear of all Liens, Claims, and Interests, except as otherwise provided in the Plan. The Debtors, the Wind-Down Trustee, and the Wind-Down Trust shall be deemed to be fully bound to the terms of the Plan, the Confirmation Order, and the Wind-Down Trust Agreement.

(d) Tax Returns

After the Effective Date, the Wind-Down Trustee will complete and file all final or otherwise required federal, state, provincial, and local tax returns for each of the Debtors and the Wind-Down Trust, in each case, in accordance with the Restructuring Support Agreement and Stalking Horse APA.

(e) Termination of Wind-Down Trust and Wind-Down Trustee; Dissolution of Debtors

Upon a certification to be Filed with the Bankruptcy Court by the Wind-Down Trustee of all distributions having been made and completion of all its duties under the Plan and entry of a final decree closing the last of the Chapter 11 Cases, the Wind-Down Trust shall be deemed to be dissolved without any further action by the Wind-Down Trustee, including the filing of any documents with the secretary of state for the state in which the Debtors are formed or any other jurisdiction. Notwithstanding the foregoing, the Wind-Down Trustee shall retain the authority to take all necessary actions to dissolve the Debtors and their wholly-owned subsidiaries in, and withdraw the Debtors and their wholly-owned subsidiaries from, applicable states and provinces to the extent required by applicable law, without the necessity for any other or further actions to be taken by or on behalf of such dissolving Entity or its shareholder or any payments to be made in connection therewith, other than the filing of a certificate of dissolution with the appropriate governmental authorities, pursuant to Section 303 of the Delaware General Corporation Law codified at title 8 of the Delaware Code or other applicable state or international law.

7. Debtors' Boards or Governance Bodies

From and after the Effective Date, all directors, managers, and other members of existing boards or governance bodies of the Debtors, as applicable, shall cease to hold office or have any authority and be deemed to have resigned.

8. Management Incentive Plan

No later than 120 days after the Effective Date, the New Board will adopt in accordance with the RSA the Management Incentive Plan and allocate a portion of the MIP Pool (as determined by the New Board) for awards to management, with the form, size, participation, vesting, and other terms and conditions of such awards to be determined by the New Board in its discretion and in consultation with the Exactech NewCo chief executive officer.

9. Corporate Action

Upon the Effective Date, by virtue of entry of the Confirmation Order, all actions contemplated by the Plan (including any action to be undertaken by Exactech NewCo or the Wind-Down Trustee) and the Restructuring Transactions Memorandum shall be deemed authorized, approved, and, to the extent taken prior to the Effective Date, ratified without any requirement for further action by Holders of Claims or Interests, the Debtors, or any other Entity or Person including (a) the distribution of the New Interests, (b) the issuance of the New Takeback Debt, and (c) all other actions that the Debtors, Exactech NewCo, and the Required Consenting Lenders determine to be necessary or appropriate in connection with the consummation of the Plan and the Restructuring Transactions, and including making filings or recordings that may be required by applicable law in connection with the Plan.

All matters provided for in the Plan involving the corporate structure of the Debtors or Exactech NewCo, and any corporate action required by the Debtors in connection therewith, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the Debtors or the Debtors' Estates.

10. Effectuating Documents; Further Transactions

On and after the Effective Date, the Debtors and the Wind-Down Trustee, as applicable, is authorized to and may issue, execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, the Restructuring Transactions, the Sale Transaction, and the instruments issued pursuant to the Plan in the name of and on behalf of the Wind-Down Trust, without the need for any approvals, authorizations, or consents except for those expressly required under the Plan.

11. Exemption from Certain Taxes and Fees

To the maximum extent provided by section 1146(a) of the Bankruptcy Code, any transfer pursuant to, in contemplation of, or in connection with this Plan (including the Sale Transaction and the Wind-Down), including pursuant to: (1) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in connection with the transactions contemplated hereby;

(2) the creation, modification, consolidation, termination, refinancing, release or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (3) the making, assignment, or recording of any lease or sublease; (4) the grant of collateral security for any or all of any indebtedness; or (5) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, this Plan and the transactions contemplated hereby, including any deeds, bills of sale, assignments, or other instruments of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to this Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or fee, or other similar tax, fee or governmental assessment, and the appropriate state or local government officials, recording officers or agents (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(a) of the Bankruptcy Code and shall forego collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, fee or governmental assessment.

12. Preservation of Rights of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to the Plan and the Sale Transaction Documents, the Wind-Down Trustee shall retain and may enforce all of the Debtors' rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan, other than Avoidance Actions and the Causes of Action (a) acquired by Exactech NewCo or its subsidiaries in accordance with the Sale Transaction Documents, (b) released by the Debtors pursuant to the releases and exculpations contained in the Plan or otherwise, including in Article VIII.B of the Plan, or (c) waived or abandoned, which in the case of clause (b) shall be deemed released and waived by the Debtors and the Wind-Down Trust as of the Effective Date.

The Wind-Down Trustee may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Wind-Down Trust. The Wind-Down Trustee shall retain and may exclusively enforce any and all such Causes of Action. The Wind-Down Trustee shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Wind-Down Trustee will not pursue any and all available Causes of Action against it. Unless any such Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or assigned or otherwise transferred to the Exactech NewCo in accordance with the Sale Transaction Documents, or settled under the Plan or a Final Order, the Wind-Down Trustee expressly reserves all such Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue

preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

D. Treatment of Executory Contracts and Unexpired Leases

1. Assignment and Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided in Article V of the Plan, the Bidding Procedures Order, or the Sale Transaction Documents, as of the Effective Date, the Debtors shall be deemed to have rejected all Executory Contracts and Unexpired Leases that (1) have not been previously rejected, or assumed and assigned, including in connection with the Sale Transaction, and are not the subject of a pending motion or notice to reject or assume and assign as of the Effective Date, (2) are not identified on the Assigned Executory Contract and Unexpired Lease List, and (3) have not expired under their own terms prior to the Effective Date.

Entry of the Confirmation Order and/or the Sale Order, as applicable, shall constitute an order of the Bankruptcy Court approving the (i) assumptions and assignments of the Assigned Executory Contracts or Unexpired Leases under the Sale Transaction Documents and (ii) the rejections of the Executory Contracts and Unexpired Lease under the Plan, as applicable, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Except as otherwise specifically set forth herein, in the Bidding Procedures Order, in the Sale Transaction Documents, in the Sale Order, or in the Confirmation Order, assumptions or assignments and rejections of Executory Contracts and Unexpired Leases are subject to and effective as of the Effective Date. Any Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in the applicable contracting Debtor and be fully enforceable by the Wind-Down Trustee (acting on behalf of the applicable contracting Debtor) in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption. Any Filed motions to assume, assume and assign, or reject any Executory Contracts or Unexpired Leases (or Filed objection with respect to the proposed assumption and assignment of such contract) that is pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order but may be withdrawn, settled, or otherwise prosecuted by the Wind-Down Trustee, with any such disposition to be deemed to effect an assumption, assumption and assignment, or rejection, as applicable, as of the Effective Date.

If certain, but not all, of a contract counterparty's Executory Contracts and Unexpired Leases are assumed or assumed and assigned pursuant to the Plan, the Confirmation Order and/or Sale Order, as applicable, will be a determination that such counterparty's Executory Contracts and Unexpired Leases that are being rejected pursuant to the Plan are severable agreements that are not integrated with those Executory Contracts and Unexpired Leases that are being assumed or assumed and assigned pursuant to the Plan. Parties seeking to contest this finding with respect to their Executory Contracts and/or Unexpired Leases must File a timely objection by the Confirmation Objection Deadline on the grounds that their agreements are integrated and not severable.

To the maximum extent permitted by law, to the extent any provision in any Executory Contract or Unexpired Lease assumed and assigned pursuant to the Plan, the Confirmation Order, and/or the Sale Order, as applicable, restricts or prevents, or purports to restrict or prevent, or is

breached or deemed breached by, or purports to cause a modification to the Executory Contract or Unexpired Lease as a result of, the assumption and assignment of such Executory Contract or Unexpired Lease (including any "change of control" provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights or modifications with respect thereto.

For more information regarding the procedures for resolving contingent, unliquidated, and disputed claims under the Plan, please refer to Article VII of the Plan.

2. Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or the Wind-Down Trustee, as applicable, under such Executory Contract or Unexpired Lease. Without limiting the general nature of the foregoing, and notwithstanding any non-bankruptcy law to the contrary, the Debtors and Wind-Down Trustee expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the Debtors contracting from non-Debtor counterparties to any rejected Executory Contract or Unexpired Lease.

3. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by a Final Order of the Bankruptcy Court, including the Bidding Procedures Order, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Bankruptcy Court on or before the latest of (i) the date set forth in an order authorizing such rejection (including the Confirmation Order), (ii) February 7, 2025 at 4:00 p.m. prevailing Eastern Time, and (iii) 30 days from the date the order authorizing the rejection of such contract or lease (which may be the Confirmation Order) was entered. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Bankruptcy Court within such time may, following an objection to the allowance of such Claim, be disallowed, forever barred from assertion, and not be enforceable against the Debtors, the Estates, the Wind-Down Trust, the Wind-Down Trustee, Exactech NewCo, or the property of any of the foregoing Entities. Claims arising from the rejection of the Executory Contracts and Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.C of the Plan and may be objected to in accordance with the provisions of Article VII of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

4. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed

Unless the parties to such Executory Contracts or Unexpired Leases may otherwise agree, any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment in Cash, on the Effective Date, of the Cure Claims by the Debtors or Exactech NewCo (solely with respect to any contracts assumed and assigned in accordance with the Sale Transaction Documents),

as applicable. In the event of a dispute regarding (1) the amount of any Cure Claims, (2) the ability of the Debtors or Exactech NewCo, as applicable, or the applicable assignee, if any, to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption and assignment, any such dispute shall be resolved as set forth in the Bidding Procedures Order with any related cure payments required by section 365(b)(1) of the Bankruptcy Code to be made following the entry of a Final Order resolving the dispute and approving the assumption or as otherwise resolved in accordance with the Bidding Procedures Order.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan, the Sale Transaction Documents, or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption; *provided*, *however*, that notwithstanding anything in the Plan, the Sale Transaction Documents, the Plan Supplement, or otherwise to the contrary, any non-Debtor party to any such Executory Contract or Unexpired Lease shall be entitled to receive, and nothing herein shall release or result in the satisfaction of such party's right to receive, payment in full of all Cure Claims and all amounts that have accrued or otherwise arisen between the Petition Date and the Effective Date (but are not in default as of the Effective Date) with respect to any Executory Contract or Unexpired Lease; *provided*, *further*, that all amounts that have accrued or otherwise arisen as of the Effective Date (but are not in default as of the Effective Date) with respect to any Executory Contract or Unexpired Lease that is assumed and assigned to Exactech NewCo shall be satisfied by Exactech NewCo in accordance with the terms of such Executory Contract or Unexpired Lease.

Except as otherwise agreed by any of the Debtors and any non-Debtor counterparty to any Executory Contract or Unexpired Lease following the assumption of any such Executory Contract or Unexpired Lease, any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

5. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed or assumed and assigned shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

6. Insurance Policies

Notwithstanding anything to the contrary in the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order, or the Sale Order, any bar date notice or claim objection, or any other order of the Bankruptcy Court (including any other provision that purports to be preemptory or supervening, grants an injunction, discharge, or release): (1) on the Effective Date, the Debtors shall assume and assign to Exactech NewCo, solely to the extent set forth in the Sale Transaction Documents, and explicitly provided in the Assigned Executory Contracts and Unexpired Lease List, all of the Debtors' insurance policies issued at any time and any agreements, documents, and instruments relating thereto in their entirety, including all of the Debtors' obligations thereunder regardless of when such obligations arise, pursuant to sections 105 and 365 of the Bankruptcy Code and subject to the terms of the applicable insurance policies, any agreement, documents, or instruments relating thereto, or applicable non-bankruptcy law (which may require the express written consent of the applicable insurer); (2) nothing alters, modifies, or otherwise amends the terms and conditions of (or the coverage provided by or obligations of the Debtors or the Wind-Down Trustee, as applicable, under) such insurance policies or the duty, if any, that the insurers have to pay claims covered by such insurance policies and their right to seek payment or reimbursement from the Debtors or the Wind-Down Trustee (or the Exactech NewCo, solely to the extent assumed and assigned to Exactech NewCo under the Sale Transaction Documents and in accordance with Article VI.D of the Plan) or draw on any collateral or security therefor; (3) nothing shall alter, modify, amend, affect, impair, or prejudice the legal, equitable, or contractual rights, obligations, and defenses of the insurers, the Debtors, or any other individual or entity, as applicable, under any of such insurance policies and related agreements, including, but not limited to, any agreement to arbitrate disputes; and (4) the insurers and third party administrators shall not need to nor be required to file or serve a cure objection or a request, application, claim, Proof of Claim, or motion for payment and shall not be subject to any claims bar date or similar deadline governing cure amounts or Claims.

7. Director and Officer Insurance Policies

From and after the Effective Date, the D&O Policies shall remain in place on terms for coverage and amounts no less favorable than the Debtors' current directors' and officers' insurance policies. The D&O Policies shall be a retained asset of the Debtors' Estates and shall be maintained for the benefit of the beneficiaries thereunder.

The Debtors and the Wind-Down Trust shall not terminate or otherwise reduce the coverage under any D&O Policies (including, without limitation, any "tail policy" and all agreements, documents, or instruments related thereto) in effect on or prior to the Effective Date, and any current and former directors, officers, managers, and employees of the Debtors and their Affiliates who served in such capacity at any time before or after the Effective Date shall be entitled to the full benefits of any such policy or policies for the full term of such policy or policies regardless of whether such directors, officers, managers, and employees remain in such positions after the Effective Date.

8. Indemnification Obligations

Following the Closing (as defined in the Stalking Horse APA) and until the sixth anniversary thereof, all indemnification obligations set forth in the organizational documents of the Debtors consistent with applicable law and in place as of the Effective Date for the current and former directors and officers of the Debtors (solely in their capacity as such) (such obligations subject to the terms and conditions herein, the "Indemnification Obligations") shall be honored, or caused to be honored, by the Winning Bidder, reinstated, and otherwise remain intact, irrevocable, and shall survive the effectiveness of the Restructuring Transactions on terms no less favorable to such current and former directors and officers of the Debtors than the indemnification provisions in place prior to the Restructuring Transactions; *provided* that the Winning Bidder shall not be required to indemnify or advance any expenses in connection with any claim made against any such director or officer under any of the following circumstances: (i) arising out of or relating to any Excluded Litigation, including any Excluded Product Liability Claims (each as defined in the Stalking Horse APA) in an amount that exceeds $500,000 in the aggregate,[38] (ii) for which payment is available under or has actually been made to or on behalf of such director or officer under any insurance policy issued to or for the benefit of the Debtors or other indemnity from the Acquired Entities, except with respect to any excess beyond the amount paid under any insurance policy issued to or for the benefit of the Debtors or other indemnity from the Acquired Entities (provided, however, that except as set forth herein, no Indemnified Person shall be required to pursue any other insurance or indemnity prior to seeking indemnity from the Acquired Entities), (iii) to the extent any claim or suit is finally adjudicated to have arisen out of or resulted from such director or officer's fraud, gross negligence, or willful misconduct, or (iv) if the Special Committee determines to recommend that the Debtors not provide such officer or director with a Debtor Release or the Debtors otherwise agree not to provide a Debtor Release to such officer or director, it being understood that the Special Committee's Independent Investigation into the Sponsor and its Related Parties is completed and that the Special Committee will not recommend that the Debtors not provide a director or officer that is a Related Party of the Sponsor with a Debtor Release.[39]

Notwithstanding anything to the contrary herein (but in accordance with the immediately preceding paragraph), with respect to any Indemnification Obligations to be assumed or honored for the current and former directors and officers of the Osteon Intermediate Holdings I, Inc. and Osteon Holdings, Inc., such obligations will be honored solely to the extent such obligations arise on account of actions taken by the applicable directors and officers solely in their capacity as officers and directors of such Debtors and solely to the extent relating to such Debtors' ownership and operation of Exactech Inc. (and its subsidiaries).

The Plan reflects the treatment of Indemnification Obligations agreed to with the Stalking Horse Purchaser.

[38] For the avoidance of doubt, this amount shall be inclusive of, and not in addition to, the amount set forth in Section 6.10(a)(b)(i) of the Stalking Horse APA.

[39] For the avoidance of doubt, the Winning Bidder shall not be required to honor, or cause to be honored, any Indemnification Obligations of former directors or officers of the Debtors who are not receiving a Debtor Release.

E. Modifications or Amendment to the Plan

The Debtors (including through the Special Committee) are engaged with their key stakeholders (including the Committee, the DOJ on account of the FCA Matters, the Ad Hoc Group, and the Sponsor) in an effort to resolve various matters, including through the Mediation. Those discussions (which are ongoing and may not result in consensual resolutions with the relevant parties) may result in further settlements of certain disputed matters, including related to the Debtor release contained in Article VIII.B of the Plan. Subject to the limitations contained in the Plan (and without limiting the rights set forth in the Restructuring Support Agreement), the Debtors reserve the right to modify the Plan as necessary to include any such settlement pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019 and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan. Further, the Debtors, with the consent of the Required Consenting Lenders, may modify the Plan to provide for a reorganization of the Debtors rather than a sale of substantially all assets.

Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan (and without limiting the rights set forth in the Restructuring Support Agreement), the Debtors expressly reserve their rights to alter, amend, or modify materially the Plan with respect to the Debtors one or more times including after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

ARTICLE VII

RISK FACTORS

Before taking any action with respect to the Plan, Holders of Claims and Interests should read and consider carefully the risk factors set forth below, as well as other information set forth in this Disclosure Statement, the Plan, and the documents delivered together herewith, referred to, or incorporated by reference into this Disclosure Statement, including other documents filed with the Bankruptcy Court in the Chapter 11 Cases. The risk factors should not be regarded as constituting the only risks present in connection with the Debtors' businesses or the Plan and its implementation.

A. Bankruptcy Law Considerations

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to Holders of Allowed Claims under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of Holders of Claims or Interests in such Impaired Classes.

1. The Restructuring Support Agreement May be Terminated

As more fully set forth in section 8 of the Restructuring Support Agreement, the Restructuring Support Agreement may be terminated upon the occurrence of certain events, including, among others, the Debtors' failure to meet certain milestones, the Debtors' withdrawal

of the Bidding Procedures, or conversion of these chapter 11 cases to a liquidation under chapter 7 of the Bankruptcy Code. In the event the Restructuring Support Agreement is terminated, the Debtors may seek a non-consensual restructuring alternative, including a potential liquidation of their assets.

2. The Stalking Horse APA May be Terminated

The Stalking Horse APA may be terminated upon the occurrence of certain events set forth in Article VIII thereof. The sale process failed to yield a viable alternative to the Stalking Horse APA. If the Stalking Horse APA is terminated, the Debtors will likely need to liquidate.

3. Parties in Interest May Object to the Plan's Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests containing only Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

4. The Conditions Precedent to the Effective Date of the Plan May Not Occur

As more fully set forth in Article IX of the Plan, the Effective Date of the Plan is subject to a number of conditions precedent. If such conditions precedent are not met or waived, the Effective Date will not take place.

5. The Debtors May Fail to Satisfy Vote Requirements

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to confirm an alternative chapter 11 plan or transaction. There can be no assurance that the terms of any such alternative chapter 11 plan or other transaction would be similar or as favorable to the Holders of Allowed Claims as those proposed in the Plan (including any overbid that may be obtained in the Sale Process) and the Debtors do not believe that any transaction exists or is likely to exist that would be more beneficial to the Estates than the Plan.

6. The Debtors May Not Be Able to Secure Confirmation of the Plan

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims or equity interests

under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

Even though certain creditors have agreed pursuant to the Restructuring Support Agreement to support the Plan, there can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation are not met. If the Plan is not confirmed by the Bankruptcy Court, it is unclear whether the Debtors will be able to reorganize their business and what, if anything, Holders of Allowed Claims would ultimately receive on account of their Claims.

The Debtors, subject to the terms and conditions of the Plan and the Restructuring Support Agreement, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in less favorable treatment of any non-accepting Class of Claims, as well as any Class junior to such non-accepting Class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property with a lesser value than currently provided in the Plan or no distribution whatsoever under the Plan. Changes to the Plan may also delay the confirmation of the Plan and the Debtors' emergence from bankruptcy.

7. The Debtors May Not Be Able to Secure Nonconsensual Confirmation Over Certain Impaired Non-Accepting Class

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one impaired (as defined under section 1124 of the Bankruptcy Code) class of claims has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired class(es). The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to professional compensation.

8. Plan Exclusivity Period

The Bankruptcy Code provides the Debtors with the exclusive right to propose a plan for the first 120 days after the Petition Date (unless further extended for cause) and prohibits creditors from proposing a plan during such time. As referenced above, the Committee filed the Motion to Terminate Exclusivity, which the Debtors intend to oppose. The Debtors have also filed a motion to extend the exclusivity period. However, if the Bankruptcy Court terminates that right, or the

exclusivity period expires, it could materially adversely affect the Debtors' ability to achieve confirmation of the Plan to their stated goals.

9. The Chapter 11 Cases May Be Converted to Cases under Chapter 7 of the Bankruptcy Code

If a bankruptcy court finds that it would be in the best interest of creditors and/or the chapter 11 debtor, the bankruptcy court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets and distribute the proceeds in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions to creditors than those provided for in the Plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time, rather than reorganizing or selling the business as a going concern at a later time in a controlled manner, (b) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (c) additional Claims, some of which would be entitled to priority, that would be generated during the liquidation, including Claims resulting from the rejection of Unexpired Leases and Executory Contracts in connection with cessation of operations.

10. The Debtors May Object to the Amount or Classification of a Claim

Except as otherwise provided in the Plan, the Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied upon by any Holder of a Claim where such Claim is subject to an objection. Any Holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

11. Risk of Non-Occurrence of the Effective Date

There can be no assurance as to the timing of the Effective Date. If the conditions precedent to the Effective Date set forth in the Plan, including the conditions precedent to the Sale Transaction, have not occurred or have not been waived as set forth in Article IX.A-C of the Plan, then the Confirmation Order may be vacated, in which event no distributions would be made under the Plan, the Debtors and all holders of Claims and Interests would be restored to the status quo as of the day immediately preceding the Confirmation Date, and the Debtors' obligations with respect to Claims and Interests would remain unchanged.

12. Contingencies Could Affect Votes of Impaired Classes to Accept or Reject the Plan

The distributions available to Holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies, which could affect distributions available to Holders of Allowed Claims under the Plan, will not affect the validity of the vote cast by the members of the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

The estimated Claims and creditor recoveries set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from

the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated Claims contained in this Disclosure Statement. Moreover, the Debtors cannot determine with any certainty at this time, the number or amount of Claims that will ultimately be Allowed. Such differences may materially and adversely affect, among other things, the percentage recoveries to Holders of Allowed Claims under the Plan.

13. Releases, Injunctions, and Exculpations Provisions May Not Be Approved

Article VIII of the Plan provides for certain releases, injunctions, and exculpations. The releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved.

To evaluate the propriety of a debtor release, bankruptcy courts evaluate whether the release "is a valid exercise of the debtor's business judgment, is fair, reasonable, and in the best interests of the estate." *In re Spansion, Inc.*, 426 B.R. 114, 143 (Bankr. D. Del. 2010). In addition, some bankruptcy courts examine the following list of non-exclusive and disjunctive factors:

(1) an identity of interest between the debtor and the third party, such that a suit against the non-debtor is, in essence, a suit against the debtor or will deplete assets of the estate;

(2) substantial contribution by the non-debtor of assets to the reorganization;

(3) the essential nature of the injunction to the reorganization to the extent that, without the injunction, there is little likelihood of success;

(4) an agreement by a substantial majority of creditors to support the injunction, specifically if the impacted class or classes 'overwhelmingly' votes to accept the plan; and

(5) provision in the plan for payment of all or substantially all of the claims of the class or classes affected by the injunction.

See In re Zenith Elecs. Corp., 241 B.R. 92, 110 (Bankr. D. Del. 1999) (citing *In re Master Mortg. Inv. Fund*, 168 B.R. 930, 937 (Bankr. W.D. Mo. 1994)).

Following the Supreme Court's decision in *Harrington v. Purdue Pharma,* 144 S. Ct. 2071, 2074 (2024), third-party releases in cases where creditors will not be paid in full may be approved by a bankruptcy court if they are consensual. The Supreme Court did "not express a view on what qualifies as a consensual release" and clarified that nothing in its *Purdue* "opinion should be construed to call into question consensual third-party releases offered in connection with a bankruptcy reorganization plan." Consistent with the Supreme Court's ruling, to determine whether the third-party release is appropriate, bankruptcy courts evaluate whether the proposed third-party release is consensual. Various judges of the Delaware Bankruptcy Court have approved third-party releases as consensual where the releasing parties affirmatively indicated their consent to the release on their ballots, as the Debtors have proposed here. *See, e.g.*, *In re LL Flooring, Inc.*, Case No. 24-11680 (BLS) [Docket No. 701] (Bankr. D. Del. Dec. 18, 2024) (confirming a chapter 11 plan with a third-party release "opt-in" mechanism); *In re Seaplane Debtor I, Inc.*, Case No. 24-10703 (CTG) [Docket No. 680] (Bankr. D. Del. Dec. 11, 2024) (confirming a chapter 11 plan with a third-party

release that required releasing parties to affirmatively submit a ballot and not exercise the "opt-out" mechanism); *In re Basic Fun, Inc.*, Case No. 24-11432 [Docket No. 261] (Bankr. D. Del. Oct. 21, 2024) (confirming a chapter 11 plan with a third-party release "opt-in" mechanism).

Exculpation provisions may be approved by a bankruptcy court if they are limited in scope so as to only apply to actions taken by estate fiduciaries during a bankruptcy case. *See In re Indianapolis Downs, LLC*, 486 B.R. 286, 306 (Bankr. D. Del. 2013) ("The Third Circuit has held that 'a creditors' committee, its members, and estate professionals may be exculpated under a plan for their actions in the bankruptcy case except for willful misconduct or gross negligence.'") (quoting *In re Washington Mut., Inc.*, 442 B.R. 314, 350 (Bankr. D. Del. 2011)). Exculpation provisions that are limited to claims not involving actual fraud, willful misconduct, or gross negligence, like those proposed by the Debtors here, are customary and generally approved in this district. *See, e.g.*, *In re LL Flooring, Inc.*, Case No. 24-11680 (BLS) [Docket No. 701] (Bankr. D. Del. Dec. 18, 2024) (approving an exculpation provision for estate fiduciaries in a chapter 11 plan); *In re Seaplane Debtor I, Inc.*, Case No. 24-10703 (CTG) [Docket No. 680] (Bankr. D. Del. Dec. 11, 2024) (same); *In re Basic Fun, Inc.*, Case No. 24-11432 (CTG) [Docket No. 261] (Bankr. D. Del. Oct. 21, 2024) (same).

The Debtors have proposed the injunction because they believe it is necessary to preserve and enforce the release and exculpation provisions set forth in the Plan, and the Debtors believe the injunction is appropriately tailored to achieve that purpose.

The Debtors will be prepared to present evidence at the Confirmation Hearing to demonstrate the basis for and propriety of the release and exculpation provisions proposed under the Plan, however, if the Releases are not approved, certain parties could withdraw their support for the Plan.

14. Parties May be Removed as "Released Parties" and the Scope of Releases May be Limited

The Plan may be modified prior to the Confirmation Hearing to incorporate any number of resolutions, subject in all respects to, and without limiting rights set forth in, the Restructuring Support Agreement.

Among other things, the Debtors may seek to abandon Causes of Action held by the Debtors or the Estates against Released Parties rather than releasing such claims or pursuing them, if the Debtors (including as determined by the Special Committee, where applicable) determine that the costs of pursuing them would be burdensome and outweigh the expected benefits or value to the Estates. Section 554(a) of the Bankruptcy Code allows a debtor-in-possession, after notice and a hearing, to abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate. *In re Wilton Armetale, Inc.*, 968 F.3d 273, 284 (3d Cir. 2020). "Abandonment under section 554 removes the property in question from the bankruptcy estate and causes the trustee to lose all interest, rights and control with respect to the abandoned property." *In re Grossinger's Assocs.*, 184 B.R. 429, 432 (Bankr. S.D.N.Y. 1995) (citations omitted). The abandoned property reverts to the party with a possessory interest in the property. *Wilton Armetale, Inc.*, 968 F.3d at 284 (citations omitted); *see also Miller v. Generale Bank Nederland, N.V. (In re Interpictures Inc.)*, 217 F.3d 74, 76 (2d Cir. 2000) (explaining that "[t]he

rationale for this rule is that once the debtor's property is abandoned in bankruptcy, the property should be treated as though no bankruptcy proceedings had occurred and therefore revert to the party that held a pre-petition interest in it"). "Thus, if a trustee [or the debtor in possession] abandons a cause of action, the creditor's right to pursue it spring[s] back to life." *Wilton Armetale, Inc.*, 968 F.3d at 284 (internal quotations and citations omitted)).

Thus, if the Debtors seek to abandon any Causes of Action held by the Debtors or the Estates against the Released Party it could affect the rights of third parties and modify the scope of the Release received by the Released Party against whom such abandoned Cause of Action can be asserted.

15. Amendment of Plan Before Confirmation

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan or waive any conditions if and as needed or desirable for Confirmation (without limiting the rights set forth in the Restructuring Support Agreement). The potential impact of any such amendment or waiver on holders of Claims and Interests cannot presently be foreseen but may include a change in the economic impact of the Plan on some or all of the proposed Classes or a change in the relative rights of such Classes. In addition, if the Debtors seek to modify or amend the Plan after receiving sufficient acceptances, but prior to Confirmation, re-solicitation may be required.

16. Certain Tax Implications of the Plan

Holders of Allowed Claims should carefully review Article X of this Disclosure Statement entitled "Certain United States Federal Income Tax Consequences of the Plan," to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Holders of Claims against and Interests in the Debtors.

17. Total Amount of General Unsecured Claims May be Higher Than Anticipated by the Debtors

General Unsecured Claims filed against the Debtors' Estates may be materially higher than the Debtors' estimate, including due to the inherent uncertainties associated with projecting litigation outcomes. Proofs of Claim asserting approximately $23 billion in General Unsecured Claims have been filed against the Debtors. The Debtors believe that the actual General Unsecured Claims are significantly below this asserted amount. The Debtors have not yet reviewed or analyzed all filed proofs of claim and anticipate that many of the filed proofs of claim are related to the product liability claims. The Company disputes the merits of the product liability claims and any attendant liability on account thereof.

The Claims estimates set forth herein are based on various assumptions, the realization of many of which are beyond the Debtors' control. The actual amounts of Allowed General Unsecured Claims may differ significantly from those estimates should one or more underlying assumption prove to be incorrect. Such differences may adversely affect the percentage of recovery to holders of Allowed General Unsecured Claims under the Plan.

18. Potential Objections to Plan Documents

The Debtors anticipate that certain parties in interest will raise objections to certain provisions of the Plan, relating to, among other things the treatment of holders of Product Liability Claims and *Qui Tam* Claims.

19. Higher than Anticipated Administrative Expenses Claims

Any unexpected issues that arise in the Chapter 11 Cases or delay in Confirmation of the Plan or delay to the Effective Date could result in additional Administrative Expense Claims. This may result in insufficient capital to confirm the Plan, endanger ultimate effectiveness of the Plan, or result in a decreased recovery for Holders of Claims entitled to a distribution.

20. The Debtors may be Subject to Foreign Litigation.

The Debtors currently have numerous litigation claims pending against them in various foreign jurisdictions, including Australia, Spain, France, Germany, and Brazil. Among them is a Australian Class Action filed on September 5, 2024, in the Federal Court of Australia (NSD1224/2024) against non-Debtor Exactech Australia Pty Ltd. and Exactech Inc. on behalf of persons in Australia who purchased and were implanted with Exactech Inc.'s joint replacement devices for knees, hips, and/or shoulders that included a certain type of polyethylene layer between January 1, 2003, and September 5, 2024. The Australian class complaint claims production and packaging defects that allegedly carry an elevated risk of earlier or more frequent revision surgeries. At this time, the size of the class or extent of potential damages associated with the Australian class action is unclear and could be material. Any litigation may be expensive, lengthy, and disruptive to the Debtors' or Exactech NewCo's normal business operations and the Plan confirmation process, and a resolution of any litigation that is unfavorable to the Debtors could have a material adverse effect on the Sale Process, Plan confirmation process, emergence from bankruptcy, or on the Debtors' or Exactech NewCo's business, results of operations, financial condition, liquidity, and cash flow.

In addition, there can be no assurance that parties in interest will not pursue litigation strategies to enforce Claims against the Debtors in non-U.S. jurisdictions that may be less likely to recognize orders of the Bankruptcy Court. Litigation is by its nature uncertain and there can be no assurance of the ultimate resolution of the litigated Claims.

B. Risks Related to the Recoveries under the Plan, Restructuring and Wind-Down Transactions

1. The Debtors Will Be Subject to Various Risks and Uncertainties Associated with the Chapter 11 Cases

For the duration of the Chapter 11 Cases, the Debtors' operations, including their ability to execute their business plan will be subject to the risks and uncertainties associated with bankruptcy. These risks and uncertainties could affect the Debtors' businesses and operations in various ways. For example, negative events associated with the Chapter 11 Cases could adversely affect the Debtors' relationship with customers, as well as with business partners, vendors, and employees, which in turn could adversely affect the Debtors' operations and financial condition, particularly if

the Chapter 11 Cases are protracted. Also, the Debtors will need the prior approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit the Debtors' ability to timely respond to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the ultimate impact of events that occur during these proceedings will have on the Debtors' business, financial condition, and results of operation cannot be accurately predicted or quantified.

2. The Wind-Down Trust May be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases

The Debtors are currently subject to or interested in certain legal proceedings, which may adversely affect the Debtors. In the future, the Wind-Down Trust may become party to litigation. In general, litigation can be expensive and time-consuming to bring or defend against. Litigation could result in settlements or judgments that could significantly affect the Wind-Down Trust's financial results. It is also possible that certain parties will commence litigation with respect to Allowance of Claims under the Plan. It is not possible to predict the potential litigation that the Wind-Down Trust may become a party to, nor the financial resolution of any such litigation. The impact of any such litigation on the Wind-Down Trust, however, could be material.

3. The Debtors May Not Consummate the Sale Transaction

The Plan contemplates the implementation of the Sale Transaction. However, in the event the conditions necessary to close the Sale Transaction are not satisfied, or the Sale Transaction is not otherwise timely consummated, the Debtors may need to modify the Plan (with the consent of the Required Consenting Lenders) to provide for a restructuring rather than a contemporaneous sale of the Debtors' assets, or may need to pivot to a liquidation.

4. Even if the Restructuring Transactions are Implemented, the Business May Continue to Face Risks

Even if the Restructuring Transactions are implemented, the business may continue to face a number of risks, including certain risks that are beyond the business's control such as changes in economic conditions, bank instability, and changes in the industry. As a result of these risks and others, there is no guarantee that the Restructuring Transactions will achieve the Debtors' stated goals.

ARTICLE VIII

SOLICITATION AND VOTING PROCEDURES

This Disclosure Statement is being distributed to the Holders of Claims in those Classes that are entitled to vote to accept or reject the Plan. The procedures and instructions for voting and related deadlines are set forth in the exhibits annexed to the Disclosure Statement Order (the "Voting Procedures").

THE DISCLOSURE STATEMENT ORDER IS INCORPORATED HEREIN BY REFERENCE AND SHOULD BE READ IN CONJUNCTION WITH THIS DISCLOSURE

STATEMENT AND IN FORMULATING A DECISION TO VOTE TO ACCEPT OR REJECT THE PLAN.

THE DISCUSSION OF THE SOLICITATION AND VOTING PROCESS SET FORTH IN THIS DISCLOSURE STATEMENT IS ONLY A SUMMARY.

PLEASE REFER TO THE DISCLOSURE STATEMENT ORDER FOR A MORE COMPREHENSIVE DESCRIPTION OF THE SOLICITATION AND VOTING PROCESS.

A. Holders of Claims Entitled to Vote on the Plan

Under the provisions of the Bankruptcy Code, not all holders of Claims or Interests against a debtor are entitled to vote on a chapter 11 plan. The table in Article II.B of this Disclosure Statement provides a summary of the voting rights of each Class (and, therefore, of each Holder within such Class absent an objection to the Holder's Claim) under the Plan.

As shown in the table, the Debtors are soliciting votes to accept or reject the Plan only from Holders of Claims in Classes 3 and 4 (collectively, the "Voting Classes"). The Holders of Claims in the Voting Classes are Impaired under the Plan and receive a distribution under the Plan. Accordingly, Holders of Claims in the Voting Classes have the right to vote to accept or reject the Plan.

The Debtors are ***not*** soliciting votes from Holders of Claims and Interests, as applicable, in Classes 1, 2, 5, 6, 7, and 8. Additionally, the Disclosure Statement Order provides that certain Holders of Claims in the Voting Classes, such as those Holders whose Claims have been disallowed or are subject to a pending objection, are not entitled to vote to accept or reject the Plan.

B. Voting Record Date

The Voting Record Date is March 13, 2025. The Voting Record Date is the date on which it will be determined which Holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan and whether Claims have been properly assigned or transferred under Bankruptcy Rule 3001(e) such that an assignee or transferee, as applicable, can vote to accept or reject the Plan as the Holder of a Claim.

C. Voting on the Plan

The Voting Deadline is May 2, 2025, at 4:00 p.m. (prevailing Eastern Time). In order to be counted as votes to accept or reject the Plan, all Ballots must be (a) electronically submitted utilizing the online balloting portal maintained by the Claims, Noticing and Solicitation Agent on or before the Voting Deadline; or (b) properly executed, completed, and delivered (either by using the envelope provided, by first class mail, overnight courier, or personal delivery) so that the Ballots (or a Law Firm Master Ballot reflecting your vote, as applicable) are ***actually received*** by the Claims, Noticing and Solicitation Agent on or before the Voting Deadline at the following address:

To vote, complete, sign, and date your Ballot and return it (with an original signature) ***promptly*** in the enclosed reply envelope or otherwise to the below addresses.

By first-class mail, overnight courier, or hand delivery at:

Exactech, Inc. Ballot Processing Center
c/o Kroll Restructuring Administration LLC
850 3rd Avenue, Suite 412
Brooklyn, NY 11232

(to arrange hand delivery of your Ballot, email the Claims, Noticing and Solicitation Agent at ExactechBallots@ra.kroll.com (with "Exactech Ballot Delivery" in the subject line) at least 24 hours before your arrival at the Kroll address above and provide the anticipated date and time of delivery)

OR

SUBMIT AN ELECTRONIC BALLOT PER INSTRUCTIONS PROVIDED IN THE BALLOT, THROUGH THE CLAIMS, NOTICING AND SOLICITATION AGENT'S ONLINE ELECTRONIC BALLOT SUBMISSION PORTAL AT https://restructuring.ra.kroll.com/Exactech/

PLEASE SELECT JUST ONE OPTION TO VOTE.

IF YOU HAVE ANY QUESTIONS ABOUT THE SOLICITATION OR VOTING PROCESS, PLEASE CONTACT THE CLAIMS, NOTICING AND SOLICITATION AGENT AT (833) 918-0986 (U.S./CANADA, TOLL-FREE) or +1 (646) 781-8728 (INTERNATIONAL, TOLL) / +61 (2) 72-094-837 (AUSTRALIA, TOLL) OR BY EMAIL AT EXACTECHINFO@RA.KROLL.COM (WITH "EXACTECH INC. SOLICITATION INQUIRY" IN THE SUBJECT LINE). ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE OR OTHERWISE NOT IN COMPLIANCE WITH THE DISCLOSURE STATEMENT ORDER WILL NOT BE COUNTED.

D. Ballots Not Counted

No ballot will be counted toward Confirmation if, among other things: (i) it is illegible or contains insufficient information to permit the identification of the Holder of the Claim; (ii) it was transmitted by means other than as specifically set forth in the Ballots; (iii) it was cast by an entity that is not entitled to vote on the Plan; (4) it was cast for a Claim listed in the Debtors' schedules as contingent, unliquidated, or disputed for which the applicable Bar Date has passed and no Proof of Claim was timely filed and which was not temporarily allowed for voting purposes by the Bankruptcy Court; (5) it was cast for a Claim that is subject to an objection pending as of the Voting Record Date (unless temporarily allowed in accordance with the Disclosure Statement Order); (6) it was sent to the Debtors, the Debtors' agents/representatives (other than the Claims, Noticing and Solicitation Agent), or the Debtors' financial or legal advisors instead of the Claims, Noticing and Solicitation Agent; (7) it is unsigned; or (8) it is not clearly marked to either accept or reject the Plan or it is marked both to accept and reject the Plan. **Please refer to the Disclosure Statement Order for additional requirements with respect to voting to accept or reject the Plan.**

ARTICLE IX

CONFIRMATION OF THE PLAN

A. The Confirmation Hearing

Under section 1128(a) of the Bankruptcy Code, the Bankruptcy Court, after notice, may hold a hearing to confirm a chapter 11 plan. The Confirmation Hearing may, however, be continued or adjourned from time to time without further notice to parties in interest other than an adjournment announced in open court or a notice of adjournment filed with the Bankruptcy Court and served in accordance with the Bankruptcy Rules. Subject to section 1127 of the Bankruptcy Code, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

Additionally, section 1128(b) of the Bankruptcy Code provides that a party in interest may object to Confirmation. An objection to Confirmation of the Plan must be Filed with the Bankruptcy Court and served on the Debtors and certain other parties in interest in accordance with the applicable order of the Bankruptcy Court so that it is actually received on or before the deadline to file such objections as set forth therein.

B. Requirements for Confirmation of the Plan

Among the requirements for Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code are: (1) the Plan is accepted by all Impaired Classes of Claims or Interests, or if rejected by an Impaired Class, the Plan "does not discriminate unfairly" and is "fair and equitable" as to the rejecting Impaired Class; (2) the Plan is feasible; and (3) the Plan is in the "best interests" of Holders of Claims and Interests.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11 for plan confirmation; (2) the Debtors have complied, or will have complied, with all of the necessary requirements of chapter 11 for plan confirmation; and (3) the Plan has been proposed in good faith.

C. Best Interests of Creditors/Liquidation Analysis

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each impaired class, that each holder of a claim or an equity interest in such impaired class either (1) has accepted the plan or (2) will receive or retain under the plan property of a value that is not less than the amount that the non-accepting holder would receive or retain if a debtor liquidated under chapter 7.

Attached hereto as **Exhibit E** and incorporated herein by reference is a liquidation analysis (the "Liquidation Analysis") prepared by the Debtors with the assistance of the Debtors' advisors. As reflected in the Liquidation Analysis, liquidation of the Debtors' assets under chapter 7 of the Bankruptcy Code would result in substantial diminution in the value to be realized by Holders of Allowed Claims as compared to distributions contemplated under the Plan. Consequently, the

Debtors and their management believe that Confirmation of the Plan will provide a substantially greater return to Holders of Allowed Claims than would a liquidation under chapter 7 of the Bankruptcy Code. The Liquidation Analysis takes into account all intercompany liabilities on the Debtors' books and records and all Claim Holders' estimated recoveries therein reflect the collection on intercompany claims.

In a chapter 7 case, a trustee is appointed to liquidate the debtor's assets and to make distributions to creditors in accordance with the priorities established in the Bankruptcy Code. Generally, secured creditors are paid first from the proceeds of the sale of their collateral. If any assets remain in the bankruptcy estate after satisfaction of secured creditors' claims from their collateral, administrative expenses are next to be paid. Unsecured creditors are to be paid from any remaining sale proceeds, according to their respective priorities. Unsecured creditors with the same priority share in proportion to the amount of their allowed claims in relationship to the total amount of allowed claims held by all unsecured creditors with claims of the same priority. Finally, interest holders receive the balance that remains, if any after all creditors are paid in full.

All or substantially all of the assets of the Debtors will have been liquidated through the Sale Transaction and the Plan effects a wind down of the Debtors' assets not acquired in the Sale Transaction.

Liquidating the Debtors' Estates under the Plan provides Holders of Allowed Claims with a larger, more timely recovery in part because of the increased expenses that would be incurred in a chapter 7 liquidation, with the appointment of a chapter 7 trustee. A more significant issue, however, is that the value of the Debtors' assets are substantially greater as a going concern than if sold on a liquidation basis. In a chapter 7, the chapter 7 trustee would not have the ability to continue the Debtors' business as currently operated, particularly since the chapter 7 trustee will not have the technical expertise and knowledge of the Debtors' business that the Debtors had when they proposed to sell their assets pursuant to the Plan. Thus, the shut-down of the Debtors business in a chapter 7 would result in a substantial and rapid degradation of the going-concern value of the Debtors' business, including the value of goodwill and other intangibles. This fact, coupled with the delay of the chapter 7 trustee becoming familiar with the assets, could easily cause bids already obtained to be lost.

Moreover, the distributable proceeds under a chapter 7 liquidation will be lower because the chapter 7 trustee's fees and expenses. *See, e.g.*, 11 U.S.C. § 326(a) (providing for compensation of a chapter 7 trustee); 11 U.S.C. § 503(b)(2) (providing administrative expense status for compensation and expenses of a chapter 7 trustee and such trustee's professionals). Therefore, the appointment of a chapter 7 trustee would potentially delay distributions to creditors and reduce the present value of any recovery for Holders of allowed claims. Additionally, the Debtors' Estates would continue to be obligated to pay all unpaid expenses incurred by the Debtors during the Chapter 11 Cases (such as compensation for professionals).

The conversion to chapter 7 would also require entry of a new bar date. *See* Fed. R. Bankr. P. 1019(2); 3002(c). Thus, the amount of Claims ultimately filed and Allowed against the Debtors could materially increase, thereby further reducing creditor recoveries versus those available under the Plan.

In light of the foregoing, the Debtors submit that a chapter 7 liquidation would result in reduced recoveries, increased expenses, and delayed distributions. Accordingly, the Debtors believe that the Plan provides the opportunity to bring the highest return for creditors.

D. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan of reorganization is not likely to be followed by the liquidation, or the need for further financial reorganization of the debtor, or any successor to the debtor (unless such liquidation or reorganization is proposed in such plan of reorganization). For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. Since the Plan provides for the wind-down of the Debtors, the Bankruptcy Court will find that the Plan is feasible if it determines that the Debtors will be able to satisfy the conditions precedent to the Effective Date and otherwise have sufficient funds to meet their post-Confirmation Date obligations to pay for the costs of administering and fully consummating the Plan, including sufficient funds for the Wind-Down Trustee to wind-down the Debtors' remaining assets. Accordingly, the Debtors believe the Plan satisfies the feasibility requirement imposed under section 1129(a)(11) of the Bankruptcy Code.

Moreover, Article VII hereof sets forth certain risk factors that could impact the feasibility of the Plan.

E. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, except as described in the following section, that each class of claims or equity interests impaired under a plan, accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such a class is not required.[40]

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in a number of allowed claims in that class, counting only those claims that have *actually* voted to accept or to reject the plan. Thus, a Class of Claims will have voted to accept the Plan only if two-thirds in amount and a majority in number of the Allowed Claims in such Class that vote on the Plan actually cast their ballots in favor of acceptance.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired equity interests as acceptance by holders of at least two-thirds in amount of allowed interests in that class, counting only those interests that have *actually* voted to accept or to reject the plan. Thus, a

[40] A class of claims is "impaired" within the meaning of section 1124 of the Bankruptcy Code unless the plan (a) leaves unaltered the legal, equitable and contractual rights to which the claim or equity interest entitles the holder of such claim or equity interest or (b) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or equity interest entitles the holder of such claim or equity interest.

Class of Interests will have voted to accept the Plan only if two-thirds in amount of the Allowed Interests in such class that vote on the Plan actually cast their ballots in favor of acceptance.

Pursuant to Article III.F of the Plan, if a Class contains Claims or Interest is eligible to vote and no Holders of Claims eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims in such Class shall be deemed to have accepted the Plan.

F. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if not all impaired classes have not accepted it; *provided that* the plan has been accepted by at least one impaired class of claims. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, the plan may be confirmed, at the plan proponent's request, in a procedure commonly known as a "cramdown" so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

If any Impaired Class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cramdown" provision of section 1129(b) of the Bankruptcy Code. To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors may request Confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right (without limiting the rights set forth in the Restructuring Support Agreement) to alter, amend, modify, revoke, or withdraw the Plan or any Plan Supplement document, including the right to amend or modify the Plan or any Plan Supplement document to satisfy the requirements of section 1129(b) of the Bankruptcy Code.

Pursuant to the Plan, holders of Class 5 (Section 510(b) Claims), Class 6 (Intercompany Claims), Class 7 (Intercompany Interests), and Class 8 (Prepetition Equity Interests) will not receive a distribution and are thereby deemed to reject the Plan. However, the Debtors submit that they satisfy the "unfair discrimination" and "fair and equitable" tests as discussed in more detail below.

1. No Unfair Discrimination

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a plan. The test does not require that the treatment be the same or equivalent, but that treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims or interests of equal rank (*e.g.*, classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. A plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

The Debtors believe the Plan satisfies the "unfair discrimination" test. Claims of equal priority are receiving comparable treatment and such treatment is fair under the circumstances.

2. Fair and Equitable Test

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than

100 percent of the amount of the allowed claims in the class. As to the dissenting class, the test sets different standards depending upon the type of claims or equity interests in the class. The Debtors believe that the Plan satisfies the "fair and equitable" test because no Class under the Plan will receive more than 100 percent of the amount of the Allowed Claims in that Class. Furthermore, under the Plan Intercompany Interests and Prepetition Equity Interests will be cancelled and holders of Intercompany Interests and Prepetition Equity Interests will neither receive or retain any property on account of such interests.

The Debtors believe that the Plan and treatment of all Classes of Claims ore Equity Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

G. Valuation of the Debtors

As described above, the Debtors conducted the postpetition marketing process in accordance with the Bidding Procedures Order. The Debtors believe that the postpetition marketing process is the best method of valuing their businesses as it allows the market to speak as to that value. The purchase prices for the Debtors' Assets, which were obtained through a robust postpetition marketing process and are the product of negotiations that were conducted in good faith and at arm's length, are the best indicators of value.

Accordingly, the Debtors determined that such a valuation obviates the need for an independent valuation analysis. *See* 11 U.S.C. § 1125(b) ("The court may approve a disclosure statement without a valuation of the debtor or an appraisal of the debtor's assets."); *In re SiO2 Medical Products, Inc.*, No. 23-10366 (JTD) (Bankr. D. Del. June 9, 2023) (ECF No. 378) (order approving disclosure statement without a valuation analysis).

ARTICLE X

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Introduction

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan to the Debtors, the Wind-Down Trust, and to certain Holders of Prepetition Pari 1L Claims or Allowed General Unsecured Claims. The following summary does not address the U.S. federal income tax consequences to Holders not entitled to vote to accept or reject the Plan. This summary is based on the U.S. Internal Revenue Code of 1986, as amended ("IRC"), the U.S. Treasury Regulations promulgated thereunder (the "Treasury Regulations"), judicial authorities, published administrative positions of the U.S. Internal Revenue Service (the "IRS"), and other applicable authorities (collectively, "Applicable Tax Law"), all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. Changes in these rules or new interpretations of the rules with retroactive effect could significantly affect the U.S. federal income tax consequences described herein. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained and the Debtors have not requested, and do not

intend to seek, a ruling or determination from the IRS as to any of the tax consequences of the Plan discussed below. The discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to certain Holders in light of their individual circumstances. This discussion also does not address tax issues with respect to such Holders that are subject to special treatment under the U.S. federal income tax laws (including, for example, accrual-method U.S. Holders (as defined below) that prepare an "applicable financial statement" (as defined in section 451 of the IRC), banks, mutual funds, governmental authorities or agencies, pass-through entities, beneficial owners of pass-through entities, subchapter S corporations, dealers and traders in securities, insurance companies, financial institutions, tax-exempt organizations, controlled foreign corporations, passive foreign investment companies, Persons whose functional currency is not the U.S. dollar, U.S. expatriates, broker-dealers, small business investment companies, Persons who are related to the Debtors within the meaning of the IRC, Persons liable for alternative minimum tax, Persons using a mark-to-market method of accounting, Persons who are themselves in bankruptcy, real estate investment companies and regulated investment companies and those holding, or who will hold, consideration received pursuant to the Plan as part of a hedge, straddle, conversion, or other integrated transaction). No aspect of state, local, non-income (including state or gift), or non-U.S. taxation or any tax arising under section 1411 of the IRC (the "Medicare" tax on certain investment income) is addressed. Furthermore, this summary assumes that a Holder holds only Claims or Interests in a single Class and holds such Claims or Interests only as "capital assets" (within the meaning of section 1221 of the IRC). This summary also assumes that the Holder has not taken a bad debt deduction with respect to a Claim (or any portion thereof) in the current or any prior year and such Claim did not become completely or partially worthless in a prior taxable year, and that various debt and other arrangements to which the Debtors and Wind-Down Trust are or will be a party will be respected for U.S. federal income tax purposes in accordance with their form, and, to the extent relevant, that the Claims constitute interests in the Debtors "solely as a creditor" for purposes of section 897 of the IRC. This summary does not discuss differences in tax consequences to Holders that act or receive consideration in a capacity other than any other Holder of a Claim or Interest of the same Class or Classes, and the tax consequences for such Holders may differ materially from that described below. The U.S. federal income tax consequences of the implementation of the Plan to the Debtors, Wind-Down Trust, and Holders of Claims against and Interests in the Debtors described below also may vary depending on the nature of any Restructuring Transactions that the Debtors and/or Wind-Down Trust engage in. This summary does not address the U.S. federal income tax consequences to Holders (a) whose Claims are Unimpaired or otherwise entitled to payment in full under the Plan, or (b) that are deemed to reject the Plan.

For purposes of this discussion, a "U.S. Holder" is a Holder of a Claim or Interest that for U.S. federal income tax purposes is: (1) an individual who is a citizen or resident of the United States; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (a) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more "United States persons" (within the meaning of section 7701(a)(30) of the IRC) has authority to control all substantial decisions of

the trust or (b) that has a valid election in effect under applicable Treasury Regulations to be treated as a "United States person" (within the meaning of section 7701(a)(30) of the IRC). For purposes of this discussion, a "Non-U.S. Holder" is any Holder that is neither a U.S. Holder nor a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a Holder, the tax treatment of a partner (or other beneficial owner) generally will depend upon the status of the partner (or other beneficial owner) and the activities of the partner (or other beneficial owner) and the entity. Partnerships (or other pass-through entities) and partners (or other beneficial owners) of partnerships (or other pass-through entities) that are Holders are urged to consult their own respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER. ALL HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

B. Certain U.S. Federal Income Tax Consequences to the Debtors

1. Characterization of the Restructuring Transactions

The tax consequences of the Restructuring Transactions will differ depending on whether the Restructuring Transactions are structured as a taxable sale of the assets of any Debtor (a "Taxable Asset Sale") or in an alternative manner, including a manner intended to qualify as a reorganization under section 368 of the IRC (a "Reorganization"). It has not yet been determined how the Restructuring Transactions will be structured. Such decision will depend on, among other things, whether assets being sold (or deemed to be sold) pursuant to a Taxable Asset Sale have an aggregate fair market value in excess of their aggregate tax basis (i.e., a "built-in gain") or an aggregate fair market value less than their aggregate tax basis (i.e., a "built-in loss"), the amount of the expected reduction in the aggregate tax basis of such assets by excluded CODI (as defined below), whether sufficient tax attributes are available to offset any such built-in gain, future tax benefits associated with a step-up (if any) in the tax basis of the Debtors' assets as a result of a Taxable Asset Sale, whether any excess loss account or deferred intercompany transaction would be triggered, and the amount and character of any losses with respect to the stock of any applicable Debtor, in each case for U.S. federal, state, and local income tax purposes.

If the Restructuring Transactions are structured as a Taxable Asset Sale, the Debtors will realize gain or loss in an amount equal to the difference between the value of the consideration received by the Debtors (including, for this purpose, assumption of liabilities) and the Debtors' tax basis in the sold assets. Realized gains, if any, may be offset by current-year losses and other available tax attributes, which may include 163(j) Deductions (as defined below), and losses that may be available with respect to the stock of the Debtors; provided that any such gain that is ordinary in nature may not be offset by capital losses.

If the Restructuring Transactions qualify as a Reorganization, the Debtors would not be expected to recognize any taxable gain or loss as a result of the implementation of the Plan. Note, however, there can be no guarantee that the Restructuring Transactions will qualify as a Reorganization.

In each of the scenarios, the Debtors will be subject to the rules discussed below with respect to cancellation of indebtedness income ("CODI"). In the Reorganization scenario, Exactech NewCo will be subject to the limitations on net operating losses ("NOLs"), deferred interest deductions under section 163(j) of the IRC ("163(j) Deductions") and other tax attributes discussed below.

2. CODI and Reduction of Tax Attributes

In general, absent an exception, a taxpayer will realize and recognize CODI upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of CODI, in general, is the excess of (a) the "adjusted issue price" of the indebtedness satisfied over (b) the sum of (i) the "issue price" of any new indebtedness issued by the debtor, and (ii) the fair market value of any new consideration, in each case, given in satisfaction of such indebtedness at the time of the satisfaction. Unless an exception or exclusion applies, CODI constitutes U.S. federal taxable income like any other item of taxable income.

Under section 108 of the IRC, however, a taxpayer will not be required to include any amount of CODI in gross income if the taxpayer is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a taxpayer-debtor must reduce its tax attributes by the amount of CODI that it excluded from gross income pursuant to section 108 of the IRC. Such reduction in tax attributes occurs only after the taxable income (or loss) for the year in which the debt discharge occurs has been determined. In general, tax attributes will be reduced in the following order: (a) NOLs and NOL carryforwards; (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets (but not below the Asset Tax Basis Floor (as defined below)); (f) passive activity loss and credit carryovers; and (g) foreign tax credits carryovers. 163(j) Deductions are not subject to reduction under these rules.

The aggregate tax basis of the Debtors in their assets is not required to be reduced below the amount of indebtedness (determined on an entity-by-entity basis) that the relevant entity will be subject to immediately after the cancellation of debt giving rise to CODI (the "Asset Tax Basis Floor"). Generally, all of an entity's obligations that are treated as debt under general U.S. federal income tax principles (including intercompany debt treated as debt for U.S. federal income tax purposes) are taken into account in determining an entity's Asset Tax Basis Floor.

In a Taxable Asset Sale, the buyer would not succeed to any of the Debtors' tax attributes and should take tax basis in any acquired assets equal their fair market value as of the closing date of such sale. As a result, in a Taxable Asset Sale, CODI is not expected to impact Exactech NewCo. If the Restructuring Transactions are structured as a Reorganization, CODI is expected to reduce Exactech NewCo's tax attributes. In that case, the exact amount of any CODI that will be realized will not be determinable until the consummation of the Plan because the amount of CODI will depend, in part, on the fair market value of the New Interests and the "issue price" of the New Takeback Debt, which can not be known until after the Plan is consummated. Accordingly, the

Debtors are currently unable to determine the precise effect that the CODI exclusion rules will have on the tax attributes of Exactech NewCo if the Restructuring Transactions are treated as a Reorganization.

3. Limitation on NOLs, Tax Credit Carryforwards, 163(j) and Other Tax Attributes

Following Restructuring Transactions treated as a Reorganization, after giving effect to the reduction in tax attributes pursuant to excluded CODI described above, Exactech NewCo's ability to use any remaining tax attributes post-emergence will be subject to certain limitations under sections 382 and 383 of the IRC.

Under sections 382 and 383 of the IRC, if the Debtors undergo an "ownership change," the amount of any remaining NOLs and NOL carryforwards, tax credit carryforwards, 163(j) Deductions, net unrealized built-in losses, and possibly certain other attributes (potentially including losses and deductions that have accrued economically but are unrecognized as of the date of the ownership change) of the Debtors allocable to periods prior to the Effective Date (collectively, the "Pre-Change Losses") that may be utilized to offset future taxable income generally are subject to an annual limitation. For this purpose, if a corporation (or consolidated group) has a net unrealized built-in loss at the time of an ownership change (taking into account most assets and items of "built-in" income and deductions), then generally built-in losses (including amortization or depreciation deductions attributable to such built-in losses) recognized during the following five years (up to the amount of the original net unrealized built- in loss) will be treated as Pre-Change Losses and similarly will be subject to the annual limitation. In general, a corporation's (or consolidated group's) net unrealized built-in loss will be deemed to be zero unless it is greater than the lesser of (a) $10.0 million, or (b) 15% of the fair market value of its assets (with certain adjustments) before the ownership change.

The rules of sections 382 and 383 of the IRC are complicated, but as a general matter, the Debtors anticipate that it is likely that receipt by Holders of the Prepetition Pari 1L Claims of interests in Exactech NewCo on account of the credit bid in accordance with the terms of the Stalking Horse APA will result in an "ownership change" of the Debtors for these purposes, in which case the use of the Pre-Change Losses will be subject to limitation unless an exception to the general rules of section 382 of the IRC applies.

Section 382 of the IRC is not expected to be relevant in the event that the Restructuring Transactions undertaken pursuant to the Plan are structured as a Taxable Asset Sale. As a result, the remainder of the discussion relating to section 382 of the IRC does not apply to a Taxable Asset Sale.

(a) General Section 382 Annual Limitation

In general, the amount of the annual limitation to which a corporation that undergoes an "ownership change" would be subject is equal to the product of (a) the fair market value of the stock of the corporation immediately before the "ownership change" (with certain adjustments), and (b) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the 3-calendar-month period ending with the calendar month in which the ownership change occurs, currently 3.39% for January, 2025). The annual limitation may be

increased to the extent that Exactech NewCo recognizes certain built-in gains in their assets during the five-year period following the ownership change, or are treated as recognizing built-in gains pursuant to the safe harbors provided in IRS Notice 2003-65, as modified by IRS Notice 2018-30, to the extent that such safe harbors continue to be available pending the finalization of proposed regulations that would curtail such safe harbors. Section 383 of the IRC applies a similar limitation to capital loss carryforwards and tax credits. Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year. As discussed below, however, special rules may apply in the case of a corporation that experiences an ownership change as the result of a bankruptcy proceeding.

Notwithstanding the rules described above, if subsequent to an ownership change, a debtor corporation and its subsidiaries do not continue the debtor corporation's historic business or use a significant portion of its historic business assets in a new business for two years after the ownership change, the annual limitation resulting from the ownership change is zero.

(b) Special Bankruptcy Exceptions

Special rules may apply in the case of a corporation that experiences an "ownership change" as a result of a bankruptcy proceeding. An exception to the foregoing annual limitation rules generally applies when shareholders and so-called "qualified creditors" of a debtor corporation in chapter 11 receive, in respect of their Claims, at least 50% of the vote and value of the stock of the debtor corporation (or a controlling corporation if also in chapter 11) as reorganized pursuant to a confirmed chapter 11 plan (the "382(l)(5) Exception"). If the requirements of the 382(l)(5) Exception are satisfied, a debtor's Pre-Change Losses would not be limited on an annual basis, but, instead, NOLs and 163(j) Deductions would be reduced by the amount of any interest deductions claimed by the debtor during the three taxable years preceding the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock pursuant to the reorganization. If the 382(l)(5) Exception applies and the reorganized company undergoes another "ownership change" within two years after the Effective Date, then the reorganized company's Pre-Change Losses thereafter would be effectively eliminated in their entirety.

Where the 382(l)(5) Exception is not applicable to a corporation in bankruptcy (either because the debtor corporation does not qualify for it or the debtor corporation otherwise elects not to utilize the 382(l)(5) Exception), another exception will generally apply (the "382(l)(6) Exception"). Under the 382(l)(6) Exception, the annual limitation will be calculated by reference to the lesser of (a) the value of the debtor corporation's new stock (with certain adjustments) immediately after the ownership change or (b) the value of such debtor corporation's assets (determined without regard to liabilities) immediately before the ownership change. This differs from the ordinary rule that requires the fair market value of a debtor corporation that undergoes an "ownership change" to be determined before the events giving rise to the change. The 382(l)(6) Exception also differs from the 382(l)(5) Exception in that, under it, a debtor corporation is not required to reduce its NOL carryforwards by the amount of interest deductions claimed within the prior three-year period, and a debtor corporation may undergo a change of ownership within two years without automatically triggering the elimination of its Pre-Change Losses. The resulting limitation would be determined under the regular rules for ownership changes.

The availability of either the 382(l)(5) Exception or the 382(l)(6) Exception will depend on the structure of the transactions undertaken pursuant to the Plan.

C. Certain U.S. Federal Income Tax Consequences of the Plan to U.S. Holders of Allowed Claims Entitled to Vote

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan. U.S. Holders are urged to consult their own tax advisors regarding the tax consequences of the Restructuring Transactions.

1. Consequences to Holders of Prepetition Pari 1L Claims

Except to the extent that a Holder of a Prepetition Pari 1L Claim agrees to less favorable treatment, each Holder of Prepetition Pari 1L Claims shall be entitled to with respect to the Prepetition Pari 1L Claims its Pro Rata share of (A) the amount of New Takeback Debt remaining after the dollar-for-dollar conversion of each DIP Claim into New Takeback Debt, and (B) 100% of the New Interests (subject to dilution by the Management Incentive Plan).[41]

(a) Treatment of a Holder of a Prepetition Pari 1L Claim

The steps that will be taken in the Stalking Horse Scenario have not yet been determined and, as a result, the potential tax treatment of U.S. Holders of Prepetition Pari 1L Claims is uncertain. In the Stalking Horse Scenario, depending on the steps taken to effect the transaction, the receipt by Holders of the Prepetition Pari 1L Claims of New Takeback Debt and New Interests may result in a sale, exchange, retirement or other disposition of the Prepetition Pari 1L Claims, and accordingly a realization event for U.S. federal income tax purposes or the transaction may, in whole or in part, qualify as a Reorganization.

(i) G Reorganization Treatment

If the Restructuring Transactions are structured in a manner that qualifies as a Reorganization, the disposition by a U.S. Holder of its Prepetition Pari 1L Claims for New Takeback Debt and New Interests generally will not result in the recognition of gain or loss, provided that a U.S. Holder will recognize gain, if any, up to the amount of any such consideration treated as "boot" for tax purposes. In addition to the potential recognition of gain with respect to any "boot," a U.S. Holder would have ordinary interest income to the extent of any consideration allocable to accrued but unpaid interest or possibly accrued original issue discount ("OID") not previously included in income. See "Character of Gain or Loss—Accrued Interest," below. For the treatment of the disposition to the extent a portion of the consideration received is allocable market discount, (which differs from the treatment described above), see "Character of Gain or Loss—Market Discount," below.

In a Reorganization, a U.S. Holder's aggregate tax basis in the New Takeback Debt and New Interests received in satisfaction of its Prepetition Pari 1L Claims would equal such U.S. Holder's aggregate adjusted tax basis in the Prepetition Pari 1L Claims exchanged therefor,

[41] Fractional shares will not be issued. If a distribution results in the issuance of fractional shares, such fractional shares will be rounded down to the nearest whole share.

increased by any gain and interest income recognized in the exchange, and decreased by any deductions claimed in respect of any previously accrued but unpaid interest. A U.S. Holder's holding period in the New Takeback Debt and New Interests received in satisfaction of its Prepetition Pari 1L Claims would include its holding period in the Prepetition Pari 1L Claims exchanged therefor, except to the extent of any consideration treated as "boot" or received in respect of accrued but unpaid interest or possibly accrued OID or treated as imputed interest income.

(ii) Taxable Asset Sale

In a Taxable Asset Sale, it is expected that the steps will be effected in a manner that is intended to result in a taxable transaction for U.S. Holders, but there can be no assurance in this regard. In the case of a taxable disposition, a U.S. Holder of a Prepetition Pari 1L Claims generally would recognize gain or loss in an amount equal to the difference, if any, between (i) the sum of the "issue price" of the New Takeback Debt and fair market value of New Interests received (other than, in each case, to the extent received in respect of a Claim for accrued but unpaid interest and possibly accrued OID), and (ii) the U.S. Holder's adjusted tax basis in the Prepetition Pari 1L Claims exchanged therefor (other than any tax basis attributable to accrued but unpaid interest and possibly accrued OID). See "Character of Gain or Loss," below with respect to the character of such gain or loss and the treatment of any amount received in respect of a Claim for the accrued but unpaid interest and possibly accrued OID.

In the case of a taxable disposition, a U.S. Holder's tax basis in the New Takeback Debt and New Interests received would equal the "issue price" and fair market value of such New Takeback Debt and New Interests, respectively. The U.S. Holder's holding period in the New Takeback Debt and New Interests generally begins on the day following the Plan Effective Date.

(b) Consequences to U.S. Holders of the Ownership and Disposition of New Interests

The consequences to U.S. Holders of ownership and disposition of New Interests depend on the U.S. tax classification of Exactech NewCo as either a corporation or partnership, and whether U.S. Holders own New Interests directly in Exactech Newco or via one or more parent entities of Exactech Newco. The tax classification of Exactech NewCo or such parent entities has not yet been determined. U.S. Holders are urged to consult their own tax advisors concerning the ownership and disposition of New Interests.

(i) Treatment of Exactech NewCo as a Corporation for U.S. Federal Income Tax Purposes

If Exactech NewCo is classified as a corporation for U.S. federal income tax purposes, any distributions made on account of the New Interests will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Exactech NewCo as determined under U.S. federal income tax principles. "Qualified dividend income" received by an individual U.S. Holder is subject to preferential tax rates. To the extent that a U.S. Holder receives distributions that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the U.S. Holder's basis in its shares of the New Interests. Any such distributions in excess of the U.S. Holder's basis in its

shares of the New Interests (determined on a share-by-share basis) generally will be treated as capital gain.

Subject to applicable limitations, distributions treated as dividends paid to U.S. Holders that are corporations generally will be eligible for the dividends-received deduction so long as Exactech NewCo has sufficient earnings and profits and certain holding period requirements are satisfied. The length of time that a U.S. Holder has held its stock is reduced for any period during which such U.S. Holder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales, or similar transactions. In addition, to the extent that a corporation incurs indebtedness that is directly attributable to an investment in the stock on which the dividend is paid, all or a portion of the dividends- received deduction may be disallowed.

Unless a non-recognition provision applies, U.S. Holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of the New Interests. Such capital gain generally will be long-term capital gain if at the time of the sale, exchange, retirement, or other taxable disposition, the U.S. Holder has held the New Interests for more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. The deductibility of capital losses is subject to certain limitations as described below. Under the recapture rules of section 108(e)(7) of the IRC, a U.S. Holder may be required to treat gain recognized on the taxable disposition of the New Interests, as applicable as ordinary income if such U.S. Holder took a bad debt deduction with respect to its Prepetition Pari 1L Claim or recognized an ordinary loss on the exchange of its Prepetition Pari 1L Claim for New Interests.

(ii) Treatment of Exactech NewCo as a Partnership for U.S. Federal Income Tax Purposes

If Exactech NewCo is classified as a partnership for U.S. federal income tax purposes, Exactech NewCo itself will not be subject to U.S. federal income tax. Instead, Exactech NewCo will file an annual partnership information return with the IRS which will report the results of Exactech NewCo's operations. Each U.S. Holder of New Interests in Exactech NewCo if it is classified as a partnership (an "Equityholder") will be required to report on its U.S. federal income tax return, and will be subject to tax in respect of, its distributive share of each item of Exactech NewCo's income, gain, loss, deduction and credit for each taxable year of Exactech NewCo ending with or within the Equityholder's taxable year. Each item generally will have the same character as if the Equityholder had recognized the item directly. Equityholders will be required to report these items regardless of the extent to which, or whether, they receive cash distributions from Exactech NewCo for such taxable year, and thus may incur income tax liabilities in excess of any cash distributions from Exactech NewCo.

An Equityholder generally will not recognize gain or loss on the receipt of a distribution of cash or property from Exactech NewCo (provided that the Equityholder is not treated as exchanging such Equityholder's share of Exactech NewCo's "unrealized receivables" and/or certain "inventory items" (as those terms are defined in the IRC, and together "ordinary income items") for other partnership property). An Equityholder that is a U.S. Holder, however, will recognize gain on the receipt of a distribution of cash and, in some cases, marketable securities, from Exactech NewCo (including any constructive distribution of money resulting from a reduction of Equityholder's share of Exactech NewCo's indebtedness) to the extent such distribution or the fair market value of

such marketable securities distributed exceeds such Equityholder's adjusted tax basis in its Exactech NewCo partnership interests. Such distribution would be treated as gain from the sale or exchange of Exactech NewCo partnership interests, which is described below.

An Equityholder's adjusted tax basis in its Exactech NewCo partnership interests generally will be equal to such member's initial tax basis, increased by the sum of (i) any additional capital contribution such Equityholder makes to Exactech NewCo, (ii) the Equityholder's allocable share of the income of Exactech NewCo, and (iii) increases in the Equityholder's allocable share of Exactech NewCo's indebtedness, and reduced, but not below zero, by the sum of (x) the Equityholder's allocable share of Exactech NewCo's losses, and (y) the amount of money or the adjusted tax basis of property distributed to such Equityholder, including constructive distributions of Cash resulting from reductions in such Equityholder's allocable share of Exactech NewCo's indebtedness.

A sale of all or part of an Equityholder's Exactech NewCo partnership interests will result in the recognition of gain or loss in an amount equal to the difference between the amount of the sales proceeds or distribution (including any constructive distribution) and such member's adjusted tax basis for the portion of Exactech NewCo partnership interests disposed of. Any gain or loss recognized with respect to such a sale generally will be treated as capital gain or loss, and will be long-term capital gain or loss if Exactech NewCo partnership interests has been held for more than one year, except to the extent (i) that the proceeds of the sale are attributable to a member's allocable share of certain of Exactech NewCo's ordinary income items and such proceeds exceed the Equityholder's adjusted tax basis attributable to such ordinary income items and (ii) of previously allowed bad debt or ordinary loss deductions. An Equityholder's ability to deduct any loss recognized on the sale of its Exactech NewCo partnership interests will depend on the Equityholder's own circumstances and may be restricted under the IRC. In addition, to avoid U.S. federal tax withholding imposed in connection with a partnership interest, an Equityholder may be required to certify that it is a U.S. person, or that another exception to such withholding regime applies.

(c) Consequences to U.S. Holders of the Ownership and Disposition of New Takeback Debt

(i) Issue Price

Depending on the manner in which the Restructuring Transactions are implemented, the consideration received by Holders of Prepetition Pari 1L Claims, which may include some combination of the New Interests and New Takeback Debt, collectively, may be treated as an "investment unit" issued in exchange for the Prepetition Pari 1L Claims. In such case, the "issue price" of the New Takeback Debt for purposes of the analysis herein will depend, in part, on the "issue price" of the "investment unit," and the respective fair market values of the elements of consideration that compose the "investment unit." The "issue price" of an "investment unit" is generally determined in the same manner as the "issue price" of a debt instrument. As a result, if the foregoing rules apply, the "issue price" of the "investment unit" will depend on whether the "investment unit" is considered, for U.S. federal income tax purposes and applying rules similar to those applied to debt instruments, to be traded on an established securities market. In general, a debt instrument will be treated as traded on an established securities market if, at any time during

the 31-day period ending 15 days after the issue date, (a) a "sales price" for an executed purchase of the debt instrument appears on a medium that is made available to issuers of debt instruments, persons that regularly purchase or sell debt instruments, or persons that broker purchases or sales of debt instruments, (b) a "firm" price quote for the debt instrument is available from at least one broker, dealer or pricing service for property, and the quoted price is substantially the same as the price for which the person receiving the quoted price could purchase or sell the property, or (c) there are one or more "indicative" quotes available from at least one broker, dealer or pricing service for property. Debt issues under $100.0 million are not treated as traded for these purposes.

If the "investment unit" is considered to be traded on an established market, the "issue price" of the "investment unit" would be the fair market value of the "investment unit" on the date the New Takeback Debt is issued. The law is unclear on whether an "investment unit" is treated as publicly traded if some, but not all, elements of such "investment unit" are publicly traded. If the "investment unit" is not publicly traded on an established market, but the Prepetition Pari 1L Claims are publicly traded on an established market, the "issue price" of the "investment unit" may then be determined by reference to the fair market value of the Prepetition Pari 1L Claims on the date the "investment unit" is issued. If neither the "investment unit" nor the Prepetition Pari 1L Claims are publicly traded on an established market, then the "issue price" of the New Takeback Debt would generally be determined under sections 1273(b)(4) or 1274 of the IRC, as applicable. Assuming either the "investment unit" or the Prepetition Pari 1L Claims are publicly traded, the "issue price" of an "investment unit" is allocated among the elements of consideration making up the "investment unit" based on their relative fair market values, with such allocation determining the "issue price" of the New Takeback Debt.

An issuer's application of these rules is binding on all Holders unless a Holder explicitly discloses a different allocation on a timely filed income tax return for the taxable year that includes the acquisition date of the relevant debt instrument.

(ii) Effect of Certain Contingencies

This discussion assumes that Exactech NewCo will take the position that the loans issued under the New Takeback Debt to Holders of Prepetition Pari 1L Claims in exchange for their Prepetition Pari 1L Claims are not subject to the Treasury Regulations applicable to contingent payment debt instruments. Exactech NewCo's position is binding on a U.S. Holder unless such Holder discloses its contrary position in the manner required by applicable U.S. Treasury Regulations. However, Exactech NewCo may take the position that the New Takeback Debt is a contingent payment debt instrument and, in any event, the IRS may take a position contrary to Exactech NewCo's position, which could adversely affect the amount, timing, and character of a U.S. Holder's income with respect to New Takeback Debt. If the New Takeback Debt were treated as contingent payment debt instruments, each U.S. Holder would be required to take into account interest using a constant yield method based on the issuer's "comparable yield," which generally is the rate at which the issuer could issue a fixed rate debt instrument with terms and conditions otherwise similar to the New Takeback Debt. In addition, any gain recognized by a U.S. Holder in respect of the New Takeback Debt would be treated as ordinary interest income. U.S. Holders should consult their own tax advisors regarding the potential application to the New Takeback Debt of the contingent payment debt instrument rules and the consequences thereof. This discussion assumes that the New Takeback Debt is not treated as a contingent payment debt instrument.

(iii) Acquisition Premium and Bond Premium

If a U.S. Holder of a Prepetition Pari 1L Claims receives an initial tax basis in the New Takeback Debt that is less than or equal to the stated redemption price at maturity of such debt instrument, but greater than the "adjusted issue price" of such instrument, the U.S. Holder should be treated as acquiring such debt instruments with an "acquisition premium." Unless an election is made, the U.S. Holder generally should reduce the amount of OID otherwise includible in gross income for an accrual period by an amount equal to the amount of OID otherwise includible in gross income multiplied by a fraction, the numerator of which is the excess of the U.S. Holder's initial tax basis in its interest in such debt instrument over such debt instrument's "adjusted issue price," and the denominator of which is the excess of the sum of all amounts payable on such debt instrument over its "adjusted issue price."

If a U.S. Holder of a Prepetition Pari 1L Claims receives an initial tax basis in any New Takeback Debt that exceeds the stated redemption price at maturity of such debt instrument, such U.S. Holder should be treated as acquiring such debt instrument with "bond premium." Such U.S. Holder generally may elect to amortize the bond premium over the term of such debt instrument on a constant yield method as an offset to interest (including any OID) when includible in income under such U.S. Holder's regular accounting method. If a U.S. Holder does not elect to amortize the premium, that premium may decrease the gain or increase the loss such U.S. Holder would otherwise recognize on disposition of such debt instrument.

(iv) OID and Interest with Respect to the New Takeback Debt

Cash interest on the New Takeback Debt will be includable by a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with such Holder's regular method of accounting for U.S. federal income tax purposes.

A debt instrument is treated as issued with OID for U.S. federal income tax purposes if its "issue price" is less than its stated redemption price at maturity by more than a de minimis amount. A debt instrument's stated redemption price at maturity includes all principal and interest payable over the term of the debt instrument, other than "qualified stated interest." Stated interest payable at a fixed rate is "qualified stated interest" if it is unconditionally payable in cash at least annually. The terms of the New Takeback Debt, including the extent to which they will be issued with OID, have not yet been determined; to the extent the purchase price is less than the face amount of such debt, the New Takeback Debt may be considered to be issued with OID. If the New Takeback Debt is issued with OID, a U.S. Holder generally (i) will be required to include the OID in gross income as ordinary interest income as it accrues on a constant yield to maturity basis over the term of the New Takeback Debt, in advance of the receipt of the cash attributable to such OID and regardless of the Holder's method of accounting for U.S. federal income tax purposes, but (ii) will not be required to recognize additional income upon the receipt of any Cash payment on the New Takeback Debt that is attributable to previously accrued OID that has been included in its income. If the amount of OID on the New Takeback Debt is de minimis, rather than being characterized as interest, any payment attributable to the de minimis OID will be treated as gain from the sale of the New Takeback Debt, and a pro rata amount of such de minimis OID must be included in income as principal payments are received on the New Takeback Debt.

If, pursuant to the rules described above, a U.S. Holder's initial tax basis in a New Takeback Debt is greater than the "issue price" of such debt but less than the stated principal amount of such debt, such New Takeback Debt will have an "acquisition premium." Under the acquisition premium rules, the amount of OID that must be included by the U.S. Holder in its gross taxable income with respect to the applicable New Takeback Debt for any taxable year will be reduced by the portion of the acquisition premium properly allocable to that year. Alternatively, if a U.S. Holder's initial tax basis in the New Takeback Debt exceeds its stated principal amount, the U.S. Holder will be considered to have acquired the New Takeback Debt with "amortizable bond premium" and will not be required to include any OID in income. A U.S. Holder may generally elect to amortize the premium over the remaining term of the New Takeback Debt on a constant yield method as an offset to stated interest when includible in income under such Holder's regular accounting method. If a U.S. Holder elects to amortize bond premium, such Holder must reduce its tax basis in the New Takeback Debt by the amount of the premium used to offset stated interest. If a U.S. Holder does not elect to amortize the premium, that premium will decrease the gain or increase the loss otherwise recognized on disposition of the New Takeback Debt. If, pursuant to the rules described above, a U.S. Holder's initial tax basis in the New Takeback Debt is less than the "issue price" of such debt, see the below section, entitled "Character of Gain or Loss—Market Discount."

(v) Sale, Exchange, Retirement or Other Disposition by a U.S. Holder

A U.S. Holder's adjusted tax basis in New Takeback Debt will depend on the steps used to effect the Restructuring Transactions as discussed above.

A U.S. Holder generally will recognize capital gain or loss on the sale, exchange, retirement or other taxable disposition of a New Takeback Debt equal to the difference, if any, between the amount realized on the sale, exchange, retirement or other disposition of the New Takeback Debt (less any amounts attributable to accrued but unpaid interest, which will be subject to tax in the manner described below under "Character of Gain or Loss—Accrued Interest" to the extent not previously so taxed), and the U.S. Holder's adjusted tax basis in the New Takeback Debt.

Any gain or loss recognized on the sale, exchange, retirement, or other disposition of a New Takeback Debt will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder has held the New Takeback Debt for more than one year as of the date of disposition. Long-term capital gain of a non-corporate U.S. Holder generally is taxed at preferential rates. The ability of a U.S. Holder to offset capital losses against ordinary income is limited.

The deductibility of capital losses is subject to certain limitations.

Prospective investors should consult their own tax advisors as to the U.S. federal income tax consequences of disposing of the New Takeback Debt.

2. Consequences to Holders of General Unsecured Claims

Except to the extent that a Holder of a General Unsecured Claim agrees to less favorable treatment, each Holder of General Unsecured Claims shall be entitled to their aggregate *pro rata* share of: (i) the GUC Reserve and (ii) the Sponsor Consideration. The U.S. Holders of General Unsecured Claims generally will recognize gain or loss on receipt of cash in satisfaction of their

Claims, provided that the tax consequences to such Holders will be determined by a number of factors, including the tax status of the U.S. Holder, the nature of the Claim in such U.S. Holder's hands, whether the Claim constitutes a capital asset in the hands of the U.S. Holder, whether the Claim was purchased at a discount, and whether and to what extent the U.S. Holder has previously claimed a bad debt deduction with respect to its Claim. If recognized gain is capital gain, it generally would be long term capital gain if the U.S. Holder held its Claim for more than one year at the time of the exchange potentially subject to special rules with respect to accrued interest or accrued but unpaid OID and market discount, each as discussed further below under "Character of Gain or Loss" below. The deductibility of capital losses is subject to certain limitations as discussed below under "Limitation on Use of Capital Losses."

(a) Wind-Down Trust Treatment

Subject to any applicable law or definitive guidance from the IRS or a court of competent jurisdiction to the contrary, the Debtors expect to treat the Wind-Down Trust as a "liquidating trust" under section 301.7701-4(d) of the Treasury Regulations and a grantor trust under section 671 of the IRC, and the trustee of any Wind-Down Trust will take a position on the Wind-Down Trust's tax return accordingly. For U.S. federal income tax purposes, the transfer of assets to the Wind-Down Trust will be deemed to occur as (a) a first-step transfer of the Wind-Down Trust Assets to the Holders of the applicable Claims, and (b) a second-step transfer by such holders to the Wind-Down Trust.

No request for a ruling from the IRS is expected to be sought on the classification of the Wind-Down Trust. Accordingly, there can be no assurance that the IRS would not take a contrary position regarding the classification of the Wind-Down Trust. If the IRS were to successfully challenge the classification of the Wind-Down Trust as a grantor trust, the federal income tax consequences to the Wind-Down Trust and the Wind-Down Trust beneficiaries could vary from those discussed in the Plan (including the potential for an entity-level tax). For example, the IRS could characterize the Wind-Down Trust as a so-called "complex trust" subject to a separate entity-level tax on its earnings, except to the extent that such earnings are distributed during the taxable year.

As soon as possible after the transfer of the Wind-Down Trust Assets to the Wind-Down Trust, the trustee(s) of the Wind-Down Trust shall make a good faith valuation of the Wind-Down Trust Assets. This valuation will be made available from time to time, as relevant for tax reporting purposes. Each of the Debtors, the trustee(s) of the Wind-Down Trust, and the Holders of Claims receiving interests in the Wind-Down Trust shall take consistent positions with respect to the valuation of the Wind-Down Trust Assets, and such valuations shall be utilized for all U.S. federal income tax purposes.

Allocations of taxable income and loss of the Wind-Down Trust among the Wind-Down Trust beneficiaries shall be determined, as closely as possible, by reference to the amount of distributions that would be received by each such beneficiary if the Wind-Down Trust had sold all of the Wind-Down Trust Assets at their tax book value and distributed the proceeds to the Wind-Down Trust beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Wind-Down Trust. The tax book value of the Wind-Down Trust Assets shall equal their fair market value on the date of the transfer of the Wind-Down

Trust Assets to the Wind-Down Trust, adjusted in accordance with tax accounting principles prescribed by the IRC, applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

The Wind-Down Trust shall in no event be dissolved later than five (5) years from the creation of such Wind-Down Trust unless the Bankruptcy Court, upon motion within the six (6) month period prior to the fifth (5th) anniversary (or within the six (6) month period prior to the end of an extension period), determines that a fixed period extension (not to exceed five (5) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel satisfactory to the trustee(s) of the Wind-Down Trust that any further extension would not adversely affect the status of the trust as a Wind-Down trust for U.S. federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Wind-Down Trust Assets.

The Wind-Down Trust will file annual information tax returns with the IRS as a grantor trust pursuant to section 1.671-4(a) of the Treasury Regulations that will include information concerning certain items relating to the holding or disposition (or deemed disposition) of the Wind-Down Trust Assets (e.g., income, gain, loss, deduction, and credit). Each Wind-Down Trust beneficiary holding a beneficial interest in the Wind-Down Trust will receive a copy of the information returns and must report on its federal income tax return its share of all such items. The information provided by the Wind-Down Trust will pertain to Wind-Down Trust beneficiaries who receive their interests in the Wind-Down Trust in connection with the Plan.

3. Character of Gain or Loss

When gain or loss is recognized by a U.S. Holder, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss is determined by a number of factors, including the tax status of the U.S. Holder, whether the U.S. Holder's Claim constitutes a capital asset in the hands of the U.S. Holder and how long it has been held, whether such Claim was acquired at a market discount, and whether and to what extent the U.S. Holder previously claimed a bad debt deduction in respect of the Claim.

(a) Accrued Interest

To the extent that any amount received by a U.S. Holder of a Claim under the Plan is attributable to accrued interest or OID during its holding period on the debt instruments on such Claim, the receipt of such amount generally should be taxable to the U.S. Holder as ordinary interest income (to the extent not already taken into income by the U.S. Holder). Conversely, a U.S. Holder of a Claim may be able to recognize a deductible loss to the extent that any accrued interest on the debt instruments constituting such Claim was previously included in the U.S. Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point.

If the fair market value of the consideration received by a U.S. Holder is not sufficient to fully satisfy all principal and interest on Claims, the extent to which such consideration will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration to be distributed to Holders of Claims in each Class will be allocated first to the principal amount of such

Claims, with any excess allocated to unpaid interest that accrued on these Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, and certain case law generally indicates that a final payment on a distressed debt instrument that is insufficient to repay outstanding principal and interest will be allocated to principal, rather than interest. Certain Treasury Regulations treat payments as allocated first to any accrued but untaxed interest. The IRS could take the position that the consideration received by the U.S. Holder should be allocated in some way other than as provided in the Plan. U.S. Holders of Claims should consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

(b) Market Discount

In addition, a U.S. Holder that acquired a Claim from a prior Holder at a "market discount" may be subject to the market discount rules of the IRC. A U.S. Holder that purchased its Claim from a prior Holder would be considered to have purchased such Claim with "market discount" if the U.S. Holder's adjusted tax basis in its Claim is less than the "adjusted issue price" of such Claim by at least a statutorily defined de minimis amount. Under these rules, gain recognized on the exchange of Claims (other than in respect of a Claim for accrued but unpaid interest) generally would be treated as ordinary income to the extent of the market discount accrued (on a straight line basis or, at the election of the U.S. Holder, on a constant yield basis) during the U.S. Holder's period of ownership, unless the U.S. Holder elected to include the market discount in income as it accrued. If a U.S. Holder of Claims did not elect to include market discount in income as it accrued and, thus, under these rules, was required to defer all or a portion of any deductions for interest on debt incurred or maintained to purchase or carry its Claims, such deferred amounts would in the case of a fully taxable exchange become deductible at the time of the exchange.

4. Limitation on Use of Capital Losses

A U.S. Holder who recognizes capital losses will be subject to limits on their use of capital losses. For a non-corporate U.S. Holder, capital losses may be used to offset any capital gains (without regard to holding periods) plus ordinary income to the extent of the lesser of (a) $3,000 ($1,500 for married individuals filing separate returns) or (b) the excess of the capital losses over the capital gains. A non-corporate U.S. Holder may carry over unused capital losses and apply them to capital gains and a portion of their ordinary income for an unlimited number of years. For corporate U.S. Holders, losses from the sale or exchange of capital assets may only be used to offset capital gains. A corporate U.S. Holder who has more capital losses than can be used in a tax year may be allowed to carry over the excess capital losses for use in succeeding tax years. Corporate U.S. Holders may only carry over unused capital losses for the five years following the capital loss year, but are allowed to carry back unused capital losses to the three years preceding the capital loss year.

5. Medicare Tax

Certain U.S. Holders that are individuals, estates, or trusts are required to pay an additional 3.8 percent tax on, among other things, interest, dividends and gains from the sale or other disposition of capital assets. U.S. Holders that are individuals, estates, or trusts should consult their

own tax advisors regarding the effect, if any, of this tax provision on their ownership and disposition of any consideration to be received under the Plan.

D. Certain U.S. Federal Income Tax Consequences of the Plan to Non-U.S. Holders of Allowed Claims.

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan and includes only certain U.S. federal income tax consequences of the Plan to Non-U.S. Holders. This discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex. Each Non-U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal, state, local, non-U.S., and non-income tax consequences of the consummation of the Plan and the Restructuring Transactions to such Non-U.S. Holder.

1. Gain Recognition

Whether a Non-U.S. Holder realizes gain or loss on the exchange and the amount of such gain or loss is determined in the same manner as set forth above in connection with U.S. Holders.

Subject to the discussion of backup withholding and FATCA (as defined below) gain, if any, recognized by a Non-U.S. Holder on the exchange of its Claim generally will not be subject to U.S. federal income taxation unless (a) the Non-U.S. Holder is an individual who was present in the United States for 183 days or more during the taxable year in which the Restructuring Transactions occur and certain other conditions are met or (b) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States). If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange if such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States in the same manner as a U.S. Holder (except that the Medicare tax would generally not apply). In order to claim an exemption from withholding tax, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30 percent (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

2. U.S. Federal Income Tax Consequences to Non-U.S. Holders of Payments of Interest (Including OID and Interest Attributable to Accrued by Untaxed Interest) Under the Plan

Subject to the discussion of backup withholding and FATCA (as defined below), interest income (which, for purposes of this discussion of Non-U.S. Holders, includes OID and accrued but untaxed interest under the Plan) of a Non-U.S. Holder that is not effectively connected with a U.S.

trade or business carried on by the Non-U.S. Holder will qualify for the so-called "portfolio interest exemption" and, therefore, will not be subject to U.S. federal income tax or withholding, provided that:

- the Non-U.S. Holder does not own, actually or constructively, 10 percent or more of the total combined voting power in the issuer on a Claim within the meaning of section 871(h)(3) of the IRC and Treasury Regulations thereunder;

- the Non-U.S. Holder is not a controlled foreign corporation related to the issuer, actually or constructively through the ownership rules under section 864(d)(4) of the IRC;

- the Non-U.S. Holder is not a bank that is receiving the interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and

- the beneficial owner gives the issuer or the issuer's paying agent or other withholding agent an appropriate IRS Form W-8 (or suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed establishing its status as a non-U.S. person.

If all of these conditions are not met, interest paid to a Non-U.S. Holder pursuant to the Plan that is not effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder will generally be subject to U.S. federal income tax and withholding at a 30 percent rate, unless an applicable income tax treaty reduces or eliminates such withholding and the Non-U.S. Holder claims the benefit of that treaty by providing an appropriate IRS Form W-8 (or a suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed.

If interest paid to a Non-U.S. Holder pursuant to the Plan is effectively connected with a trade or business in the United States ("ECI") carried on by the Non-U.S. Holder, the Non-U.S. Holder will be required to pay U.S. federal income tax on that interest on a net income basis generally in the same manner as a U.S. Holder (and the 30 percent withholding tax described above will not apply, provided the appropriate statement (generally a properly executed IRS Form W-8ECI or suitable substitute or successor form or such other form as the IRS may prescribe) is provided to the issuer or the issuer's paying agent or other withholding agent) unless an applicable income tax treaty provides otherwise. If a Non-U.S. Holder is eligible for the benefits of any income tax treaty between the United States and its country of residence, any interest income that is ECI will be subject to U.S. federal income tax in the manner specified by the treaty if the Non-U.S. Holder claims the benefit of the treaty by providing an appropriate IRS Form W-8 (or a suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed. In addition, a corporate Non-U.S. Holder may, under certain circumstances, be subject to an additional "branch profits tax" at a 30 percent rate, or, if applicable, a lower treaty rate, on its effectively connected earnings and profits attributable to such interest (subject to adjustments).

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and, as applicable, must be updated periodically. Non-U.S. Holders

that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

3. Consequences to Non-U.S. Holders of the Ownership and Disposition of New Interests

(a) Treatment of Exactech NewCo as a Corporation for U.S. Federal Income Tax Purposes

(i) Dividends

In a scenario where Exactech NewCo is a corporation for U.S. federal income tax purposes, any distributions made with respect to New Interests will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Exactech NewCo, as determined under U.S. federal income tax principles (and thereafter first as a return of capital which reduces basis and then, generally, capital gain). Except as described below, dividends paid with respect to New Interests held by a Non-U.S. Holder that are not ECI (or, if an applicable income tax treaty applies, are not attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) will be subject to U.S. federal withholding tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty). A Non-U.S. Holder generally will be required to satisfy certain IRS certification requirements in order to claim a reduction of or exemption from withholding under an applicable income tax treaty by filing IRS Form W-8BEN or W-8BEN-E, as applicable (or suitable substitute or successor form or such other form as the IRS may prescribe), upon which the Non-U.S. Holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower applicable income tax treaty rate or exemption from tax with respect to such payments. Dividends paid with respect to New Interests held by a Non-U.S. Holder that are ECI (and, if an applicable income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the dividends at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If Exactech NewCo is considered a "U.S. real property holding corporation" (a "USRPHC"), distributions to a Non-U.S. Holder generally will be subject to withholding by Exactech NewCo at a rate of 15 percent to the extent they are not treated as dividends. In the event the New Interests are regularly traded on an established market, withholding would not be required if the Non-U.S. Holder does not directly or indirectly own (and has not directly or indirectly owned) more than 5 percent of the aggregate fair market value of the class of equity interests that includes New Interests during a specified testing period. Exceptions to such withholding may also be available to the extent a Non-U.S. Holder furnishes a certificate qualifying such Non-U.S. Holder for a reduction or exemption of withholding pursuant to applicable Treasury Regulations.

(ii) Sale, Redemption, or Repurchase of New Interests

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to any gain realized on the sale or other taxable disposition (including a cash redemption) of New Interests unless:

- such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition;
- such gain is ECI (and, if an applicable income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States); or
- the issuer of such New Interests is or has been during a specified testing period a USRPHC (as discussed below).

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of disposition of New Interests. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to earnings and profits effectively connected with a U.S. trade or business that are attributable to such gains at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If the third exception applies, a Non-U.S. Holder of New Interests generally will be subject to U.S. federal income tax on any gain recognized on the disposition of all or a portion of its New Interests under the Foreign Investment in Real Property Tax Act and the Treasury Regulations thereunder ("FIRPTA"). Taxable gain from a Non-U.S. Holder's disposition of an interest in a USRPHC (generally equal to the difference between the amount realized and the Non-U.S. Holder's adjusted tax basis in such interest) would constitute ECI. A non-U.S. Holder would also be subject to withholding tax equal to fifteen percent of the amount realized on the disposition and generally required to file a U.S. federal income tax return. The amount of any such withholding may be allowed as a credit against the Non-U.S. Holder's U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund if the Non-U.S. Holder properly and timely files a tax return with the IRS.

In general, a corporation would be a USRPHC with respect to a Non-U.S. Holder if the fair market value of the corporation's U.S. real property interests (as defined in the IRC and applicable Treasury Regulations) equals or exceeds fifty percent of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (applying certain look-through rules to evaluate the assets of subsidiaries) at any time within the shorter of (a) the 5-year period ending on the effective time of the applicable disposition or (b) the Non-U.S. Holder's holding period for its interests in the corporation. The Debtors do not expect that the New Interests will be treated as equity in a USRPHC.

In general, FIRPTA will not apply upon a Non-U.S. Holder's disposition of its New Interests if (x) the New Interests is treated as "regularly traded" on an established market and continue to be regularly traded on an established market and (y) the Non-U.S. Holder did not directly or indirectly own more than 5 percent of the value of the New Interests during a specified testing period.

(b) Treatment of Exactech NewCo as a Partnership for U.S. Federal Income Tax Purposes

If Exactech NewCo is classified as a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of a Non-U.S. Holder that holds interests in Exactech NewCo is complex and will vary depending upon the circumstances of the Non-U.S. Holder and the activities of Exactech NewCo. In general, the tax treatment of a Non-U.S. Holder will depend on whether Exactech NewCo is deemed to be engaged in a U.S. trade or business. If Exactech NewCo is treated as a partnership for U.S. federal income tax purposes and it owns operating assets directly or through entities treated as flow-through for U.S. federal income tax purposes, a Non-U.S. Holder that owns equity interests in Exactech NewCo will be treated as engaged in a U.S. trade or business for U.S. federal income tax purposes. If Exactech NewCo were deemed to be engaged in a U.S. trade or business, a Non-U.S. Holder may be required to file a U.S. federal income tax return annually with respect to income from Exactech NewCo, and the income allocated to a Non-U.S. Holder that is ECI would be subject to U.S. taxation at graduated rates (and certain corporate Non-U.S. Holders could be subject to an additional 30 percent "branch profits" tax). Each Non-U.S. Holder's distributive share of such income would be subject to withholding tax. In addition, if a Non-U.S. Holder sells or disposes of direct interests in Exactech NewCo, the Non-U.S. Holder would generally need to file a U.S. federal income tax return reporting gain from such sale. Further, a buyer of equity interests in Exactech NewCo may be required to withhold tax on the sale.

Regardless of whether Exactech NewCo is otherwise deemed to be engaged in a U.S. trade or business, any gain from the disposition of a "United States real property interest" held directly or indirectly by Exactech NewCo generally would be taxable as ECI. The IRC defines "United States real property interests" broadly, and it includes interests in real property located in the U.S. as well as the stock of any corporation that holds sufficient interests in U.S. real property to be considered a "United States real property holding corporation" under the IRC. Accordingly, it is possible that a Non-U.S. Holder of Exactech NewCo will own interests in a United States real property interest. Gain realized from the disposition of such interests would be subject to U.S. taxation and withholding, and each Non-U.S. Holder would be required to file a U.S. federal income tax return reporting such income. If a Non-U.S. Holder sells or disposes of direct interests in Exactech NewCo and Exactech NewCo owns an interest in a U.S. real property interest, the Non-U.S. Holder would generally need to file a U.S. federal income tax return reporting gain from such sale, and a buyer of such interests in Exactech NewCo may be required to withhold tax on the sale.

Non-U.S. Holders that are sensitive to ECI are encouraged to consult with their tax advisors about, among other things, the possibility of investing through a non-U.S. entity that is classified as a corporation for U.S. federal income tax purposes, so that such non-U.S. entity can serve as a "filing blocker" that makes any applicable U.S. federal income tax filings (rather than the Non-U.S. Holder being required to directly make such filings).

4. Consequences to Non-U.S. Holders of the Ownership and Disposition of New Takeback Debt

(a) Interest

Subject to the discussion below concerning FATCA and backup withholding, payments of interest on the New Takeback Debt by Exactech NewCo or any paying agent to a Non-U.S. Holder will not be subject to U.S. federal income tax (collected by means of withholding), provided that, pursuant to the "portfolio interest" exception:

- such Non-U.S. Holder does not own, actually or constructively, 10% or more of the combined voting power of all classes of Exactech NewCo stock entitled to vote (within the meaning of the IRC and applicable Treasury Regulations),
- such Non-U.S. Holder is not a controlled foreign corporation (within the meaning of the IRC) that is related, directly or indirectly, actually or constructively, to Exactech NewCo,
- such Non-U.S. Holder is not a bank receiving interest on the New Takeback Debt on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of such Non-U.S. Holder's trade or business, and
- such Non-U.S. Holder satisfies certain certification requirements (generally by providing an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable form) and a portfolio exemption certificate certifying it meets the requirements described above).

Payments of interest on the New Takeback Debt that do not meet the above-described requirements will be subject to a U.S. federal income tax of 30% (or such lower rate provided by an applicable income tax treaty if you validly and timely establish that you qualify to receive the benefits of such treaty) collected by means of withholding. To claim a reduction or exemption under a tax treaty, a Non-U.S. Holder generally must provide the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other appropriate documentation) and claim the reduction or exemption on the form.

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. A Non-U.S. Holder may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlements to benefits under any applicable income tax treaty.

(b) Sale, Exchange, Redemption or Other Taxable Disposition of the New Takeback Debt

Subject to the discussions below concerning FATCA and backup withholding, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized on the sale, exchange, redemption or other disposition of the New Takeback Debt (other than any amount representing accrued but unpaid interest on the New Takeback Debt, which is subject to the rules described

above) unless such gain is ECI (and, if an applicable income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) or such Non-U.S. Holder is an individual present in the United States for at least 183 days during the year in which such Holder disposes of the New Takeback Debt, and other conditions are satisfied. Gain recognized by non-resident individuals present in the United States for such time will be subject to a U.S. federal income tax rate of 30 percent, (or such lower rate specified by an applicable tax treaty) which may be offset by U.S. capital losses of the Non-U.S. Holder, provided the Non-U.S. Holder timely files U.S. federal income tax returns with respect to such losses.

E. FATCA

Sections 1471 through 1474 of the IRC, U.S. Treasury Regulations promulgated thereunder, guidance from the IRS and intergovernmental agreements and subject to further guidance ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding at a rate of 30 percent on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S. source payments of fixed or determinable, annual or periodical income, and, subject to the paragraph immediately below, also include gross proceeds from the sale of any property of a type which can produce U.S. source interest or dividends. FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal withholding. FATCA withholding rules that would have applied to payments of gross proceeds from the sale or other disposition of property of a type that can produce U.S. source interest or dividends were previously scheduled to take effect on January 1, 2019. However, such withholding has effectively been suspended under proposed Treasury Regulations that may be relied on until final regulations become effective. Nonetheless, there can be no assurance that a similar rule will not go into effect in the future. Each Non-U.S. Holder should consult its own tax advisor regarding the possible impact of FATCA withholding rules on such Non-U.S. Holder.

BOTH U.S. HOLDERS AND NON-U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE POSSIBLE IMPACT OF THESE RULES ON SUCH HOLDERS' EXCHANGE OF ANY OF ITS CLAIMS PURSUANT TO THE PLAN AND ON ITS OWNERSHIP OF THE NEW INTERESTS AND THE NEW TAKEBACK DEBT.

F. Information Reporting and Backup Withholding

The Debtors, Wind-Down Trust, and applicable withholding agents will withhold all amounts required by law to be withheld from payments of interest and dividends, whether in connection with distributions under the Plan or in connection with payments made on account of consideration received pursuant to the Plan, and will comply with all applicable information reporting requirements. The IRS may make the information returns reporting such interest and dividends and withholding available to the tax authorities in the country in which a Non-U.S. Holder is resident. In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a Holder may be subject to backup withholding (currently at a rate of 24 percent) with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer

identification number is correct and that the Holder is not subject to backup withholding (generally in the form of a properly executed IRS Form W-9 for a U.S. Holder, and, for a Non-U.S. Holder, in the form of a properly executed applicable IRS Form W-8 (or otherwise establishes such Non-U.S. Holder's eligibility for an exemption)). Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided that the required information is timely provided to the IRS. In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders subject to the Plan are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR NON-U.S. TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

ARTICLE XI

RECOMMENDATION

In the opinion of the Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors' creditors than would otherwise result in any other available scenario. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan.

Dated: March 20, 2025

Exactech, Inc.
on behalf of itself and all other Debtors

/s/ Jesse York
Name: Jesse York
Title: Chief Restructuring Officer, Exactech, Inc.

EXHIBIT A

Chapter 11 Plan

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	§	Chapter 11
Exactech, Inc., *et al*.,[1]	§	Case No. 24-12441 (LSS)
Debtors.	§	(Jointly Administered)

SECOND AMENDED JOINT CHAPTER 11 PLAN OF EXACTECH, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN OFFER, ACCEPTANCE, COMMITMENT, OR LEGALLY BINDING OBLIGATION OF THE DEBTORS OR ANY OTHER PARTY IN INTEREST AND THIS PLAN IS SUBJECT TO APPROVAL BY THE BANKRUPTCY COURT AND OTHER CUSTOMARY CONDITIONS. THIS PLAN IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES.

YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS PLAN FOR ANY PURPOSE PRIOR TO THE CONFIRMATION OF THIS PLAN BY THE BANKRUPTCY COURT.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: Osteon Holdings, Inc. (7042); Osteon Intermediate Holdings I, Inc. (7778); Osteon Intermediate Holdings II, Inc. (1292); Exactech, Inc. (3930); and XpandOrtho, Inc. (4250). The Debtors' service address is 2320 NW 66th Court, Gainesville, Florida 32653.

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Dated: March 20, 2025

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INTRODUCTION

Exactech, Inc. and its affiliated Debtors, propose this joint chapter 11 plan (as modified, amended, or supplemented from time to time in accordance with the terms herein, the "Plan") for the resolution of the outstanding Claims against, and Interests in, the Debtors. The Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of the Bankruptcy Court [Docket No. 78]. This Plan constitutes a separate chapter 11 plan for each Debtor for the resolution of outstanding Claims against and Interests in each Debtor pursuant to the Bankruptcy Code, and unless otherwise set forth herein, the classifications and treatment of Claims against and Interests in the Debtors set forth in Article III of the Plan apply separately with respect to each Debtor. Each Debtor is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code.

Pursuant to section 1125(b) of the Bankruptcy Code, votes to accept or reject a chapter 11 plan cannot be solicited from holders of Claims or Interests entitled to vote on a chapter 11 plan until a disclosure statement has been approved by a bankruptcy court and distributed to such holders. On [●], the Bankruptcy Court entered the Disclosure Statement Order, which, among other things, approved the Disclosure Statement, established procedures for voting on the Plan, and scheduled the Confirmation Hearing. Holders of Claims against and Interests in the Debtors should refer to the Disclosure Statement for a discussion of the Debtors' history, business, properties, operations, historical financial information, and risk factors, as well as a summary and description of the Plan, the Restructuring Transactions that the Debtors seek to consummate on the Effective Date of the Plan, and various related matters.

ARTICLE I.
DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, GOVERNING LAW, AND OTHER REFERENCES

A. Defined Terms

Capitalized terms used in this Plan have the meanings ascribed to them below.

1. "*Acquired Assets*" has the meaning set forth in the Sale Transaction Documents.

2. "*Acquired Entities*" has the meaning set forth in the Stalking Horse APA.

3. "*Ad Hoc Group*" means the ad hoc group of certain secured lenders (and/or investment advisors to secured lenders) under the Prepetition First Lien Credit Agreement represented by the Ad Hoc Group Advisors.

4. "*Ad Hoc Group Advisors*" means (a) Milbank, LLP, as counsel to the Ad Hoc Group, (b) Evercore Group L.L.C., as investment banker to the Ad Hoc Group, (c) Richards, Layton & Finger, P.A., as co-counsel to the Ad Hoc Group, and (d) any other counsel or professional advisor retained by or on behalf of the Ad Hoc Group in the Ad Hoc Group's reasonable discretion and as communicated to the Debtors' restructuring advisors prior to the date of such retention.

5. "*Administrative Claim*" means a Claim against a Debtor for the costs and expenses of administration of the Chapter 11 Cases arising on or prior to the Effective Date pursuant to sections 328, 330, or 503(b) of the Bankruptcy Code and entitled to priority pursuant to sections 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the Debtors' businesses, (b) Allowed Professional Fee Claims, (c) the Transaction Expenses incurred after the Petition Date and through the Plan Effective Date, and (d) the DIP Claims.

6. "*Administrative Claims Bar Date*" means the deadline for Filing requests for payment of Administrative Claims (other than Transaction Expenses, DIP Claims, requests for payment of Professional Fee Claims and Administrative Claims arising under section 503(b)(9) of the Bankruptcy Code), which shall be (a) February 7, 2025, at 4:00 p.m. prevailing Eastern Time for Administrative Claims arising from the Petition Date through and including January 10, 2025, and (b) for all Administrative Claims arising after January 10, 2025, 30 days after the Effective Date or such other date as is ordered by the Bankruptcy Court.

7. "*Administrative Claims Objection Bar Date*" means the deadline for filing objections to requests for payment of Administrative Claims (other than Transaction Expense, DIP Claims, and requests for payment of Professional Fee Claims), which shall be 120 days after the later of (a) the Effective Date and (b) the Filing of the applicable request for payment of the Administrative Claims; *provided* that the Administrative Claims Objection Bar Date may be extended by the Bankruptcy Court after notice and a hearing.

8. "*Affiliate*" has the meaning set forth in section 101(2) of the Bankruptcy Code.

9. "*Agent*" means, as the context may require, the DIP Agent, the Prepetition Agent, or the Prepetition Sidecar Agent.

10. "*Allowed*" means, with respect to any Claim against or Interest in a Debtor, except to the extent that this Plan provides otherwise: (a) a Claim that is evidenced by a Proof of Claim or a request for payment of an Administrative Claim (or for which Claim a Proof of Claim or request for payment of Administrative Claim is not or shall not be required to be Filed under the Plan, the Bankruptcy Code, or pursuant to a Final Order); (b) an Interest that is evidenced by a Proof of Interest; (c) a Claim or Interest that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no contrary or superseding Proof of Claim or Interest, as applicable, has been Filed and is not Disputed; or (d) a Claim or Interest allowed pursuant to the Plan or a Final Order; *provided* that with respect to a Claim or Interest described in clause (a)–(b) above, such Claim or Interest shall be considered Allowed only if and to the extent that no objection to the allowance of such Claim or Interest is interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim or Interest has been allowed by a Final Order or otherwise resolved pursuant to the Plan. Except as otherwise specified in the Plan or any Final Order, or as provided in sections 506(b) or 511 of the Bankruptcy Code, an Allowed Claim shall not, for purposes of computing distributions under this Plan, include interest on such Claim accruing on and after the Petition Date. Notwithstanding anything to the contrary herein, no Claim of any Entity from which property is recoverable under sections 542, 543, 550, or 553 of the

Bankruptcy Code or that is a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity or transferee has paid the amount, or turned over any such property, for which such Entity or transferee is liable under sections 522(i), 542, 543, 550, or 553 of the Bankruptcy Code, following an objection to a claim filed on such grounds. For the avoidance of doubt, a Proof of Claim Filed after the applicable Claims Bar Date, or a request for payment of an Administrative Claim Filed after the Administrative Claims Bar Date, shall be deemed to be Disputed and shall not be Allowed absent entry of a Final Order overruling an objection to its allowance. "*Allow*" and "*Allowing*" shall have correlative meanings.

11. "*Assigned Executory Contracts and Unexpired Leases*" means those Executory Contracts and Unexpired Leases that are to be assumed and assigned by the applicable Debtor to the Winning Bidder or its designee pursuant to and as set forth in the Plan, the Sale Order, and any applicable Sale Transaction Documents.

12. "*Assigned Executory Contract and Unexpired Lease List*" means the list of the Assigned Executory Contracts and Unexpired Leases, which shall be included in the Plan Supplement, to be assumed by the Debtors and Assigned to the Winning Bidder pursuant to the Plan and the applicable Sale Transaction Documents, as the same may be amended, modified, or supplemented from time to time by the Debtors in accordance with the Plan and the Sale Transaction Documents.

13. "*Assumed Liabilities*" has the meaning set forth in the Sale Transaction Documents.

14. "*Avoidance Actions*" means any and all actual or potential avoidance, recovery, subordination, or other Causes of Action or remedies that may be brought by or on behalf of the Debtors or their Estates or other authorized parties in interest under the Bankruptcy Code or applicable non-bankruptcy law, including Causes of Action or remedies under sections 502, 510, 542, 544, 545, 547-553, and 724(a) of the Bankruptcy Code or under other similar or related local, state, federal, or foreign statutes and common law, including fraudulent transfer laws.

15. "*Ballot*" means the ballot approved by the Bankruptcy Court and accompanying the Disclosure Statement upon which certain Holders of Impaired Claims entitled to vote may, among other things, indicate their acceptance or rejection of the Plan and their election not to consent to the releases in Article VII.C of the Plan in accordance with the Plan and the procedures governing the solicitation process.

16. "*Bankruptcy Code*" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as may be amended.

17. "*Bankruptcy Court*" means the United States Bankruptcy Court for the District of Delaware or such other court having jurisdiction over these Chapter 11 Cases.

18. "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, 28 U.S.C. § 2075 and the general, local, and chambers rules of the Bankruptcy Court, as amended.

19. "*Bar Date Order*" means the *Order (I) Establishing Deadlines to File Proofs of Claim, Including Claims under 11 U.S.C. § 503(b)(9), and Requests for Payment Procedures Related Thereto, (II) Establishing an Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form and Manner for Filing Proofs of Claim, (IV) Approving Form and Manner of Notice Thereof, (V) Approving the Confidentiality Protocol, and (VI) Granting Related Relief* entered by the Bankruptcy Court on December 10, 2024 [Docket No. 320].

20. "*Bidding Procedures*" means the procedures attached as Exhibit 1 to the Bidding Procedures Order as such procedures may be amended from time to time in accordance with the Bidding Procedures Order.

21. "*Bidding Procedures Order*" means the *Order Approving (I) Bidding Procedures, the Sale Timeline, and the Form and Manner of Notice Thereof; (II) the Debtors' Entry Into and Performance Under the Stalking Horse APA; (III) Assumption and Assignment Procedures; and (IV) Granting Related Relief* entered by the Bankruptcy Court on December 10, 2024 [Docket No. 321], as such order may be amended, supplemented, or modified from time to time.

22. "*Business Day*" means any day, other than a Saturday, Sunday, or a "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

23. "*Cash*" means the legal tender of the United States of America or the equivalent thereof, including bank deposits and checks.

24. "*Cash Collateral*" has the meaning set forth in the DIP Orders.

25. "*Causes of Action*" means any and all actions, Claims, causes of action, controversies, demands, rights, actions, Liens, indemnities, interests, guaranties, suits, obligations, liabilities, damages, judgments, accounts, defenses, offsets, powers, privileges, licenses, and franchises of any kind or character whatsoever, whether known or unknown, existing or hereinafter arising, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, Disputed or undisputed, Secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. For the avoidance of doubt, "Causes of Action" includes: (a) any rights of contribution (including arising from or related to any Qui Tam Claims), setoff and counterclaims, or recoupments, and any Claims for breach of contract or for breach of duties imposed by Law or in equity; (b) any and all Claims based on or relating to, or in any manner arising from, in whole or in part, tort, breach of contract, breach of fiduciary duty, violation of state or federal Law, or breach of any duty imposed by Law or in equity (including fiduciary duties), including Securities laws, negligence, and gross negligence; (c) any and all rights to dispute, object to, compromise, or seek to recharacterize, reclassify, subordinate, or disallow Claims or Interests; (d) any and all Claims pursuant to section 362 or chapter 5 of the Bankruptcy Code; (e) any and all Claims or defenses, including fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; (f) any and all state or foreign Law fraudulent transfer or similar Claims; (g) any Avoidance Action or state law fraudulent transfer claim; and (h) any and all actions, Claims, rights, remedies, defenses, counterclaims, suits, and causes of action owned or held, or assertable by or on behalf of any Debtor or its Estate (including, without limitation, claims assertable by the Committee or by any other creditors, on behalf of any

Debtor or its Estates) that constitute "property of the estate" under section 541 of the Bankruptcy Code, including, but not limited to, for the avoidance of doubt, seeking to pierce the Debtors' corporate veil and/or impose "alter ego" liability on any third party.

26. "*Chapter 11 Cases*" means, when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, and when used with reference to all of the Debtors, the procedurally consolidated and jointly administered chapter 11 cases pending for the Debtors in the Bankruptcy Court.

27. "*Claim*" has the meaning set forth in section 101(5) of the Bankruptcy Code.

28. "*Claims Bar Date*" means, collectively, the applicable date (including the Administrative Claims Bar Date) by which Proofs of Claim, Proofs of Interest, and requests for payment of Administrative Claims must be Filed, as established by: (a) the Bar Date Order; (b) a Final Order of the Bankruptcy Court; (c) the Sale Order; or (d) the Confirmation Order.

29. "*Claims Objection Deadline*" means the deadline for objecting to a Claim asserted against a Debtor (other than an Administrative Claim), which shall be on the date that is the later of: (a) the first Business Day following 180 days after the Effective Date; and (b) such later date as may be fixed by the Bankruptcy Court, after notice and a hearing upon a motion either Filed on or before the then existing Claims Objection Deadline or Filed thereafter for cause.

30. "*Claims, Noticing, and Solicitation Agent*" means Kroll Restructuring Administration LLC, in its capacity as the claims, noticing, and solicitation agent in the Chapter 11 Cases for the Debtors and any successors appointed by an order of the Bankruptcy Court.

31. "*Claims Register*" means the official register of Claims against and Interests in the Debtors maintained by the Clerk of the Bankruptcy Court or the Claims, Noticing, and Solicitation Agent.

32. "*Class*" means a class of Claims against or Interests in the Debtors as set forth in Article III of the Plan in accordance with section 1122(a) of the Bankruptcy Code.

33. "*Collateral*" means any property or interest in property of the Estate of any Debtor subject to a Lien, charge, or other encumbrance to secure the payment or performance of a Claim, which Lien, charge, or other encumbrance is not subject to a Final Order ordering the remedy of avoidance of any such Lien, charge, or other encumbrance.

34. "*Committee*" means the official committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to the *Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 171], as may be reconstituted from time to time.

35. "*Confirmation*" means the Bankruptcy Court's entry of the Confirmation Order on the docket of the Chapter 11 Cases.

36. "*Confirmation Date*" means the date on which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

37. "*Confirmation Hearing*" means the hearing(s) before the Bankruptcy Court pursuant to section 1128(a) of the Bankruptcy Code at which the Debtors will seek Confirmation of the Plan.

38. "*Confirmation Order*" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code and approving the Sale Transaction pursuant to sections 363 and 1123(b)(4) of the Bankruptcy Code in connection therewith.

39. "*Consenting Lenders*" shall have the meaning set forth in the Restructuring Support Agreement.

40. "*Consummation*" means the occurrence of the Effective Date.

41. "*Cure*" or "*Cure Claim*" means a monetary Claim (unless waived or modified by the applicable counterparty) based upon a Debtor's default under an Assigned Executory Contract or Unexpired Lease, other than a default that is not required to be cured pursuant to section 365(b)(2) of the Bankruptcy Code.

42. "*Cure Notice*" means that *Notice of Possible Assumption and Assignment with Respect to Executory Contracts and Unexpired Leases of the Debtors* [Docket No. 375].

43. "*D&O Insurance Coverage*" means coverage for insureds under any applicable D&O Policies.

44. "*D&O Policies*" means all insurance policies (including policies providing D&O Insurance Coverage, D&O Tail Coverage, and any excess or umbrella policy) and related agreements or instruments thereto of indemnity for directors', members', trustees' and officers' liability issued or providing coverage at any time to any of the Debtors or their Related Parties and all agreements, documents or instruments relating thereto, for any policy period whatsoever.

45. "*D&O Tail Coverage*" means the extension of the D&O Insurance Coverage for any period beyond the end of the applicable policy period, including but not limited to any extension after the Effective Date for claims based on conduct occurring prior to the Effective Date.

46. "*Debtor*" means one of the Debtors, in its capacity as a debtor and debtor in possession in the Chapter 11 Cases.

47. "*Debtors*" means, collectively, (a) Osteon Holdings, Inc., (b) Osteon Intermediate Holdings I, Inc., (c) Osteon Intermediate Holdings II, Inc., (d) Exactech, Inc., and (e) XpandOrtho, Inc.

48. "*Debtor Release*" has the meaning set forth in Article VIII.B herein.

49. "*Definitive Documents*" has the meaning set forth in the Restructuring Support Agreement.

50. "*DIP Agent*" means GLAS USA LLC as administrative and collateral agent under any DIP Credit Facility, and any predecessors and successors in such capacity.

51. "*DIP Claim*" means a Claim against a Debtor arising under, derived from, secured by, based on, or related to the DIP Credit Agreement Documents or the DIP Orders, including any Claim for the outstanding principal amount, interest, fees, expenses, costs, and other charges arising under or related to the DIP Credit Agreement Documents or the DIP Orders, including the DIP Fees and Expenses (as defined in the Final DIP Order).

52. "*DIP Credit Agreement*" means that certain Debtor-In-Possession Credit Agreement, dated as of October 31, 2024, as may be amended, supplemented, or modified from time to time, among Exactech, Inc., Osteon Intermediate Holdings II, Inc., the other guarantors party thereto, the DIP Agent, and the DIP Lenders.

53. "*DIP Credit Agreement Documents*" means the DIP Credit Agreement and all other agreements, documents, and instruments related thereto, including the DIP Orders and any guaranty agreements, pledge and collateral agreements, intercreditor agreements, subordination agreements, fee letters, and other security agreements, each as may be amended from time to time in accordance with their terms.

54. "*DIP Lenders*" means the lenders party to the DIP Credit Agreement.

55. "*DIP Orders*" means, collectively, the Interim DIP Order and the Final DIP Order, as such orders may be modified from time to time.

56. "*DIP Takeback Exchange*" means the exchange of each DIP Claim on a dollar-for-dollar basis for the New Takeback Debt in accordance with this Plan and the Sale Transaction Documents.

57. "*Disclosure Statement*" means the *Second Amended Disclosure Statement Relating to the Second Amended Joint Chapter 11 Plan of Exactech, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* dated as of [●] [Docket No. [●]], as may be amended, supplemented, or modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan, that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law and approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

58. "*Disclosure Statement Order*" means the Order entered by the Bankruptcy Court on [●] [Docket No. [●]], as such order may be amended, supplemented, or modified from time to time.

59. "*Disputed*" means a Claim against or an Interest in a Debtor or any portion thereof that is not Allowed and not disallowed under the Plan, the Bankruptcy Code, or a Final Order.

60. "*Distribution Agent*" means, as applicable, the Debtors or the Wind-Down Trustee or any Entity or Entities designated by the Debtors or the Wind-Down Trustee, which may include the Claims, Noticing, and Solicitation Agent, to make or to facilitate Distributions that are to be made pursuant to the Plan.

61. "*Distribution Date*" means, except as otherwise set forth herein, the date or dates determined by the Wind-Down Trustee, on or after the Effective Date, upon which the Distribution Agent shall make distributions to Holders of Allowed Claims entitled to receive distributions under the Plan.

62. "*Distribution Record Date*" means the record date for purposes of determining which Holders of Allowed Claims against or Allowed Interests in the Debtors are eligible to receive distributions under the Plan, which date shall be the first day of the Confirmation Hearing, or as otherwise designated in a Final Order of the Bankruptcy Court.

63. "*Effective Date*" means with respect to a Debtor, the date that is the first Business Day after the Confirmation Date on which (a) all conditions precedent set forth in Article IX.A of the Plan have been satisfied or waived in accordance with Article IX.B of the Plan, (b) no stay of the Confirmation Order is in effect, and (c) the Debtors, in consultation with the Required Consenting Lenders, declare the Plan effective.

64. "*Entity*" has the meaning set forth in section 101(15) of the Bankruptcy Code.

65. "*Estate*" means, as to each Debtor, the estate created on the Petition Date for such Debtor in its Chapter 11 Case pursuant to sections 301 and 541 of the Bankruptcy Code and all property (as defined in section 541 of the Bankruptcy Code) acquired by such Debtor after the Petition Date through and including the Effective Date.

66. "*Exactech NewCo*" means the Winning Bidder, or any Entity or Entities designated by the Winning Bidder, as the owner of the Acquired Assets and obligor under the Assumed Liabilities following the closing of the Sale Transaction.

67. "*Excluded Assets*" means all assets not acquired by the Winning Bidder, including all assets contained in the definition of "Excluded Assets" set forth in any Sale Transaction Documents (or such other similar terms as may be used in any Sale Transaction Documents).

68. "*Exculpation*" means the exculpation provision set forth in Article VIII.D of this Plan.

69. "*Exculpated Party*" means, collectively, and, in each case, solely in their respective capacities as such and solely to the extent they served in such capacity between the Petition Date and the Effective Date: (a) the Debtors; (b) the Debtors' Professionals; (c) the Debtors' directors and officers; and (d) with respect to each of the foregoing in clauses (a) and (c), solely to the extent they are estate fiduciaries, and without duplication of parties otherwise set forth above, each such Entity's current and former Affiliates, and each such Entity's and its current and former Affiliates' current and former subsidiaries, officers, directors (including any sub-committee of directors), managers, principals, members (including ex officio members and managing members), employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

70. "*Executory Contract*" means a contract to which one or more of the Debtors is a party that is subject to assumption, assumption and assignment, or rejection under section 365 or 1123 of the Bankruptcy Code.

71. "*Federal Judgment Rate*" means the federal judgment interest rate in effect as of the Petition Date calculated as set forth in section 1961 of the Judicial Code.

72. "*File*," "*Filed*," or "*Filing*" means file, filed, or filing in the Chapter 11 Cases with the Bankruptcy Court or its authorized designee, or, with respect to the filing of a Proof of Claim or Proof of Interest, the Claims, Noticing, and Solicitation Agent.

73. "*Final Decree*" means the decree contemplated under Bankruptcy Rule 3022.

74. "*Final DIP Order*" means that certain *Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief* entered by the Bankruptcy Court on December 10, 2024 [Docket No. 313], as such order may be amended, supplemented, or modified from time to time.

75. "*Final Order*" means an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, modified, or amended, that is not stayed, and as to which the time to appeal, seek certiorari, or move for a new trial, reargument, or rehearing has expired and no appeal, petition for certiorari, or other proceeding for a new trial, reargument, or rehearing thereof has been timely taken or, if an appeal, writ of certiorari, new trial, reargument, or rehearing thereof has been sought, such order or judgment shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied, or a new trial, reargument, or rehearing shall have been denied, or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari, or move for a new trial, reargument, or rehearing shall have expired, resulting in no modification of such order or judgment or has otherwise been dismissed with prejudice; *provided* that the possibility that a motion under rule 60 of the Federal Rules of Civil Procedure or any comparable Bankruptcy Rule may be filed relating to such order or judgment shall not cause such order or judgment to not be a Final Order.

76. "*General Unsecured Claim*" means a Claim against a Debtor that is not: (a) paid in full prior to the Effective Date pursuant to an order of the Bankruptcy Court or Secured by Collateral; (b) assumed by the Winning Bidder pursuant to the Sale Transaction Documents; (c) an Administrative Claim; (d) a Professional Fee Claim; (e) a DIP Claim; (f) a Priority Tax Claim; (g) an Other Secured Claim; (h) a Priority Non-Tax Claim; (i) a Prepetition Pari 1L Claim; (j) a Section 510(b) Claim; or (k) an Intercompany Claim. For the avoidance of doubt, any Qui Tam Claim and any Personal Injury Claim is a General Unsecured Claim.

77. "*Governmental Unit*" has the meaning set forth in section 101(27) of the Bankruptcy Code.

78. "*GUC Reserve*" means an account funded by the Debtors from the Winning Bidder on the Effective Date with Cash in the amount equal to $500,000 minus fifty percent (50%) of the sum of (i) all amounts paid to Huron Transaction Advisory LLC during the Chapter 11 Cases and (ii) all amounts paid to Huron Transaction Advisory LLC pursuant to any Final Order approving their Professional Fee Claims.

79. "*Holder*" means an Entity holding a Claim against or an Interest in any Debtor.

80. "*Impaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

81. "*Intercompany Claim*" means a Claim against a Debtor that is held by another Debtor or a direct or indirect subsidiary of a Debtor.

82. "*Intercompany Interest*" means any Interest in one Debtor held by another Debtor.

83. "*Interest*" means the common stock, preferred stock, limited liability company interests, equity security (as defined in section 101(16) of the Bankruptcy Code), and any other equity, ownership, or profits interests of any Debtor, and options, warrants, rights, or other Securities or agreements to acquire the common stock (including convertible debt), preferred stock, limited liability company interests, or other equity, ownership, or profits interests of any Debtor (whether or not arising under or in connection with any employment agreement).

84. "*Interim DIP Order*" means the Interim Order *(I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* entered by the Bankruptcy Court on October 31, 2024 [Docket No. 100], as such order may be amended, supplemented, or modified from time to time.

85. "*Judicial Code*" means title 28 of the United States Code, 28 U.S.C. §§ 1-4001 and the rules and regulations promulgated thereunder, as applicable to the Chapter 11 Cases.

86. "*Law*" means any federal, state, local, or foreign law (including common law), statute, code, ordinance, rule, regulation, order, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a governmental authority of competent jurisdiction (including the Bankruptcy Court).

87. "*Lien*" has the meaning set forth in section 101(37) of the Bankruptcy Code.

88. "*Management Incentive Plan*" means, Exactech NewCo's post-Effective Date management incentive plan, if any, which shall provide for the MIP Pool to be reserved for awards to employees, non-employee directors and other service providers in the form of appreciation rights or other equity linked instruments, as determined by the New Board in its discretion.

89. "*MIP Pool*" means 10% of the New Interests as of the Effective Date.

90. "*New Board*" means the initial board of directors, members, or managers, as applicable, of Exactech NewCo.

91. "*New Interests*" means 100% of the interests in Exactech NewCo, potentially subject to dilution by the Management Incentive Plan.

92. "*New Takeback Debt*" means the term loan facility issued by Exactech NewCo, which shall have an aggregate principal amount equal to no more than $130,000,000.

93. "*Other Secured Claim*" means any Secured Claim that is not a Prepetition Pari 1L Claim or a DIP Claim and that is not assumed by the Winning Bidder or its designee under the Sale Transaction Documents.

94. "*Person*" has the meaning set forth in section 101(41) of the Bankruptcy Code.

95. "*Personal Injury Claim*" means any and all Claims against a Debtor, Causes of Action, suits, proceedings, obligations, liabilities, demands, damages, losses, costs or expenses of any kind, whether filed or unfiled, known or unknown, asserted or unasserted, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, direct or indirect, individual or class action, consolidated or unconsolidated, pending or threatened, in law, equity, or otherwise, whether arising before, on, or after the Petition Date, based upon, arising out of, or in any way related to product liability, the design, manufacture, production, marketing, distribution, sale, purchase, use, exposure to, or recall of any Products or component thereof, including but not limited to any allegations of defects in design, manufacturing, or labeling, failure to warn, breach of warranty, negligence, strict liability, misrepresentation, fraud, or any other theory of liability, or similar claims for injury to a person or property arising from or related to any express or implied representation, warranty, or agreement made by the Debtors, claims arising from or related to the improper performance or malfunctioning of any product, the improper design or manufacture of any product, failure to adequately package, label or warn of hazards or other related defects of any products, or any service performed by the Debtors, whether under state, federal, or foreign law, including, without limitation, the *Exactech Master Case* (Case No. 01-2022-CA-002670), pending in the Eighth Judicial Circuit of Florida, Alachua County; the multi-district litigation, MDL No. 3044, *In re: Exactech Polyethylene Orthopedic Products Liability Litigation*, 1:22-md-03044-NGG-MMH, pending in the United States District Court for the Eastern District of New York; Federal Court of Australia proceedings number NSD1224/2024, pending in Australia; other individual product liability actions pending in Australia, France, Germany, and Brazil; and any similar action or proceeding in any domestic or foreign jurisdiction.

96. "*Petition Date*" means October 29, 2024.

97. "*Plan*" means this *Joint Chapter 11 Plan of Exactech, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* and all exhibits, supplements, appendices, and schedules, as may be altered, amended, supplemented, or otherwise modified from time to time in accordance with Article X.A hereof, including the Plan Supplement (as altered, amended, supplemented, or otherwise modified from time to time), which is incorporated herein by reference and made part of the Plan as if set forth herein.

98. "*Plan Supplement*" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as may be altered, amended, modified, or supplemented from time to time in accordance with the terms hereof and in accordance with the Bankruptcy Code and Bankruptcy Rules) to initially be Filed by the deadline set forth in the Disclosure Statement Order or such later date as may be approved by the Bankruptcy Court, and additional documents or amendments to previously Filed documents, Filed before the Effective Date as amendments to the

Plan Supplement, including the following, as applicable: (a) Assigned Executory Contract and Unexpired Lease List; (b) Schedule of Retained Causes of Action; (c) the Restructuring Transactions Memorandum; (d) the Wind-Down Trust Agreement; and (e) any other necessary documentation related to the Restructuring Transactions.

99. "*Prepetition Equity Interests*" means all prepetition Interests in Osteon Holdings, Inc.

100. "*Prepetition First Lien Agent*" means GLAS USA LLC, as successor administrative agent and collateral agent under the Prepetition First Lien Credit Agreement, and any predecessors and successors in such capacity.

101. "*Prepetition First Lien Claim*" means a Claim against a Debtor arising under, derived from, or based on the Prepetition First Lien Credit Agreement Documents, including any Claim for outstanding principal amount, interest, fees, expenses, costs, or other charges arising under or related to the Prepetition First Lien Credit Agreement Documents.

102. "*Prepetition First Lien Credit Agreement*" means that certain Credit Agreement dated as of February 14, 2018 (as amended, restated, supplemented, or otherwise modified from time to time prior to the Petition Date) among Exactech, Inc., as borrower, Osteon Intermediate Holdings II, Inc., the Prepetition First Lien Agent, and the Prepetition First Lien Lenders party thereto.

103. "*Prepetition First Lien Credit Agreement Documents*" means, collectively, the Prepetition First Lien Credit Agreement and all other agreements, documents, and instruments related thereto, including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, subordination agreements, fee letters, and other security documents.

104. "*Prepetition First Lien Lenders*" means the lenders under the Prepetition First Lien Credit Agreement and any party that becomes a lender thereunder from time to time.

105. "*Prepetition Pari 1L Claims*" means, collectively, the Prepetition First Lien Claims and the Prepetition Sidecar Claims.

106. "*Prepetition Sidecar Agent*" means TPG VII Osteon Holdings, LP and any predecessors and successors in such capacity.

107. "*Prepetition Sidecar Claims*" means a Claim against a Debtor arising under, derived from, or based on the Prepetition Sidecar Credit Agreement Documents, including any Claim for outstanding principal amount, interest, fees, expenses, costs, or other charges arising under or related to the Prepetition Sidecar Credit Agreement Documents.

108. "*Prepetition Sidecar Credit Agreement*" means that certain Credit Agreement dated as of September 19, 2023 (as amended by that certain Amendment No. 1 to Credit Agreement pursuant to which the Prepetition Sidecar Lenders provided the Borrower multi-draw incremental term loans in the aggregate principal amount of up to $20,000,000, dated as of April 23, 2024, and as further amended, supplemented, restated, replaced, or otherwise modified from time to time) among Exactech, Inc., Osteon Intermediate Holdings II, Inc. as the holding company guarantor,

TPG VII Osteon Holdings, LP, as administrative agent and collateral agent, and the Prepetition Sidecar Lenders.

109. "*Prepetition Sidecar Credit Agreement Documents*" means, collectively, the Prepetition Sidecar Credit Agreement and all other agreements, documents, and instruments related thereto, including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, subordination agreements, fee letters, and other security documents.

110. "*Prepetition Sidecar Lenders*" means the lenders under the Prepetition Sidecar Credit Agreement and any party that becomes a lender thereunder from time to time.

111. "*Priority Non-Tax Claim*" means a Claim against a Debtor entitled to priority in right of payment under section 507(a) of the Bankruptcy Code other than an Administrative Claim or Priority Tax Claim.

112. "*Priority Tax Claim*" means a Claim of a Governmental Unit against a Debtor of the kind specified in section 507(a)(8) of the Bankruptcy Code.

113. "*Products*" means any and all products developed, designed, manufactured, marketed, sold, implanted, or supported by, the Debtors or Debtor affiliates.

114. "*Pro Rata*" means the proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Allowed Interests in that Class.

115. "*Professional*" means an Entity (other than an Ordinary Course Professional) employed in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered and expenses incurred pursuant to sections 327, 328, 329, 330, 331, and 363 of the Bankruptcy Code.

116. "*Professional Fee Amount*" means the aggregate amount of unpaid Professional Fee Claims that the Professionals estimate they have incurred or will incur in rendering services in connection with the Chapter 11 Cases prior to and as of the Effective Date that remain unpaid as the Effective Date, which estimates Professionals shall deliver to the Debtors as set forth in Article II.B of this Plan.

117. "*Professional Fee Claim*" means a Claim by a Professional seeking compensation for services, including legal, financial, investment banking, advisory, accounting, and other services rendered or reimbursement of expenses incurred by such Professional through and including the Effective Date, under sections 328, 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Court, to the extent such fees and expenses have not been paid pursuant to an order of the Bankruptcy Court. To the extent the Bankruptcy Court denies or reduces by a Final Order any amount of a Professional's requested fees and expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Professional Fee Claim.

118. "*Professional Fee Escrow Account*" means an escrow account funded by the Debtors with Cash as soon as is reasonably practicable after the Confirmation Date and no later than the Effective Date in an amount equal to the Professional Fee Amount.

119. "*Proof of Claim*" means a written proof of Claim against any of the Debtors Filed in the Chapter 11 Cases.

120. "*Proof of Interest*" means a written proof of Interest in any of the Debtors Filed in the Chapter 11 Cases.

121. "*Quarterly Fees*" means all fees due and payable pursuant to section 1930 of Title 28 of the U.S. Code.

122. "*Qui Tam Claims*" means any Claims or Causes of Action arising from any actions that have been or could be brought against, threatened, asserted, or commenced against any of the Debtors under the False Claims Act, 31 U.S.C. §§ 3729-3733, or other similar or related local, state, federal, or foreign statutes and common law, including, without limitation, any Claims arising out of or related to those certain *qui tam* actions pending in the United States District for the Northern District of Alabama *US ex rel. Wallace v. Exactech, Inc.,* No. 2:18-cv-1010-LSC (N.D. Ala. March 2, 2020).

123. "*Reinstate*," "*Reinstated*," or "*Reinstatement*" means with respect to Claims and Interests, that the Claim or Interest shall be rendered unimpaired in accordance with section 1124(2) of the Bankruptcy Code.

124. "*Related Party*" means, with respect to an Entity, each of, and in each case solely in its capacity as such, (a) such Entity's Affiliates and (b) such Entity's respective directors, managers, officers, shareholders, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, predecessors, participants, successors, assigns, (whether by operation of law or otherwise) subsidiaries, associated entities, managed or advised entities, accounts or funds, partners, limited partners, general partners, principals, members, management companies, fund advisors, fiduciaries, trustees, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, and other professionals, representatives, advisors, predecessors, successors, and assigns, and the respective heirs, executors, estates, and nominees of the foregoing. For purposes of the Plan, as to any Person or Entity (other than a Debtor for purposes of the Debtor Release), such Person or Entity's Related Parties shall mean its current and former Related Parties. For the avoidance of any doubt, the Debtors shall not release nor be deemed to release any Debtor's former Related Parties except those Persons or Entities that are also Related Parties of the Sponsor.

125. "*Released Party*" means, collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) the Agents; (c) the DIP Lenders; (d) the Consenting Lenders; (e) Exactech NewCo; (f) the Sponsor; (g) the Stalking Horse Purchaser; (h) each Related Party of each Entity in clauses (a) through (g) (which, notwithstanding anything to the contrary herein, shall include Related Parties of the Sponsor that are current or former Related Parties of one or more of the Debtors); *provided* that David Petty shall not be a Released Party.

126. "*Releasing Parties*" means, collectively, and in each case in its capacity as such, (a) each party identified in clauses (b) through (g) of the definition of Released Party; (b) each Holder of a Claim in Class 3 or Class 4 who checks the box on its Ballot indicating that it opts to grant the releases contained in Article VIII of the Plan; and (c) each Related Party of (x) each Debtor and (y) each Entity in clauses (a) and (b) solely to the extent such entity is legally entitled to bind such Related Party to the releases contained in the Plan under applicable non-bankruptcy law.

127. "*Required Consenting Lenders*" means, as of the date of determination, Consenting Lenders holding at least 66.67% in aggregate outstanding principal amount of the Prepetition First Lien Claims held by the Consenting Lenders.

128. "*Restructuring Support Agreement*" means that certain Restructuring Support Agreement, made and entered into as of October 29, 2024, by and among the Debtors, the Consenting Lenders party thereto from time to time, as such may be amended from time to time in accordance with its terms.

129. "*Restructuring Transactions*" means the transactions described in Article IV.A of the Plan.

130. "*Restructuring Transactions Memorandum*" means that certain memorandum describing the steps to be carried out to effectuate the Restructuring Transactions, the form of which shall be included in the Plan Supplement.

131. "*Sale Order*" means the order of the Bankruptcy Court (a) approving the Stalking Horse APA and (b) approving and authorizing the Selling Debtors to consummate the Sale Transaction pursuant to sections 363 and, subject to entry of the Confirmation Order, 1123(b)(4) of the Bankruptcy Code, which order shall be substantially consistent with the Stalking Horse APA and otherwise in form and substance reasonably satisfactory to the Stalking Horse Purchaser.

132. "*Sale Proceeds*" means all Cash and non-Cash proceeds of the Sale Transaction that the Debtors receive in accordance with the Sale Transaction Documents.

133. "*Sale Transaction*" means the sale of all or substantially all of the Debtors' assets to Winning Bidder pursuant to the Sale Transaction Documents.

134. "*Sale Transaction Documents*" means the Stalking Horse APA and all related documents pursuant to which the Debtors will effectuate the Sale Transaction.

135. "*Schedule of Retained Causes of Action*" means the schedule of certain Causes of Action of the Debtors that are not released, waived, or transferred pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time by the Debtors, which shall be included in the Plan Supplement.

136. "*Schedules*" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by each of the Debtors pursuant to section 521 of the Bankruptcy Code, as such schedules and statements may have been or may be amended, modified, or supplemented from time to time.

137. "*Section 510(b) Claim*" means any Claim against a Debtor subject to subordination under section 510(b) of the Bankruptcy Code.

138. "*Secured*" means, when referring to a Claim: (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Final Order of the Bankruptcy Court, or that is subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined in accordance with section 506(a) of the Bankruptcy Code or (b) Allowed pursuant to the Plan as a Secured Claim.

139. "*Securities Act*" means the U.S. Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

140. "*Security*" or "*Securities*" has the meaning set forth in section 2(a)(1) of the Securities Act.

141. "*Selling Debtors*" means Debtors Exactech, Inc., XpandOrtho, Inc., and Osteon Intermediate Holdings II, Inc.

142. "*Solicitation*" means the solicitation of votes on this Plan in accordance with the Solicitation Procedures.

143. "*Solicitation Procedures*" means the procedures concerning Solicitation established pursuant to the Disclosure Statement Order.

144. "*Special Committee*" means the special committee of the Board of Directors of Osteon Intermediate Holdings II, Inc., Exactech, Inc., and XpandOrtho, Inc.

145. "*Sponsor*" means collectively, TPG VII Osteon Holdings, LP and its Affiliates that hold Claims against or Interests in one or more of the Debtors.

146. "*Sponsor Consideration*" means the consideration distributable to Holders of General Unsecured Claims equal to Cash in an amount equal to $5,000,000 *plus* the portion of the New Takeback Debt and New Interests that the Sponsor is entitled to receive on account of the Prepetition Sidecar Claims that is attributable to the Exit Fee or the Applicable Premium arising and payable under the Prepetition Sidecar Credit Agreement (as defined therein), which the Special Committee values as $5,000,000.

147. "*Stalking Horse APA*" means the Asset Purchase Agreement dated October 29, 2024, among EI Bidco, LLC, as Purchaser, and Exactech, Inc. and its subsidiaries named therein, as Sellers, as may be amended, modified, or otherwise supplemented.

148. "*Stalking Horse Purchaser*" means EI Bidco, LLC, a Delaware limited liability company.

149. "*Tax Code*" means the United States Internal Revenue Code of 1986, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

150. "*Transaction Expenses*" means all reasonable and documented fees, costs and expenses (whether incurred at any point before or after the commencement of these Chapter 11 Cases) incurred by the Ad Hoc Group Advisors in connection with the negotiation, formulation, preparation, execution, delivery, implementation, and consummation of the Restructuring Support Agreement, this Plan, the DIP Credit Agreement Documents, or the Sale Transaction Documents, and any other Definitive Documents, and/or the transactions contemplated hereby or thereby, and/or any amendments, waivers, consents, supplements, or other modifications to any of the foregoing.

151. "*Treasury Regulations*" means the United States Treasury regulations promulgated pursuant to the Tax Code.

152. "*Unclaimed Distribution*" means any distribution under the Plan on account of an Allowed Claim or Allowed Interest to a Holder that has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; or (b) responded to the Debtors' or Wind-Down Trustee's requests for information necessary to facilitate a particular distribution in the manner and at the time required under the Plan.

153. "*Unexpired Lease*" means a lease to which one or more of the Debtors is a party that is subject to assumption, assumption and assignment, or rejection under section 365 or section 1123 of the Bankruptcy Code.

154. "*Unimpaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

155. "*U.S. Trustee*" means the Office of the United States Trustee for the District of Delaware.

156. "*Voting Deadline*" means May 2, 2025 at 4:00 p.m. prevailing Eastern Time.

157. "*Wind-Down*" means the process of winding down the Debtors' businesses and Estates, and dissolving the Debtor entities, after the Effective Date and all actions related to, necessary for, or otherwise appropriate to effectuate the foregoing.

158. "*Wind-Down Amount*" means $2,225,000. The Wind-Down Amount shall be separate and in addition to the Professional Fee Amount held in the Professional Fee Escrow Account.

159. "*Wind-Down Trust*" means that certain trust to be created on the Effective Date, as described in Article IV of the Plan.

160. "*Wind-Down Trust Account*" means the bank account or accounts used to fund all expenses and payments required to be made by the Wind-Down Trustee, which shall be established by the Wind-Down Trustee on the Effective Date.

161. "*Wind-Down Trust Agreement*" means that certain agreement establishing the Wind-Down Trust, the form of which shall be included in the Plan Supplement and shall be reasonably acceptable to the Debtors and the Required Consenting Lenders.

162. "*Wind-Down Trust Assets*" means all of the assets of the Debtors' Estates remaining after the closing of the Sale Transaction and the funding of the Professional Fee Escrow Account with the Professional Fee Amount, including (a) the D&O Policies, (b) the Excluded Assets, (c) the Wind-Down Amount, including any accounts to hold such funds, (d) any amounts necessary to satisfy the following claims of the Selling Debtors: (i) Administrative Claims, (ii) Priority Tax Claims, (iii) Priority Non-Tax Claims, and (iv) Other Secured Claims (in each case, to the extent Allowed and required to be paid in Cash and, with respect to the Other Secured Claims, to the extent that the Debtors or the Wind-Down Trustee, as applicable, elect to satisfy such Claims in Cash); and (e) the GUC Reserve (which assets shall be treated as transferred (in accordance with the Restructuring Transactions Memorandum) to and beneficially owned by the Wind-Down Trust as of the Effective Date.

163. "*Wind-Down Trustee*" means an individual selected by the Debtors, with the consent of the Required Consenting Lenders, and disclosed in the Plan Supplement, or any successor(s) thereto, to be the representative of the Wind-Down Trust on and after the Effective Date, and who shall have the rights, powers, duties, and responsibilities set forth in this Plan and in the Wind-Down Trust Agreement.

164. "*Winning Bidder*" means the Stalking Horse Purchaser.

B. Rules of Interpretation

For purposes of the Plan: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (c) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed, or to be Filed, shall mean that document, schedule, or exhibit, as it may thereafter have been or may thereafter be validly amended, amended and restated, supplemented, or otherwise modified; (d) unless otherwise specified, any reference to an Entity as a Holder of a Claim or Interest includes that Entity's authorized successors and assigns; (e) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (f) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (g) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan; (h) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (i) unless otherwise specified, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (j) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable; (k) references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (l); unless otherwise specified, all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, to the extent applicable to the Chapter 11 Cases; (m) any effectuating provisions shall be interpreted by

the Debtors or the Wind-Down Trustee in such a manner that is consistent with the overall purpose and intent of the Plan; (n) any references herein to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter; and (o) all references herein to consent, acceptance, or approval shall (unless otherwise specified) be deemed to include the requirement that such consent, acceptance, or approval be evidenced by a writing, which (unless otherwise specified) may be conveyed by counsel for the respective parties that have such consent, acceptance, or approval rights, including by electronic mail.

C. Computation of Time

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Delaware, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, documents, instruments, or contracts, in which case the governing law of such agreement shall control); *provided* that corporate, limited liability company, or partnership governance matters relating to the Debtors shall be governed by the laws of the jurisdiction of incorporation or formation of the relevant Debtor.

E. Reference to Monetary Figures

All references in the Plan to monetary figures refer to currency of the United States of America, unless otherwise expressly provided.

F. Nonconsolidated Plan

Although for purposes of administrative convenience and efficiency the Plan has been Filed as a joint plan for the Debtors and presents together Classes of Claims against and Interests in the Debtors, the Plan does not provide for the substantive consolidation of any of the Debtors.

G. Controlling Document

In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control in all respects. In the event of an inconsistency between the Plan, the Disclosure Statement, and the Plan Supplement, the Plan shall control (unless stated otherwise in such document or in the Confirmation Order). In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control.

H. Consent Rights

Notwithstanding anything herein to the contrary, any and all consent or termination rights of the Required Consenting Lenders set forth in the Restructuring Support Agreement, the DIP Orders, or any Definitive Document with respect to the form and substance of the Plan, the Plan Supplement, the Sale Transaction Documents, and all other Definitive Documents, including any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated herein by this reference, be fully enforceable as if stated in full herein, with such rights and remedies provided for in the Restructuring Support Agreement, the DIP Orders, or any other Definitive Document, as applicable. For the avoidance of doubt, (i) nothing in this section impairs the Debtors' ability to modify, amend or withdraw this Plan as set forth in Article X, and (ii) nothing in this Plan shall be construed to limit, modify, or waive any of the rights referenced in this Article I.H.

ARTICLE II.
ADMINISTRATIVE AND PRIORITY CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, DIP Claims, and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims and Interests set forth in Article III of the Plan.

A. Administrative Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims, Transaction Expenses, or DIP Claims) will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim in accordance with the following: (1) if such Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim, without any further action by the Holder of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Wind-Down Trustee, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except for Professional Fee Claims, DIP Claims, and Transaction Expenses (which are addressed in Article II.B, Article II.D, and Article II.F, respectively), and unless previously Filed, requests for payment of Administrative Claims arising after January 10, 2025 must be Filed and served on the Wind-Down Trustee no later than the Administrative Claim Bar Date or other bar

date pursuant to the procedures specified in the Bar Date Order, this Plan, the Confirmation Order, and the notice of entry of the Confirmation Order. Objections to such requests must be Filed and served on the Wind-Down Trustee (if the Wind-Down Trustee is not the objecting party) and the requesting party on or before the Administrative Claim Objection Bar Date. If an objection is timely filed, after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, an order of the Bankruptcy Court that becomes a Final Order. If no objection is timely filed, each Administrative Claim shall be Allowed in the amount asserted in the Administrative Claim.

Except for Professional Fee Claims, DIP Claims, and Transaction Expenses, Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not File and serve such a request on or before the applicable Administrative Claim Bar Date or other date established by the Bar Date Order shall be Disputed and unless Allowed by a Final Order shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Estates, the Wind-Down Trust, the Wind-Down Trustee, or the property of any of the foregoing, and such Administrative Claims shall be deemed discharged and released as of the Effective Date.

B. Professional Fee Claims

1. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be Filed no later than 30 days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior Bankruptcy Court orders. The Professional Fee Claims shall be paid in Cash to the applicable Professionals from the funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Bankruptcy Court; *provided* that obligations with respect to Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Escrow Account.

2. Professional Fee Escrow Account

As soon as is reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish the Professional Fee Escrow Account and fund it with Cash equal to the Professional Fee Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full pursuant to one or more Final Orders of the Bankruptcy Court. No Liens, Claims, or Interests shall encumber the Professional Fee Escrow Account or Cash held in the Professional Fee Escrow Account in any way. No funds held in the Professional Fee Escrow Account shall be property of the Estates, the Debtors, the Wind-Down Trustee, or the Wind-Down Trust. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional

Fee Escrow Account shall be considered property of the Winning Bidder, without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

3. Professional Fee Amount

The Professionals shall deliver to the Debtors a reasonable and good faith estimate of their fees and expenses incurred in rendering services to the Debtors before and as of the Confirmation Date projected to be unpaid as of the anticipated Effective Date and shall deliver such estimate no later than five Business Days prior to the anticipated Effective Date. For the avoidance of doubt, no such estimate shall be considered or deemed an admission or limitation with respect to the amount of the fees and expenses that are the subject of a Professional's final request for payment of Professional Fee Claims Filed with the Bankruptcy Court and Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. The total aggregate amount so estimated to be outstanding as of the anticipated Effective Date shall be utilized by the Debtors to determine the amount to be funded to the Professional Fee Escrow Account; *provided* that the Wind-Down Trustee shall use Cash from the Wind-Down Trust (including the Wind-Down Trust Assets) to increase the amount of the Professional Fee Escrow Account to the extent fee applications are Filed after the Effective Date in excess of the amount held in the Professional Fee Escrow Account based on such estimates.

4. Post-Confirmation Date Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by the Debtors. The Debtors or the Wind-Down Trustee, as applicable, shall pay, within ten Business Days after submission of a detailed invoice to the Debtors or Wind-Down Trustee, as applicable, such reasonable claims for compensation or reimbursement of expenses incurred by the Professionals. If the Debtors or Wind-Down Trustee, as applicable, dispute the reasonableness of any such invoice, the Debtors or Wind-Down Trustee, as applicable, or the affected Professional may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of any such invoice, and the disputed portion of such invoice shall not be paid until the dispute is resolved. From and after the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code or the interim compensation order in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

C. Statutory Fees

All Quarterly Fees that are due and owing as of the Effective Date shall be paid by the Debtors in full in Cash on the Effective Date. The Debtors shall file all monthly operating reports due prior to the Effective Date when they become due, using UST Form 11-MOR. After the Effective Date, the Wind-Down Trust shall file with the Bankruptcy Court UST Form 11-PCR reports when they become due. After the Effective Date, the Wind-Down Trust shall pay any and

all applicable Quarterly Fees in full in Cash when due and payable. The Wind-Down Trust shall remain obligated to pay any applicable Quarterly Fees until the earliest of that particular Debtor's case being closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code. The U.S. Trustee shall not be treated as providing any release under the Plan. Quarterly Fees are Allowed. The U.S. Trustee shall not be required to file any proof of claim or any request for administrative expense for Quarterly Fees. The provisions of this paragraph shall control notwithstanding any other provision(s) in the Plan to the contrary.

D. DIP Claims

Notwithstanding anything to the contrary herein, in full and final satisfaction, settlement, release and discharge of and in exchange for release of all Allowed DIP Claims, on the Effective Date, each Allowed DIP Claim shall be credit bid in its entirety in accordance with the Stalking Horse APA and Restructuring Transactions Memorandum, and each holder of an Allowed DIP Claim shall receive New Takeback Debt in accordance with the DIP Takeback Exchange and Restructuring Transactions Memorandum. The DIP Claims shall be Allowed in the aggregate amount outstanding under the DIP Credit Agreement Documents as of the Effective Date. Upon satisfaction of all DIP Claims in accordance with the DIP Credit Agreement, all Liens and security interests granted by the Debtors to secure the DIP Claims shall be of no further force or effect.

E. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim and the Debtors against which such Allowed Priority Tax Claim is asserted agree to a less favorable treatment, in exchange for full and final satisfaction, settlement, release and discharge of each Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive, at the option of the Debtors (with the consent of the Winning Bidder), receive either: (i) the full unpaid amount of such Allowed Priority Tax Claim in Cash on the later of the Effective Date and the date on which such Priority Tax Claim becomes an Allowed Claim (or, if not then due, when such Allowed Priority Tax Claim is due); (ii) equal annual installment payments in Cash, of a total value equal to the Allowed amount of such Priority Tax Claim, over a period ending not later than five (5) years after the Petition Date, or (iii) otherwise treated in accordance with Section 1129(a)(9)(C) of the Bankruptcy Code.

F. Transaction Expenses

Without the filing of any retention applications, fee applications, or any other applications in the Chapter 11 Cases, and without any requirement for further notice or Bankruptcy Court review or approval, on the Effective Date, the Debtors shall pay in full in Cash any outstanding Transaction Expenses.

ARTICLE III.
CLASSIFICATION, TREATMENT, AND VOTING OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests

The Plan constitutes a separate Plan for each Debtor. Except for the Claims addressed in Article II of the Plan, all Claims against and Interests in the Debtors are classified in the Classes

set forth in this Article III for all purposes, including voting, Confirmation, and distributions pursuant to the Plan and in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Class(es) to the extent that any portion of the Claim or Interest qualifies within the description of such other Class(es). A Claim or an Interest is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

B. Summary of Classification

A summary of the classification of Claims against and Interests in each Debtor pursuant to the Plan is set forth in the following chart. This Plan constitutes a separate chapter 11 plan for each Debtor, and accordingly, the classification of Claims and Interests set forth below applies separately to each of the Debtors. Except for the Claims addressed in Article II (or as otherwise set forth herein), all Claims against and Interests in a particular Debtor are placed in Classes for each of the Debtors. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified Administrative Claims, Professional Fee Claims, DIP Claims, and Priority Tax Claims, as described in Article II. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class, and any such Class shall be treated as set forth in Article III.E hereof.[2]

Class	Claim or Interest	Status	Voting Rights
1.	Other Secured Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
2.	Priority Non-Tax Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
3.	Prepetition Pari 1L Claims	Impaired	Entitled to Vote
4.	General Unsecured Claims	Impaired	Entitled to Vote
5.	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
6.	Intercompany Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
7.	Intercompany Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

[2] The Debtors reserve the right to separately classify Claims or Interests to the extent necessary to comply with any requirements under the Bankruptcy Code or applicable law

Class	Claim or Interest	Status	Voting Rights
8.	Prepetition Equity Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

C. Treatment of Classes of Claims and Interests

Subject to Article IV hereof, each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction compromise, settlement, release, and discharge of, and in exchange for, such Holder's Allowed Claim or Allowed Interest, as applicable, except to the extent different treatment is agreed to by the Debtors and the Holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such Holder's Claim or Interest becomes an Allowed Claim or Allowed Interest.

1. Class 1 — Other Secured Claims

(a) *Classification*: Class 1 consists of all Other Secured Claims.

(b) *Treatment*: On the Effective Date, or as soon as practicable thereafter, each Holder of an Allowed Other Secured Claim shall receive, at the option of the applicable Debtor or the Wind-Down Trustee as applicable, and with the consent of the Winning Bidder:

(i) payment in full in Cash,

(ii) the collateral securing such Allowed Other Secured Claim, or

(iii) such other treatment as to render such Allowed Other Secured Claim Unimpaired.

provided that if any such Allowed Other Secured Claim is Secured by an Acquired Asset, such choice of treatment will be with the consent of the Stalking Horse Purchaser.

(c) *Voting*: Class 1 is Unimpaired under the Plan. Holders of Other Secured Claims will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Other Secured Claims will not be entitled to vote to accept or reject the Plan.

2. Class 2 — Priority Non-Tax Claims

(a) *Classification*: Class 2 consists of all Priority Non-Tax Claims.

(b) *Treatment*: On the Effective Date, or as soon as practicable thereafter, each Holder of an Allowed Priority Non-Tax Claim shall receive, at the option of the applicable Debtor or the Wind-Down Trustee, as applicable:

(i) payment in full in Cash of the unpaid portion of its Priority Non-Tax Claim on the later of the Effective Date and such date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, or

(ii) such other treatment as to render such Allowed Priority Non-Tax Claim Unimpaired.

(c) *Voting*: Class 2 is Unimpaired under the Plan. Holders of Priority Non-Tax Claims will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Priority Non-Tax Claims will not be entitled to vote to accept or reject the Plan.

3. Class 3 — Prepetition Pari 1L Claims

(a) *Classification*: Class 3 consists of all Prepetition Pari 1L Claims.

(b) *Allowance*: the Prepetition Pari 1L Claims shall be Allowed in the principal amount equal to (i) $303,497,779.19 on account of the Prepetition First Lien Claims, (ii) $[27,842,435.52] on account of the Prepetition Sidecar Claims other than Prepetition Sidecar Claims on account of the Exit Fee and Applicable Premium, and (iii) the Exit Fee and Applicable Premium, which the Special Committee values at $5,000,000.

(c) *Treatment*: On the Effective Date, each Holder of a Prepetition Pari 1L Claim shall receive, in accordance with the Sale Transaction Documents, its Pro Rata share of (A) the amount of New Takeback Debt remaining after the DIP Takeback Exchange and (B) 100% of the New Interests (subject to dilution by the Management Incentive Plan); *provided* that the portion of the New Takeback Debt and New Interests that the Sponsor is entitled to receive on account of the Prepetition Sidecar Claims that is attributable to the Exit Fee or the Applicable Premium arising and payable under the Prepetition Sidecar Credit Agreement shall constitute part of the Sponsor Contribution for liquidation and distribution to the Holders of Allowed General Unsecured Claims.

(d) *Voting*: Class 3 is Impaired under the Plan. Holders of Prepetition Pari 1L Claims are entitled to vote to accept or reject the Plan.

4. Class 4 — General Unsecured Claims

(a) *Classification*: Class 4 consists of all General Unsecured Claims.

(b) *Treatment*: On the Effective Date or as soon as practicable thereafter, each Holder of an Allowed General Unsecured Claim shall receive its aggregate Pro Rata share of (A) the GUC Reserve and (B) the Sponsor Consideration.

(c) *Voting*: Class 4 is Impaired under the Plan. Holders of General Unsecured Claims may vote to accept or reject the Plan.

5. Class 5 — Section 510(b) Claims

(a) *Classification*: Class 5 consists of all Section 510(b) Claims.

(b) *Treatment*: On the Effective Date, each Holder of a Section 510(b) Claim, if any, will not receive any distribution on account of such Section 510(b) Claims.

(c) *Voting:* Class 5 is Impaired under the Plan. Holders (if any) of Section 510(b) Claims will be conclusively deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. Therefore, such Holders (if any) will not be entitled to vote to accept or reject the Plan.

6. Class 6 — Intercompany Claims

(a) *Classification*: Class 6 consists of all Intercompany Claims.

(b) *Treatment*: On the Effective Date, except to the extent that an Intercompany Claim is assumed by or sold to the Winning Bidder in the Sale Transaction, each Intercompany Claim shall, with the consent of the Winning Bidder, either be cancelled, released, reinstated, contributed, distributed, transferred, set off, settled, or otherwise addressed. No distributions shall be made on account of Intercompany Claims.

(c) *Voting:* Holders of Intercompany Claims are Impaired, and such Holders of Intercompany Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

7. Class 7 — Intercompany Interests

(a) *Classification*: Class 7 consists of all Intercompany Interests.

(b) *Treatment*: On the Effective Date, each Allowed Intercompany Interest shall, with the consent of the Winning Bidder, either be cancelled, released, extinguished, reinstated, transferred, set off, settled, or otherwise addressed pursuant to the Sale Transaction such that such Intercompany Interests are, to the extent reasonably practicable, treated in a tax-efficient manner. Each Holder of an Intercompany Interest shall not receive or retain any distribution, property, or other value on account of its Intercompany Interest.

(c) *Voting*: Holders of Allowed Intercompany Interests are Impaired, and such Holders of Intercompany Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Intercompany Interests are not entitled to vote to accept or reject the Plan.

8. Class 8 — Prepetition Equity Interests

(a) *Classification*: Class 8 consists of all Prepetition Equity Interests.

(b) *Treatment*: On the Effective Date, each Prepetition Equity Interests shall be cancelled, and the Holders thereof shall not receive or retain any property on account of such interests under the Plan.

(c) *Voting:* Holders of Prepetition Equity Interests will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Prepetition Equity Interests will not be entitled to vote to accept or reject the Plan.

D. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing in the Plan shall affect the Debtors' or the Wind-Down Trustee's rights in respect of any Claims that are Unimpaired, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any Unimpaired Claims. Unless otherwise Allowed, Unimpaired Claims shall remain Disputed Claims under the Plan.

E. Elimination of Vacant Classes

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest, as applicable, or a Claim or Interest, as applicable, temporarily Allowed by the Bankruptcy Court in an amount greater than zero as of the date of the Confirmation Hearing shall be considered vacant and deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

F. Voting Classes; Presumed Acceptance by Non-Voting Classes.

If a Class contains Claims eligible to vote and no Holder of Claims eligible to vote in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by the Holders of such Claims in such Class.

G. Subordinated Claims

Except as expressly provided herein, the allowance, classification, and treatment of all Claims and Interests and the respective distributions thereon and treatments thereof under the Plan take into account and conform to the relative priority and rights of such Claims and Interests in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code,

or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors reserve the right to reclassify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

H. Intercompany Interests

To the extent Reinstated under the Plan, distributions on account of Intercompany Interests are not being received by Holders of such Intercompany Interests on account of their Intercompany Interests but for the purposes of administrative convenience and for the ultimate benefit of the Winning Bidder, and in exchange for the Debtors' agreement under the Plan to use certain funds and assets as set forth in the Plan to make certain distributions and satisfy certain obligations of certain other Debtors to the Holders of certain Allowed Claims.

I. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code will be satisfied for purposes of Confirmation by acceptance of the Plan by at least one Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. Restructuring Transactions

On the Effective Date, the Debtors shall take all actions set forth in the Restructuring Transactions Memorandum, and enter into any transaction and take any reasonable actions as may be necessary or appropriate to effect the transactions described herein, including, as applicable: (i) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Entities agree; (iii) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; and (iv) all other actions that the Debtors, Exactech NewCo, and the Required Consenting Lenders determine to be necessary or appropriate in connection with the consummation of the Sale Transaction, including making filings or recordings that may be required by applicable law in connection with the Sale Transaction or the Plan.

The Sale Order and the Confirmation Order shall and shall be deemed to, pursuant to sections 1123 and 363 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, and the Restructuring Transactions, including the Sale Transaction. [The Sponsor shall support (i) the transfer of all of the Debtors' interests in JointMedica Limited (including the Distribution Agreement (as defined below) and related agreements) to the Stalking Horse Purchaser, provide or obtain any consents related thereto, and take other actions to effectuate such transfer (or cause the JointMedica entities to do so), to the extent necessary and (ii) all efforts to assign the Distribution Agreement to the Stalking Horse Purchaser and shall waive its termination rights arising thereunder from the sale of the Debtors' assets pursuant to the Sale Transaction.][3] The Confirmation Order shall, pursuant to 1142(b) of the Bankruptcy Code, direct the Debtors and JointMedica, JointMedica Holdings, and any other necessary parties to provide any required consent, execute any necessary instrument, or make any necessary resolution or acknowledgement to effectuate: the transfer to the Stalking Horse Purchaser of all of the Debtors' rights and interests in JointMedica Limited (including stock or other equity interests); the assumption, assignment, or other transfer to the Stalking Horse Purchaser of any and all agreements between the Debtors and JointMedica Limited and JointMedica Holdings, including the Amended and Restated Distribution Agreement dated as of August 23, 2023, by and between Exactech and JointMedica Limited (the "Distribution Agreement"); the grant of DIP Liens (as defined in the DIP Orders) in favor of the DIP Agent on all of the Debtors' equity interests in JointMedica Limited. The adversary proceeding captioned *Exactech, Inc. et al. v. JointMedica Limited et al.*, Adv. Pro. No. 24-50297 (LSS) shall be held in abeyance. If the Plan is confirmed, the adversary proceeding shall be dismissed with prejudice. If the Plan is not confirmed, the adversary proceeding shall resume according to a scheduling order, which shall be mutually agreed by the parties in good faith, and subject to approval of the Bankruptcy Court.

B. Sources of Consideration for Plan Distributions

On and after the Effective Date, the Debtors or the Wind-Down Trustee, as applicable, will fund the distributions under the Plan with (i) Cash on hand, (ii) the Wind Down Trust Assets, (iii) the Professional Fee Amount, and (iv) the GUC Reserve. After the Effective Date, the Cash held by the Wind-Down Trust shall be held in the Wind-Down Trust Account. For the avoidance of doubt, under no circumstance will Exactech NewCo be required to make or be responsible for making any distributions under the Plan.

1. Sale Transaction

On the Effective Date, the Debtors shall consummate the Sale Transaction and, among other things, the Acquired Assets and Assumed Liabilities shall be transferred to and vest in Exactech NewCo free and clear of all Liens, Claims, charges, rights of setoff and recoupment, interests or other encumbrances (except as provided in the Sale Transaction Documents) pursuant to sections 363(f), 1123(b)(4), and 1141(c) of the Bankruptcy Code and in accordance with the terms of the Sale Order, the Confirmation Order, the Plan, and the Sale Transaction Documents.

[3] Language subject to agreement between the Sponsor and Ad Hoc Group, including with respect to Ad Hoc Group support of releases in favor of TPG.

In exchange, Exactech NewCo shall pay to the Debtors the Sale Proceeds in accordance with the Sale Transaction Documents and subject to the terms and conditions set forth therein.

2. The New Takeback Debt

On the Effective Date, Exactech NewCo (or such other entity issuing such debt pursuant to the Restructuring Transactions Memorandum) will issue the New Takeback Debt to the Holders of DIP Claims and Prepetition Pari 1L Claims, in accordance with the Restructuring Transactions Memorandum. On the Effective Date (a) the DIP Takeback Exchange shall occur and (b) each holder of an Allowed Prepetition Pari 1L Claim shall receive their Pro Rata share of the New Takeback Debt remaining after the DIP Takeback Exchange occurs.

3. Sponsor Consideration

In consideration for the releases of the Sponsor and former directors and officers of the Debtors that are Related Parties of the Sponsor and other consideration contemplated in the Plan, the Sponsor will contribute the Sponsor Consideration on the Effective Date.

C. Closing of Sale Transaction and Use of Cash

On the Effective Date, the Debtors shall be authorized to consummate the Sale Transaction with the Winning Bidder pursuant to the terms of the applicable Sale Transaction Documents, subject to the Restructuring Transactions Memorandum, including, without limitation, (i) selling the Acquired Assets free and clear of Claims, Liens and other encumbrances except to the extent set forth in the Sale Transaction Documents (including with respect to the Assumed Liabilities) and (ii) assuming the Assigned Executory Contracts and Unexpired Leases and assigning them to the Exactech NewCo in accordance with the Sale Transaction Documents and the Assigned Executory Contracts and Unexpired Lease List. For the avoidance of doubt, none of the Selling Debtors' Cash or cash collateral shall be used to satisfy any Administrative Claims, excluding Professional Fee Claims, solely at Osteon Intermediate Holdings I, Inc. or Osteon Holdings, Inc., except as otherwise permitted in the DIP Credit Agreement Documents.

D. Wind-Down Trustee and the Wind-Down Trust

1. Appointment

On the Effective Date, the Wind-Down Trustee shall be appointed by the Debtors and the Required Consenting Lenders for the purpose of conducting the Wind-Down and shall succeed to such powers as would have been applicable to the Debtors' officers, directors, and shareholders, and the Debtors, upon the conclusion of the Wind-Down, shall be dissolved by the Wind-Down Trustee. The Wind-Down Trustee shall act for the Debtors in the same fiduciary capacity as applicable to a board of directors or managers and officers, subject to the provisions hereof (and all certificates of formation, membership agreements, articles of incorporation or by-laws, and related documents, as applicable, are deemed amended pursuant to the Plan to permit and authorize the same). From and after the Effective Date, the Wind-Down Trustee shall be the sole representative of and shall act for the post-Effective Date Debtors and their Estates, including as sole director or manager and sole officer.

Among other things, the Wind-Down Trustee shall be responsible for: (1) implementing the Wind-Down as expeditiously as reasonably possible and administering the liquidation of the post-Effective Date Debtors and their Estates and of any assets held by the Wind-Down Trust after consummation of the Sale Transaction, (2) resolving any Disputed Claims and undertaking a good faith effort to reconcile and settle Disputed Claims, (3) making distributions on account of Allowed Claims in accordance with the Plan, (4) filing appropriate tax returns, and (5) otherwise administering the Plan, in each case to the extent set forth in the Sale Transaction Documents and the Wind-Down Trust Agreement, as applicable.

All property of the Estates not distributed to the Holders of Allowed Claims on the Effective Date, or transferred pursuant to the Sale Transaction Documentation, excluding, for the avoidance of doubt, any amounts in Professional Fee Escrow Account, shall be transferred in accordance with the Restructuring Transactions Memorandum to the Wind-Down Trust and managed and distributed by the Wind-Down Trustee pursuant to the terms of the Wind-Down Trust Agreement and shall be held in the name of the Wind-Down Trust free and clear of all Claims and Interests except for rights to such distributions provided to Holders of Allowed Claims and Allowed Interests as provided in the Plan. The Wind-Down Trustee shall represent the Wind-Down Trust and shall have the right to retain the services of attorneys, accountants, and other professionals that the Wind-Down Trustee determines, in its sole discretion, are necessary to assist the Wind-Down Trustee in performing his or her duties. The Wind-Down Trustee shall pay the reasonable and documented fees and out-of-pocket expenses of such professionals upon the monthly submission of statements to the Wind-Down Trustee without further order of the Bankruptcy Court. Any and all reasonable and documented costs and expenses incurred by the Wind-Down Trustee in connection with the Wind-Down shall be paid from the Wind-Down Trust Account subject to the terms and conditions of the Wind-Down Trust Agreement. The Wind-Down Trustee shall be compensated and reimbursed for reasonable and documented costs and out-of-pocket expenses as set forth in, and in accordance with, the Wind-Down Trust Agreement. Under no circumstances will Exactech NewCo be responsible for any related fees, costs or expenses.

2. Authority

On and after the Effective Date, the Wind-Down Trustee will be authorized to implement the Plan, and the Wind-Down Trustee shall have the power and authority to take any reasonable action necessary to implement the Wind-Down. On and after the Effective Date, the Wind-Down Trustee shall cause the Debtors to comply with, and abide by, the terms of the Plan, and take such other reasonable actions as the Wind-Down Trustee may determine to be necessary or desirable to carry out the purposes of the Plan. Except to the extent necessary to carry out the purposes of the Plan or complete the Wind-Down, from and after the Effective Date, the Debtors (1) for all purposes, shall be deemed to have withdrawn their business operations from any state or province in which the Debtors were previously conducting, or are registered or licensed to conduct, their business operations, and shall not be required to file any document, pay any sum, or take any other action to effectuate such withdrawal, (2) shall be deemed to have cancelled pursuant to this Plan all Prepetition Equity Interests, and (3) shall not be liable in any manner to any taxing authority for franchise, business, license, or similar taxes accruing on or after the Effective Date. The filing of the final monthly operating or disbursement report (for the month in which the Effective Date occurs) and all subsequent quarterly reports shall be the responsibility of the Wind-Down Trustee

provided, *however*, that no Debtor shall be relieved of any duty under applicable law to file any post-confirmation report or pay any U.S. Trustee Fees.

3. Transfer and Vesting of Assets

On the Effective Date, the Wind-Down Trust will be formed pursuant to the Wind-Down Trust Agreement and immediately after the consummation of the Sale Transaction will receive, in accordance with the Restructuring Transactions Memorandum, all of the remaining assets of the Debtors. The Wind-Down Trust will be established for the primary purpose of liquidating the Wind-Down Trust Assets and winding down the Estates, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to and consistent with the liquidating purpose of the Wind-Down Trust. The Debtors will have no reversionary or further interest in or with respect to the Wind-Down Trust Assets upon the transfer of the Wind-Down Trust Assets, as more fully set forth in the Wind-Down Trust Agreement. The Debtors have agreed to take the position that grantor trust treatment applies to the extent reasonably practicable, in which case, for all U.S. federal income tax purposes, the beneficiaries of the Wind-Down Trust would be treated as grantors and owners thereof, and it is intended, to the extent reasonably practicable, that the Wind-Down Trust be classified as a liquidating trust under section 301.7701-4 of the Treasury Regulations. Accordingly, subject to the immediately foregoing sentence, it is intended for U.S. federal income tax purposes that the beneficiaries of the Wind-Down Trust be treated as if they had received an interest in the Wind-Down Trust's assets and then contributed such interests (in accordance with the Restructuring Transactions Memorandum) to the Wind-Down Trust. As soon as possible after the transfer of the Wind-Down Trust Assets to the Wind-Down Trust, the Wind-Down Trustee, in consultation with any financial advisors it deems appropriate, shall make a good faith valuation of the Wind-Down Trust Assets. This valuation will be made available from time to time as may be relevant for tax reporting purposes. Each of the Debtors, the Wind-Down Trustee, and the Holders of Claims receiving distributions from the Wind-Down Trust shall take consistent positions with respect to the valuation of the Wind-Down Trust Assets, and such valuation shall be utilized for all U.S. federal income tax purposes. The Wind-Down Trust will, in an expeditious but orderly manner, liquidate and convert to Cash the Wind-Down Trust Assets, make timely distributions to the beneficiaries of the Wind-Down Trust pursuant to the Plan and the Confirmation Order, and not unduly prolong its duration.

On the Effective Date, any Estate Cash and non-Cash assets remaining after the Sale Transaction is consummated shall vest in the Wind-Down Trust for the purpose of facilitating the above tasks. Such assets shall be held free and clear of all Liens, Claims, and Interests, except as otherwise provided in the Plan. The Debtors, the Wind-Down Trustee, and the Wind-Down Trust shall be deemed to be fully bound to the terms of the Plan, the Confirmation Order, and the Wind-Down Trust Agreement.

On the Effective Date, the Wind-Down Trust shall be funded with the Wind-Down Amount pursuant to the Wind-Down Trust Agreement for the purpose of (a) satisfying all fees, expenses, and disbursements that the Wind-Down Trustee may incur in connection with the Wind-Down, (b) paying fees and expenses that any attorney, accountant, or other professional that the Wind-Down Trustee has retained to facilitate its duties, and (c) compensating the Wind-Down Trustee, each in accordance with this Article IV.D.2 and the Wind-Down Trust Agreement.

4. Termination of Wind-Down Trust and Wind-Down Trustee; Dissolution of Debtors

Upon a certification to be Filed with the Bankruptcy Court by the Wind-Down Trustee of all distributions having been made and completion of all its duties under the Plan and entry of a final decree closing the last of the Chapter 11 Cases, the Wind-Down Trust shall be deemed to be dissolved without any further action by the Wind-Down Trustee, including the filing of any documents with the secretary of state for the state in which the Debtors are formed or any other jurisdiction. Notwithstanding the foregoing, the Wind-Down Trustee shall retain the authority to take all necessary actions to dissolve the Debtors and their wholly-owned subsidiaries in, and withdraw the Debtors and their wholly-owned subsidiaries from, applicable states and provinces to the extent required by applicable law, without the necessity for any other or further actions to be taken by or on behalf of such dissolving Entity or its shareholder or any payments to be made in connection therewith, other than the filing of a certificate of dissolution with the appropriate governmental authorities, pursuant to Section 303 of the Delaware General Corporation Law codified at title 8 of the Delaware Code or other applicable state or international law.

5. Tax Returns

After the Effective Date, the Wind-Down Trustee shall complete and file all final or otherwise required federal, state, provincial, and local tax returns for each of the Debtors and the Wind-Down Trust, in each case, in accordance with the Restructuring Support Agreement and Stalking Horse APA.

E. Debtors' Boards or Governance Bodies

From and after the Effective Date, all directors, managers, and other members of existing boards or governance bodies of the Debtors, as applicable, shall cease to hold office or have any authority and be deemed to have resigned.

F. Management Incentive Plan

No later than 120 days after the Effective Date, the New Board will adopt in accordance with the RSA the Management Incentive Plan and allocate a portion of the MIP Pool (as determined by the New Board) for awards to management, with the form, size, participation, vesting, and other terms and conditions of such awards to be determined by the New Board in its discretion and in consultation with the Exactech NewCo chief executive officer.

G. Corporate Action

Upon the Effective Date, by virtue of entry of the Confirmation Order, all actions contemplated by this Plan (including the Sale Transaction and any other action to be undertaken by Exactech NewCo or the Wind-Down Trustee) and the Restructuring Transactions Memorandum shall be deemed authorized, approved, and, to the extent taken prior to the Effective Date, ratified without any requirement for further action by Holders of Claims or Interests, the Debtors, or any other Entity or Person including (a) the distribution of the New Interests, (b) the issuance of the New Takeback Debt, and (c) all other actions that the Debtors, Exactech NewCo, and the Required Consenting Lenders determine to be necessary or appropriate in connection with

the consummation of the Plan and the Restructuring Transactions, and including making filings or recordings that may be required by applicable law in connection with the Plan.

All matters provided for in this Plan involving the corporate structure of the Debtors or Exactech NewCo, and any corporate action required by the Debtors in connection therewith, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the Debtors or the Debtors' Estates.

The authorizations and approvals contemplated herein shall be effective notwithstanding any requirements under non-bankruptcy law.

H. Cancellation of Instruments and Other Documents

On the Effective Date, except as otherwise specifically provided in the Plan or any agreement, instrument, or other document entered into in connection with or pursuant to the Plan or the Restructuring Transactions: (1) the obligations under the Prepetition First Lien Credit Agreement, the Prepetition Sidecar Credit Agreement, all notes, bonds, indentures, Securities, shares, purchase rights, equity-based awards, options, warrants, collateral agreements, subordination agreements, intercreditor agreements, or other instruments or documents directly or indirectly evidencing, creating, or relating to any indebtedness or obligations of, or ownership interest in, the Debtors giving rise to any rights or obligations relating to Claims against or Interests in the Debtors (except with respect to any Claim or Interest that is Reinstated pursuant to the Plan); and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors shall be deemed cancelled and surrendered, except as set forth herein, without any need for a Holder to take further action with respect thereto, and the obligations of the Debtors or the Wind-Down Trust, as applicable, thereunder or in any way related thereto shall be deemed satisfied in full, released, and discharged; *provided* that notwithstanding such cancellation, satisfaction, release, and discharge, anything to the contrary contained in the Plan or Confirmation Order, Confirmation, or the occurrence of the Effective Date, any document or instrument that governs the rights, claims, or remedies of the Holders of Claims shall continue in effect solely for purposes of: (1) allowing such Holders to receive distributions from the Wind-Down Trust as specified under the Plan; and (2) allowing and preserving the rights of the Prepetition First Lien Agent and Prepetition Sidecar Agent, as applicable, to make distributions as specified under the Plan on account of the applicable Allowed Claims.

Except as provided in this Plan, on the Effective Date, the DIP Agent and its successors, and assigns shall be automatically and fully released of all of its duties and obligations associated with the DIP Credit Agreement Documents. On the Effective Date, the commitments and obligations, if any, of the DIP Lenders to extend any further or future credit or financial accommodations to any of the Debtors, any of their respective subsidiaries, or any of their respective successors or assigns (including the Wind-Down Trust) shall fully terminate and be of no further force or effect. To the extent that any provision of the DIP Credit Agreement Documents are of a type that survives repayment of the applicable indebtedness, such provisions shall remain in effect notwithstanding satisfaction of the DIP Claims.

I. Effectuating Documents; Further Transactions

On and after the Effective Date, the Debtors and the Wind-Down Trustee, as applicable, is authorized to and may issue, execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, the Restructuring Transactions, the Sale Transaction, and the instruments issued pursuant to the Plan in the name of and on behalf of the Wind-Down Trust, without the need for any approvals, authorizations, or consents except for those expressly required under the Plan.

J. Exemption from Certain Taxes and Fees

To the maximum extent provided by section 1146(a) of the Bankruptcy Code, any transfer pursuant to, in contemplation of, or in connection with this Plan (including the Sale Transaction and the Wind-Down), including pursuant to: (1) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in connection with the transactions contemplated hereby; (2) the creation, modification, consolidation, termination, refinancing, release or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (3) the making, assignment, or recording of any lease or sublease; (4) the grant of collateral security for any or all of any indebtedness; or (5) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, this Plan and the transactions contemplated hereby, including any deeds, bills of sale, assignments, or other instruments of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to this Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or fee, or other similar tax, fee or governmental assessment, and the appropriate state or local government officials, recording officers or agents (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(a) of the Bankruptcy Code and shall forego collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, fee or governmental assessment.

K. Preservation of Rights of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to this Plan and the Sale Transaction Documents, the Wind-Down Trustee shall retain and may enforce all of the Debtors' rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan, other than Avoidance Actions and the Causes of Action (a) acquired by Exactech NewCo or its subsidiaries in accordance with the Sale Transaction Documents, (b) released by the Debtors pursuant to the releases and exculpations contained in the Plan or otherwise, including in Article VIII.B or (c) waived or abandoned, which in the case of clause (b), shall be deemed released and waived by the Debtors and the Wind-Down Trust as of the Effective Date.

The Wind-Down Trustee may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Wind-Down Trust. The Wind-Down Trustee shall retain and may exclusively enforce any and all such Causes of Action (subject to the rights of any party under applicable law to object to Proofs of Claim). The Wind-Down Trustee shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Wind-Down Trustee will not pursue any and all available Causes of Action against it. Unless any such Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or assigned or otherwise transferred to the Exactech NewCo in accordance with the Sale Transaction Documents, or settled under the Plan or a Final Order, the Wind-Down Trustee expressly reserves all such Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption, Assignment and Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided herein, the Bidding Procedures Order, or the Sale Transaction Documents, as of the Effective Date, the Debtors shall be deemed to have rejected all Executory Contracts and Unexpired Leases that (1) have not been previously rejected, or assumed and assigned, including in connection with the Sale Transaction, and are not the subject of a pending motion or notice to reject or assume and assign as of the Effective Date, (2) are not identified on the Assigned Executory Contract and Unexpired Lease List, and (3) have not expired under their own terms prior to the Effective Date.

Entry of the Confirmation Order and/or the Sale Order, as applicable, shall constitute an order of the Bankruptcy Court approving the (i) assumptions and assignments of the Assigned Executory Contracts or Unexpired Leases under the Sale Transaction Documents and (ii) the rejections of the Executory Contracts and Unexpired Lease under the Plan, as applicable, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Except as otherwise specifically set forth herein, in the Bidding Procedures Order, in the Sale Transaction Documents, or the in the Sale Order, or in the Confirmation Order, assumptions and assignments and rejections of Executory Contracts and Unexpired Leases are subject to and effective as of the Effective Date. Any Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in applicable contracting Debtor and be fully enforceable by the Wind-Down Trustee (acting on behalf of the applicable contracting Debtor) in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and

providing for its assumption. Any Filed motions to assume, assume and assign, or reject any Executory Contracts or Unexpired Leases (or Filed objection with respect to the proposed assumption and assignment of such contract) that is pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order but may be withdrawn, settled, or otherwise prosecuted by the Wind-Down Trustee, with any such disposition to be deemed to effect an assumption, assumption and assignment, or rejection, as applicable, as of the Effective Date.

If certain, but not all, of a contract counterparty's Executory Contracts and Unexpired Leases are assumed or assumed and assigned pursuant to the Plan, the Confirmation Order and/or Sale Order, as applicable, will be a determination that such counterparty's Executory Contracts and Unexpired Leases that are being rejected pursuant to the Plan are severable agreements that are not integrated with those Executory Contracts and Unexpired Leases that are being assumed or assumed and assigned pursuant to the Plan. Parties seeking to contest this finding with respect to their Executory Contracts and/or Unexpired Leases must File a timely objection by the Confirmation Objection Deadline on the grounds that their agreements are integrated and not severable.

To the maximum extent permitted by law, to the extent any provision in any Executory Contract or Unexpired Lease assumed and assigned pursuant to the Plan and the Confirmation Order and/or Sale Order, as applicable, restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, or purports to cause a modification to the Executory Contract or Unexpired Lease as a result of, the assumption and assignment of such Executory Contract or Unexpired Lease (including any "change of control" provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights or modifications with respect thereto.

B. Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or the Wind-Down Trustee, as applicable, under such Executory Contract or Unexpired Lease. Without limiting the general nature of the foregoing, and notwithstanding any non-bankruptcy law to the contrary, the Debtors and Wind-Down Trustee expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the Debtors contracting from non-Debtor counterparties to any rejected Executory Contract or Unexpired Lease.

C. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by a Final Order of the Bankruptcy Court, including the Bidding Procedures Order, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Bankruptcy Court on or before the latest of (i) the date set forth in an order authorizing such rejection (including the Confirmation Order), (ii) February 7, 2025 at 4:00 p.m.

prevailing Eastern Time, and (iii) 30 days from the date the order authorizing the rejection of such contract or lease (which may be the Confirmation Order) was entered. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Bankruptcy Court within such time may, following an objection to the allowance of such Claim, be disallowed, forever barred from assertion, and not be enforceable against the Debtors, the Estates, the Wind-Down Trust, the Wind-Down Trustee, Exactech NewCo, or the property of any of the foregoing Entities. Claims arising from the rejection of the Executory Contracts and Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.C and may be objected to in accordance with the provisions of Article VII of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

D. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed

Unless the parties to such Executory Contracts or Unexpired Leases may otherwise agree, any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment in Cash, on the Effective Date, of the Cure Claims by the Debtors or Exactech NewCo (solely with respect to any contracts assumed and assigned in accordance with the Sale Transaction Documents), as applicable. In the event of a dispute regarding (1) the amount of any Cure Claims, (2) the ability of the Debtors or Exactech NewCo, as applicable, or the applicable assignee, if any, to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption and assignment, any such dispute shall be resolved as set forth in the Bidding Procedures Order with any related cure payments required by section 365(b)(1) of the Bankruptcy Code to be made following the entry of a Final Order resolving the dispute and approving the assumption or as otherwise resolved in accordance with the Bidding Procedures Order.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan, the Sale Transaction Documents, or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption; *provided*, *however*, that notwithstanding anything in the Plan, the Sale Transaction Documents, the Plan Supplement, or otherwise to the contrary, any non-Debtor party to any such Executory Contract or Unexpired Lease shall be entitled to receive, and nothing herein shall release or result in the satisfaction of such party's right to receive, payment in full of all Cure Claims and all amounts that have accrued or otherwise arisen between the Petition Date and the Effective Date (but are not in default as of the Effective Date) with respect to any Executory Contract or Unexpired Lease; *provided*, *further*, that all amounts that have accrued or otherwise arisen as of the Effective Date (but are not in default as of the Effective Date) with respect to any Executory Contract or Unexpired Lease that is assumed and assigned to Exactech NewCo shall be satisfied by Exactech NewCo in accordance with the terms of such Executory Contract or Unexpired Lease.

Except as otherwise agreed by any of the Debtors and any non-Debtor counterparty to any Executory Contract or Unexpired Lease following the assumption of any such Executory Contract or Unexpired Lease, any Proofs of Claim Filed with respect to an Executory Contract or Unexpired

Lease that has been assumed may, following an objection to the allowance of such Claim, be disallowed and expunged.

E. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed or assumed and assigned shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

F. Insurance Policies

Notwithstanding anything to the contrary in this Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order, or the Sale Order, any bar date notice or claim objection, or any other order of the Bankruptcy Court (including any other provision that purports to be preemptory or supervening, grants an injunction, discharge, or release): (1) on the Effective Date, the Debtors shall assume and assign to Exactech NewCo, solely to the extent set forth in the Sale Transaction Documents, and explicitly provided in the Assigned Executory Contracts and Unexpired Lease List, all of the Debtors' insurance policies issued at any time and any agreements, documents, and instruments relating thereto in their entirety, including all of the Debtors' obligations thereunder regardless of when such obligations arise, pursuant to sections 105 and 365 of the Bankruptcy Code and subject to the terms of the applicable insurance policies, any agreement, documents, or instruments relating thereto, or applicable non-bankruptcy law (which may require the express written consent of the applicable insurer); (2) nothing alters, modifies, or otherwise amends the terms and conditions of (or the coverage provided by or obligations of the Debtors or the Wind-Down Trustee, as applicable, under) such insurance policies or the duty, if any, that the insurers have to pay claims covered by such insurance policies and their right to seek payment or reimbursement from the Debtors or the Wind-Down Trustee (or the Exactech NewCo, solely to the extent assumed and assigned to Exactech NewCo under the Sale Transaction Documents and in accordance with this Article V.F) or draw on any collateral or security therefor; (3) nothing shall alter, modify, amend, affect, impair, or prejudice the legal, equitable, or contractual rights, obligations, and defenses of the insurers, the Debtors, or any other individual or entity, as applicable, under any of such insurance policies and related agreements, including, but not limited to, any agreement to arbitrate disputes; and (4) the insurers and third party administrators shall not need to nor be required to file or serve a cure objection or a request, application, claim, Proof of Claim, or motion for payment and shall not be subject to any claims bar date or similar deadline governing cure amounts or Claims.

G. Directors and Officers Insurance Policies

From and after the Effective Date, the D&O Policies shall remain in place on terms for coverage and amounts no less favorable than the Debtors' current directors' and officers' insurance policies. The D&O Policies shall be a retained asset of the Debtors' Estates and shall be maintained for the benefit of the beneficiaries thereunder.

The Debtors and the Wind-Down Trust shall not terminate or otherwise reduce the coverage under any D&O Policies (including, without limitation, any "tail policy" and all agreements, documents, or instruments related thereto) in effect on or prior to the Effective Date, and any current and former directors, officers, managers, and employees of the Debtors and their Affiliates who served in such capacity at any time before or after the Effective Date shall be entitled to the full benefits of any such policy or policies for the full term of such policy or policies regardless of whether such directors, officers, managers, and employees remain in such positions after the Effective Date.

H. Indemnification Obligations

Following the Closing (as defined in the Stalking Horse APA) and until the sixth anniversary thereof, all indemnification obligations set forth in the organizational documents of the Debtors consistent with applicable law and in place as of the Effective Date for the current and former directors and officers of the Debtors (solely in their capacity as such) (such obligations subject to the terms and conditions herein, the "Indemnification Obligations") shall be honored, or caused to be honored, by the Winning Bidder, reinstated, and otherwise remain intact, irrevocable, and shall survive the effectiveness of the Restructuring Transactions on terms no less favorable to such current and former directors and officers of the Debtors than the indemnification provisions in place prior to the Restructuring Transactions; *provided* that the Winning Bidder shall not be required to indemnify or advance any expenses in connection with any claim made against any such director or officer under any of the following circumstances: (i) arising out of or relating to any Excluded Litigation, including any Excluded Product Liability Claims (each as defined in the Stalking Horse APA) in an amount that exceeds $500,000 in the aggregate (*i.e.*, inclusive and collectively of any such claims)[4], (ii) for which payment is available under or has actually been made to or on behalf of such director or officer under any insurance policy issued to or for the benefit of the Debtors or other indemnity from the Acquired Entities, except with respect to any excess beyond the amount paid under any insurance policy issued to or for the benefit of the Debtors or other indemnity from the Acquired Entities (provided, however, that except as set forth herein, no Indemnified Person shall be required to pursue any other insurance or indemnity prior to seeking indemnity from the Acquired Entities), (iii) to the extent any claim or suit is finally adjudicated to have arisen out of or resulted from such director or officer's fraud, gross negligence, or willful misconduct, or (iv) if the Special Committee determines to recommend that the Debtors not provide such officer or director with a Debtor Release or the Debtors otherwise agree not to provide a Debtor Release to such officer or director, it being understood that the Special Committee's Independent Investigation into the Sponsor and its Related Parties is completed and

[4] For the avoidance of doubt, this amount shall be inclusive of, and not in addition to, the amount set forth in Section 6.10(a)(b)(i) of the Stalking Horse APA.

that the Special Committee will not recommend that the Debtors not provide a director or officer that is a Related Party of the Sponsor with a Debtor Release.[5]

Notwithstanding anything to the contrary herein (but in accordance with the immediately preceding paragraph), with respect to any Indemnification Obligations to be assumed or honored for the current and former directors and officers of the Osteon Intermediate Holdings I, Inc. and Osteon Holdings, Inc., such obligations will be honored solely to the extent such obligations arise on account of actions taken by the applicable directors and officers solely in their capacity as officers and directors of such Debtors and solely to the extent relating to such Debtors' ownership and operation of Exactech Inc. (and its subsidiaries).

I. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Assigned Executory Contract and Unexpired Lease List, nor anything contained in the Plan, shall constitute an admission by the Debtors or any other Entity, as applicable, that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that either any Debtor or any other Entity, as applicable, has any liability thereunder. In the event of a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or Wind-Down Trustee shall have 30 days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease as otherwise provided in the Plan.

J. Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Timing and Calculation of Amounts to Be Distributed

Except as (1) otherwise provided herein, (2) directed by a Final Order, or (3) as otherwise agreed to by the Debtors or the Wind-Down Trustee, as the case may be, and the Holder of the applicable Claim, on the Effective Date (or if a Claim is not an Allowed Claim on the Effective Date, on the next Distribution Date after such Claim becomes an Allowed Claim), each Holder of an Allowed Claim shall receive the full amount of distributions that the Plan provides for Allowed Claims in the applicable Class from the Distribution Agent. In the event that any payment or distribution under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or distribution may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. Except as specifically provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or

[5] For the avoidance of doubt, the Winning Bidder shall not be required to honor, or cause to be honored, any Indemnification Obligations of former directors or officers of the Debtors who are not receiving a Debtor Release.

accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

B. Rights and Powers of Distribution Agent

1. Powers of the Distribution Agent

The Distribution Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated under the Plan; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Distribution Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions of the Plan.

2. Expenses Incurred on or after the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Distribution Agent on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorney and/or other professional fees and expenses) made by the Distribution Agent shall be paid in Cash by the Wind-Down Trustee from the Wind-Down Trust Account.

C. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Distributions Generally

Except as otherwise provided herein, the Distribution Agent shall make all distributions required under the Plan. The Distribution Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that the Distribution Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Wind-Down Trust and paid from the Wind-Down Trust Account.

Except as otherwise provided herein, and notwithstanding any authority to the contrary, distributions to Holders of Allowed Claims, including Claims that become Allowed Claims after the Effective Date, shall be made to Holders by the Distribution Agent: (a) to the address of each such Holder as set forth in the Debtors' books and records (or if the Debtors have been notified in writing, on or before the date that is ten Business Days before the Effective Date, of a change of address, to the changed address) or in the Claims Registers as of the Distribution Record Date or (b) on any counsel that has appeared in the Chapter 11 Cases on the Holder's behalf; *provided* that the address for each Holder of an Allowed Claim or Allowed Interest shall be deemed to be the address set forth in, as applicable, any Proof of Claim or Proof of Interest Filed by such Holder, or, if no Proof of Claim or Proof of Interest has been Filed, the address set forth in the Schedules. If a Holder holds more than one Claim in any one Class, all Claims of the Holder may be aggregated into one Claim and one distribution may be made with respect to the aggregated Claim. Notwithstanding anything to the contrary in the Plan, including this Article VI.C.1 of the Plan, the Debtors, the Wind-Down Trustee, and any Distribution Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan.

2. Distributions on Account of Obligations of Multiple Debtors

Holders of Allowed Claims may assert such Claims against each Debtor obligated with respect to such Claims, and such Claims shall be entitled to share in the recovery provided for the applicable Class of Claims against each obligated Debtor based upon the full Allowed amount of such Claims. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under the Plan on account of any Allowed Claim exceed 100 percent of the underlying Allowed claim plus applicable interest, if any permitted to be paid under the Plan.

For all purposes associated with distributions under the Plan, all guarantees by any Debtor of the obligations of any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be deemed eliminated so that any obligation that could otherwise be asserted against more than one Debtor shall result in a single distribution under the Plan. Any such Claims shall be released and discharged pursuant to Article VIII of the Plan and shall be subject to all potential objections, defenses, and counterclaims, and to estimation pursuant to section 502(c) of the Bankruptcy Code.

3. Record Date of Distributions

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date. Notwithstanding the foregoing, with respect to Holders of Prepetition Pari 1L Claims, distributions shall be made to such Holders that are listed on the register or related document maintained by the Prepetition First Lien Agent and the Prepetition Sidecar Agent, as applicable, as of the Distribution Record Date.

4. Special Rules for Distributions to Holders of Disputed Claims and Interests

Notwithstanding any provision otherwise in the Plan and except as otherwise agreed to by the Wind-Down Trustee, on the one hand, and the Holder of a Disputed Claim, on the other hand, or as set forth in a Final Order, no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all of the Disputed Claim has become an Allowed Claim or has otherwise been resolved by settlement or Final Order; *provided* that if the Wind-Down Trustee does not dispute a portion of an amount asserted pursuant to an otherwise Disputed Claim, the Distribution Agent may make a partial distribution on account of that portion of such Claim that is not Disputed at the time and in the manner that the Distribution Agent makes distributions to similarly situated Holders of Allowed Claims pursuant to the Plan. Any dividends or other distributions arising from property distributed to Holders of Allowed Claims, as applicable, in a Class and paid to such Holders under the Plan shall also be paid, in the applicable amounts, to any Holder of a Disputed Claim in such Class that becomes an Allowed Claim after the date or dates that such dividends or other distributions were earlier paid to Holders of Allowed Claims in such Class.

5. De Minimis Distributions; Minimum Distributions

The Distribution Agent shall not make any distributions to a Holder of an Allowed Claim on account of such Allowed Claim where such distribution is valued, in the reasonable discretion

of the Distribution Agent, at less than $100.00, and each Claim to which this limitation applies shall be discharged pursuant to Article VIII of the Plan and its Holder shall be forever barred pursuant to Article VIII of the Plan from asserting that Claim against in the Wind-Down Trustee or their property.

6. Undeliverable Distributions and Unclaimed Property

In the event that either (a) a distribution to any Holder is returned as undeliverable, (b) the Holder of an Allowed Claim does not respond in writing to a request by the Debtors or the Distribution Agent for information necessary to facilitate a particular distribution within sixty (60) days or otherwise complete the actions necessary to facilitate a distribution as identified to the Holder within ninety (90) days of the Distribution Agent's request, no distribution to such Holder shall be made unless and until the Distribution Agent has determined the then-current address of such Holder or received the necessary information to facilitate a particular distribution, at which time such distribution shall be made to such Holder without interest, dividends, or other accruals of any kind; *provided* that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code on the date that is six months after (a) the date of the distribution, if a distribution is made, or (b) the date that a request for information or action is sent by the Distribution Agent. After such date, all unclaimed property or interests in property shall revert to the Wind-Down Trust automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable local, state, federal, or foreign escheat, abandoned, or unclaimed property laws to the contrary), and the Claim or Interest of any Holder to such property or interest in property shall be discharged and forever barred.

7. Manner of Payment Pursuant to the Plan

At the option of the Distribution Agent, any Cash payment to be made hereunder may be made by check, wire transfer, Automated Clearing House, or credit card, or as otherwise provided in applicable agreements.

D. Compliance Matters

In connection with the Plan, to the extent applicable, the Wind-Down Trustee and any Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Wind-Down Trustee and/or Distribution Agent, as applicable, shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Wind-Down Trustee reserves the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

E. Foreign Currency Exchange Rate

Except as otherwise provided in a Final Order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in The Wall Street Journal, National Edition, as of the Petition Date.

F. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

To the extent a Holder of an Allowed Claim receives a payment on account of such Claim from a party that is not a Debtor or the Wind-Down Trust, the Wind-Down Trustee or the Distribution Agent, as applicable, shall reduce the Allowed amount of such Claim for purposes of distribution by the amount of such payment. To the extent a Holder of an Allowed Claim receives a distribution on account of such Claim both under the Plan and from a third party, such that the total recovery on account of such Claim by such Holder exceeds the Allowed amount of such Claim, such Holder shall, within ten (10) Business Days of receipt thereof, repay, return, or deliver any such excess amount to the Wind-Down Trust. The failure of such Holder to timely repay, return, or deliver such excess distribution shall result in the Holder owing the Wind-Down Trust annualized interest at the Federal Judgment Rate on such excess amount owed for each Business Day after the ten (10)-Business Day grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged to the extent of any agreed upon satisfaction on the Claims Register by the Claims, Noticing, and Solicitation Agent without an objection to such Claim having to be Filed and without any further action, order, or approval of the Bankruptcy Court; *provided*, *however*, that a notice of satisfaction shall be Filed and served reflecting that a particular Claim has been satisfied.

3. Applicability of Insurance Policies

Except as otherwise provided herein, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a release, settlement, satisfaction, compromise, or waiver of any Cause of Action that the Debtors or any other Entity may hold against any other Entity, including insurers, under any policies of insurance or applicable indemnity, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

G. Setoffs and Recoupment

Except as otherwise expressly provided for herein, the Wind-Down Trustee may, pursuant to the Bankruptcy Code (including sections 553 and 558 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the Holder of an Allowed Claim, set off against or recoup from an Allowed Claim and any distributions to be made pursuant to the Plan on account of such Allowed Claim, any Claim of any nature whatsoever that the applicable Debtor or Wind-Down Trust, as applicable, may have against such Holder, to the extent such Claim has not been otherwise compromised, settled, or released on or prior to the Effective Date (whether pursuant to the Plan or otherwise); *provided* that neither the failure to effect such a setoff or recoupment nor the allowance of any Claim shall constitute a waiver or release by the Debtors or the Wind-Down Trust of any such Claim the applicable Debtor or Wind-Down Trust may possess against such Holder. To the extent the Wind-Down Trustee effects a set off or recoupment in accordance with this provision, the Wind-Down Trustee shall be required to file notice of such setoff or recoupment on the docket of the Chapter 11 Cases.

H. Allocation between Principal and Accrued Interest

Except as otherwise provided herein, the aggregate consideration paid to Holders on account of their Allowed Claims pursuant to the Plan shall be treated as allocated first to the principal amount of such Allowed Claims (to the extent thereof and as determined for federal income tax purposes) and second, to the extent the consideration exceeds the principal amount of the Allowed Claims, to the remaining portion of such Allowed Claim, if any.

ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS AND INTERESTS

A. Resolution of Disputed Claims

1. Allowance of Claims

After the Effective Date, the Wind-Down Trustee shall have and shall retain any and all available rights and defenses the applicable Debtor had with respect to any Claim immediately before the Effective Date, including, without limitation, the right to assert any objection to Claims based on the limitations imposed by section 502 of the Bankruptcy Code. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), no Claim against any Debtor shall become an Allowed Claim unless and until such Claim or Interest is deemed Allowed under the Plan or the Bankruptcy Code, or the Bankruptcy Court has entered a Final Order, including the Confirmation Order (when it becomes a Final Order), in the Chapter 11 Cases allowing such Claim.

2. Claims Administration Responsibilities

Except as otherwise specifically provided in the Plan, and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, on and after the Effective Date, the Wind-Down Trustee (or any authorized agent or assignee thereof) shall have the authority to File, withdraw, or litigate to judgment, objections to Disputed Claims against any of the Debtors

and shall have the sole authority to (a) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (b) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

3. Estimation of Claims

Before or after the Effective Date, unless a Final Order has been entered by the Bankruptcy Court Allowing or disallowing such Disputed Claim, the Debtors or the Wind-Down Trustee, as applicable, may (but are not required to), at any time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether any party previously has objected to such Disputed Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction under sections 157 and 1334 of the Judicial Code to estimate any Disputed Claim, including during the litigation of any objection to any Disputed Claim or during the pendency of any appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Disputed Claim that has been expunged from the Claims Register as a result of a successful objection to the Claim, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars for purposes of voting and Plan confirmation, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any Disputed Claim, that estimated amount shall constitute a maximum limitation on such Disputed Claim for all purposes under the Plan (including for purposes of distributions and discharge) and may be used as evidence in any supplemental proceedings, and the Debtors or the Wind-Down Trustee may elect to pursue any supplemental proceedings to object to any ultimate Allowance of such Disputed Claim; *provided* that the foregoing shall not apply to Disputed Claims requested by the Debtors to be estimated for voting purposes only. Disputed Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Disputed Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code be entitled to seek reconsideration of such estimation unless such Holder has Filed a motion requesting the right to seek such reconsideration on or before 14 days after the date on which such Disputed Claim is estimated.

Each of the foregoing objection, estimation, and resolution procedures with respect to Disputed Claims are cumulative and not exclusive of one another. Disputed Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

B. Time to File Objections to Disputed Claims.

Any objections to Disputed Claims shall be Filed on or before the Claims Objection Deadline. For the avoidance of doubt, the Bankruptcy Court may extend the time period to object to Disputed Claims.

C. Adjustment to Claims without Objection

Any Claim that has been paid, satisfied, cancelled, or expunged (including pursuant to the Plan) may be adjusted or expunged on the Claims Register at the direction of the Wind-Down Trustee by the Filing of a notice of satisfaction, adjustment or expungement by the Wind-Down Trustee upon at least fourteen (14) days' notice, and without any further notice to or action, order, or approval of the Bankruptcy Court, so long as no party timely opposes the action set forth in such notice.

D. No Interest

Unless otherwise specifically provided for herein or by Final Order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on Claims against the Debtors, and no Holder of a Claim against the Debtors shall be entitled to interest accruing on or after the Petition Date on such Claim. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Claim if and when such Disputed Claim becomes an Allowed Claim.

E. Disallowance of Claims

All Claims of any Entity from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer that is avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, may be deemed disallowed, upon filing an appropriate objection, pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Final Order with respect thereto has been entered by the Bankruptcy Court and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Debtors or the Wind-Down Trust, as applicable. All Claims Filed on account of an indemnification obligation to a director, officer, or employee shall be deemed satisfied as to the Debtors and expunged from the Claims Register as of the Effective Date to the extent the corresponding indemnification obligation is assumed and assigned to Exactech NewCo (or honored or reaffirmed, as the case may be) pursuant to the Plan and the Sale Transaction Documents, without any further notice to or action, order, or approval of the Bankruptcy Court, other than filing a notice identifying the Claims so assumed with the Bankruptcy Court.

F. Distributions after Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Distribution Agent shall provide to the Holder of such Allowed Claim the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, less any previous distribution (if any) that was made on account of the undisputed portion of such Allowed Claim, without any interest, dividends, or accruals to be

paid on account of such Allowed Claim unless required under applicable bankruptcy law or as otherwise provided in Article III.B.

ARTICLE VIII.
EFFECT OF CONFIRMATION OF THE PLAN

A. Discharge of Claims and Termination of Interests

To the maximum extent provided by section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to or in connection with the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete discharge, effective as of the Effective Date (solely with respect to the Cure Claims, subject to the payment of such Cure Claims), of all (i) Claims against any Debtor, including, without limitation, (a) Intercompany Claims resolved or compromised after the Effective Date by the Wind-Down Trustee, (b) contingent or unliquidated Claims (including Claims on account of representations or warranties), (c) liabilities, including withdrawal liability and liability relating to services performed by current or former employees of the Debtors prior to the Effective Date that arise from a termination of employment, (d) all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, and (e) interest accrued on any Claim from and after the Petition Date, if any; (ii) Causes of Action, and (iii) Interests in a Debtor; in each case, that arose before the Effective Date, whether known or unknown, and whether or not: (1) a Proof of Claim or Proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. Any default by the Debtors or their Affiliates with respect to any of the foregoing that existed immediately prior to or on account of filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date (solely with respect to the Cure Claims, subject to the payment of such Cure Claims). For the avoidance of doubt, nothing in this Article VIII.A shall affect the rights of Holders of Allowed Claims to seek to enforce the Plan, including the distributions to which such Holders are entitled on account of their Allowed Claims under the Plan.

B. Releases by the Debtors

Pursuant to section 1123(b) and any other applicable provision of the Bankruptcy Code, in exchange for good and valuable consideration provided by each of the Released Parties, the adequacy and sufficiency of which is hereby confirmed, on and after the Effective Date, each Released Party is deemed released and discharged by each and all of the Debtors, their Estates, and the Wind-Down Trust, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims and Causes of Action, including any derivative Claims asserted or assertable on behalf of any of the Debtors, that the Debtors, their Estates, or the Wind-Down Trust, as applicable, would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any

Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among the Debtors and/or their Affiliates, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Prepetition First Lien Credit Agreement Documents, the Prepetition Sidecar Credit Agreement, the Restructuring Transactions, the Sale Transaction, entry into the Stalking Horse APA, the New Takeback Debt, the New Revolving Facility (as defined in the Restructuring Support Agreement), the DIP Facility (as defined in the Restructuring Support Agreement), the Bridge Loan (as defined in the DIP Orders), the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, the Plan, the Definitive Documents, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of the Sale Transaction, Consummation, the administration and implementation of the Plan, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan, the Confirmation Order, or the Sale Order in lieu of such legal opinion, the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; *provided* that such releases will not apply to any Person or Entity with respect to any Claims, demands, liabilities, disputes, remedies, Causes of Action, indebtedness, or obligations arising from fraud, willful misconduct, or gross negligence by any such Person or Entity. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of the Debtors or the Stalking Horse Purchaser arising under the Stalking Horse APA or the Sale Order or any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, the Sale Order, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or Sale Transaction.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant section 1123(b) and Bankruptcy Rule 9019, of the releases described in this Article VIII.B, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each release described in this Article VIII.B is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good-faith settlement and compromise of the released Claims and Causes of Action; (3) in the best interests of the Debtors, their Estates, and all stakeholders; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; (6) a sound exercise of the Debtors' business judgment; and (7) a bar to any of the Debtors, their Estates, or the Wind-Down Trust asserting any released Claims or Causes of Action against any of the Released Parties or their property.

C. Releases by Holders of Claims and Interests

As of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each of the Releasing Parties is deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Debtor and each other Released Party from any and all Claims and Causes of Action, including any derivative Claims asserted or assertable on behalf of any of the Debtors, their Estates, and the Wind-Down Trust, as applicable, that such Entity would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor, the Wind-Down Trust, or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among the Debtors, and/or their Affiliates, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Prepetition First Lien Credit Agreement Documents, the Prepetition Sidecar Credit Agreement, the Restructuring Transactions, the Sale Transaction, entry into the Stalking Horse APA, the New Takeback Debt, the New Revolving Facility (as defined in the Restructuring Support Agreement), the DIP Facility (as defined in the Restructuring Support Agreement), the Bridge Loans (as defined in the DIP Orders), the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, the Definitive Documents, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of the Sale Transaction, the Consummation, the administration and implementation of the Plan, including providing any legal opinion requested by any Person or Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan, the Confirmation Order, or the Sale Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; *provided* that such releases will not apply to any Person or Entity with respect to any Claims, demands, liabilities, disputes, remedies, Causes of Action, indebtedness, or obligations arising from fraud, willful misconduct, or gross negligence by any such Person or Entity. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of the Debtors or the Stalking Horse Purchaser arising under the Stalking Horse APA or the Sale Order or any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation Order, the Sale Order, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or Sale Transaction.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in this Article VIII.C which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each release described in this Article VIII.C is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good-faith settlement and compromise of the released Claims and Causes of Action; (3) in the best interests of the Debtors, their Estates, and all stakeholders; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; (6) a sound exercise of the Debtors' business judgment; and (7) a bar to any of the Releasing Parties asserting any Claim or Cause of Action against any of the Released Parties or their property.

D. Exculpation

Notwithstanding anything herein to the contrary, to the fullest extent permitted by applicable law, no Exculpated Party shall have or incur, and each Exculpated Party (in each case in its capacity as such) is released and exculpated from, any liability to any holder of a Claim or Cause of Action against or Interest in a Debtor for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases from the Petition Date to the Effective Date, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, the Plan, the Sale Transaction, entry into the Stalking Horse APA, the New Takeback Debt, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of the Sale Transaction, Consummation, the administration and implementation of the Plan, including providing any legal opinion requested by any Person or Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan, the Confirmation Order, or the Sale Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan or the distribution of property under the Plan or any other agreement (whether or not such issuance or distribution occurs following the Effective Date), negotiations regarding or concerning any of the foregoing, or the administration of the Plan or property to be distributed hereunder, except for Claims and Causes of Action related to any act or omission that is determined by Final Order to have constituted fraud, willful misconduct, or gross negligence, but in all respects such Persons and Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. For the avoidance of doubt, no Exculpated Party shall be exculpated with respect to any Claim or Cause of Action related to or arising from the Excluded Litigation, including any Excluded Product Liability Claims (each as defined in the Stalking Horse APA) or the Qui Tam Claims.

E. Injunction

Except as otherwise expressly provided in the Plan, the Confirmation Order, or the Sale Order, all Persons and Entities who have held, hold, or may hold Claims, Interests or Causes of Action that have been released, discharged, or are subject to exculpation under the Plan are permanently enjoined and precluded, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Wind-Down Trust, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests or Causes of Action; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action; (3) creating, perfecting, or enforcing any Lien, Claim, or encumbrance of any kind against such Entities or their respective assets and property or the estates of such Entities on account of or in connection with or with respect to any such Claims, Interests or Causes of Action; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action, unless such Holder has Filed a motion requesting the right to perform such setoff, subrogation, or recoupment of any kind on or before the Effective Date, and notwithstanding any indication in any Proof of Claim or Proof of Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff, subrogation, and recoupment pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind against such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action released, settled, or compromised pursuant to the Plan.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former directors, managers, officers, principals, predecessors, successors, employees, agents, and direct and indirect Affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or Reinstatement of such Claim or Interest, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in this Article VIII.E of the Plan.

F. Release of Liens

Except as otherwise expressly provided in the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created pursuant to the Plan, the Confirmation Order, or the Sale Order, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Debtors shall automatically revert to the applicable Debtor, Exactech Newco or, Wind-Down Trust, as applicable, and their successors and assigns, in each case, without any further approval or

order of the Bankruptcy Court and without any action or Filing being required to be made by any Person or Entity. To the extent that any Holder of a Secured Claim that has been satisfied in full or discharged pursuant to the Plan, or any agent for such Holder, including the Agents, has filed or recorded publicly any Liens and/or security interests to secure such Holder's Secured Claim, then as soon as practicable on or after the Effective Date, such Holder (or the agent for such Holder) shall take any and all steps reasonably requested by the Debtors, the Wind-Down Trustee, Exactech NewCo or any administrative agent, collateral agent or indenture trustee under any exit financing facility that are necessary or desirable to record or effectuate the cancelation and/or extinguishment of such Liens and/or security interests, including the filing of Uniform Commercial Code termination statements, termination of deposit account control agreements, and any other applicable filings or recordings, and the Wind-Down Trustee or Exactech NewCo shall be entitled to file Uniform Commercial Code termination statements or to make any other such filings or recordings on such Holder's behalf. The filing of a copy of the Confirmation Order or the Sale Order with any local, state, federal, or foreign agency or department shall not be required to effect the termination of such Liens or security interests, but, if presented for filing or recording, shall constitute good and sufficient evidence of such termination.

G. Protection against Discriminatory Treatment

To the maximum extent provided by section 525 of the Bankruptcy Code, and consistent with paragraph 2 of Article VI of the United States Constitution, no Entity, including no Governmental Unit, shall discriminate against the Debtors, the Wind-Down Trustee or Exactech NewCo or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Debtors, the Wind-Down Trustee, or Exactech NewCo or any Person or Entity with which the Debtors have been or is associated, solely because any Debtor was a debtor under chapter 11 of the Bankruptcy Code, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before such Debtor was granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

H. Setoff, Subrogation, and Recoupment

In no event shall any Holder of a Claim or Interest be entitled to set off, subrogate, or recoup any Claim against any Claim or Cause of Action of the Debtors or the Wind-Down Trust, as applicable, unless such Holder has Filed a motion requesting the right to perform such setoff, subrogation, or recoupment on or before the Effective Date or has indicated on an Allowed Proof of Claim that such Holders asserts, has or intends to preserve such right of setoff, subrogation, or recoupment.

I. Document Retention

On and after the Effective Date, the Wind-Down Trustee may maintain documents in accordance with the Debtors' standard document retention policy, as may be altered, amended, modified, or supplemented by the Wind-Down Trustee.

J. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent; or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

K. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan, in the Sale Order, or in the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan, in the Confirmation Order, or in the Sale Order shall remain in full force and effect in accordance with their terms.

ARTICLE IX.
CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

A. Conditions Precedent to the Effective Date.

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to Article IX.B of the Plan:

1. The Restructuring Support Agreement shall not have been terminated and shall remain in full force and effect.

2. The Bankruptcy Court shall have entered the Disclosure Statement Order, and such order shall be a Final Order and in full force and effect.

3. The Bankruptcy Court shall have entered the Sale Order, and such order shall not have been stayed, modified, or vacated on appeal.

4. The Bankruptcy Court shall have entered the Confirmation Order, and such order shall not have been stayed, modified, or vacated on appeal.

5. The Sale Transaction Documents shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the consummation of the Sale Transaction shall have been waived or satisfied in accordance with the terms thereof, any documents governing the New Takeback Debt and the New Revolving Facility (as defined in the Restructuring Support Agreement), if applicable, shall be in form and substance reasonably acceptable to the Required

Consenting Lenders, and the closing of the Sale Transaction shall be deemed to occur concurrently with the occurrence of the Effective Date.

6. The Plan Supplement, including any amendments, modifications, or supplements to the documents, schedules, or exhibits included therein shall have been Filed with the Bankruptcy Court pursuant to the terms of the Plan.

7. The Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings or documents that are necessary to implement and effectuate this Plan and the Definitive Documents and no order, injunction or judgment shall have been issued by any governmental authority or arbitrator to restrain, prohibit, enjoin or declare illegal the transactions contemplated by this Plan, and no law shall have been promulgated or enacted and be in effect that on a temporary or permanent basis restrains, enjoins, or invalidates the transactions contemplated by this Plan.

8. The Professional Fee Escrow Account shall have been established and funded with the Professional Fee Amount.

9. All actions, documents, certificates, and agreements necessary to implement this Plan shall have been effected or executed and delivered to the required parties and, to the extent required, filed with the applicable Governmental Units as provided for in the Plan.

10. This Plan and the Definitive Documents, including any amendments, modifications, or supplements thereto, shall be materially consistent with the Restructuring Support Agreement and otherwise be in form and substance reasonably acceptable to the Debtors and the Required Consenting Lenders and any conditions precedent set forth therein shall have been satisfied or waived in accordance with the terms therein.

11. No court of competent jurisdiction or other competent governmental or regulatory authority shall have issued a final and non-appealable order making illegal or otherwise restricting, preventing, or prohibiting the consummation of the Restructuring Transactions, the Plan, or any other transaction contemplated thereby.

12. All Transaction Expenses and any other fees, expenses, and other amounts required to be paid pursuant to the Plan or pursuant to an order of the Bankruptcy Court shall have been paid in full in Cash.

B. Waiver of Conditions Precedent

By mutual written consent of the Debtors and the Required Consenting Lenders, the conditions to the Effective Date set forth in Article IX.A of the Plan may be waived at any time without any notice to any other parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than proceeding to confirm and consummate the Plan. The failure of the Debtors and the Required Consenting

Lenders to exercise any of the foregoing rights will not be deemed a waiver of any other rights, and each right will be deemed an ongoing right that may be asserted at any time.

C. Effect of Non-Occurrence of Conditions to Consummation

If the Effective Date does not occur, the Plan will be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims, Interests, or Causes of Action held by any Debtor or any other Entity; (2) prejudice in any manner the rights of any Debtor or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking of any sort by any Debtor or any other Entity in any respect.

ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification of Plan

Subject to the limitations and terms contained in the Plan, the Debtors reserve the right to, in accordance with the Bankruptcy Code: (1) amend or modify the Plan before the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code, in accordance with the Bankruptcy Code and the Bankruptcy Rules, (2) after the entry of the Confirmation Order, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, remedy any defect or omission, or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan consistent with the terms set forth herein, and (3) remedy any defect or omission or reconcile any inconsistency in the Plan in such a manner as may be necessary to carry out the purpose and intent of the Plan upon order of the Bankruptcy Court.

B. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall constitute approval of all modifications or amendments to the Plan occurring after the solicitation thereof pursuant to section 1127(a) of the Bankruptcy Code and a finding that such modifications to the Plan do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. Withdrawal of Plan

The Debtors reserve the right to revoke or withdraw the Plan with respect to any or all Debtors before the Confirmation Date and to File subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan, or if Confirmation or the Effective Date does not occur, then: (1) the Plan will be null and void in all respects; (2) any settlement or compromise not previously approved by Final Order of the Bankruptcy Court embodied in the Plan (including the fixing or limiting to an amount certain of any Claims or Classes of Claims), assumption or rejection of Executory Contracts or Unexpired Leases effectuated by the Plan, and any document or agreement executed pursuant to the Plan will be null and void in all respects; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims, Interests, or Causes of Action by any Entity, (b) prejudice in any manner the rights of any Debtor or any other Entity, or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by any Debtor or any other Entity.

ARTICLE XI.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising in, out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim against any Debtor, including the resolution of any request for payment of any Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code;

3. resolve any matters related to Executory Contracts or Unexpired Leases, including: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease and to hear, determine, and, if necessary, liquidate, any Cure Claims or other Claims arising therefrom, including pursuant to section 365 of the Bankruptcy Code; (b) any matters relating to future performance under any Executory Contract or Unexpired Lease that is assumed and assigned to the Winning Bidder; and (c) any dispute regarding whether a contract or lease is or was executory, expired, or terminated;

4. ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor or the Estates that may be pending on the Effective Date;

6. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of (a) contracts, instruments, releases, indentures, and other agreements or documents approved by Final Order in the Chapter 11 Cases and (b) the Plan, the Sale Order, the Confirmation Order, and contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan; *provided* that the Bankruptcy Court shall not retain jurisdiction over disputes concerning documents contained in the Plan Supplement that have a jurisdictional, forum selection, or dispute resolution clause that refers disputes to a different court;

7. grant any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code;

8. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

9. hear, determine, and resolve any cases, matters, controversies, suits, disputes, or Causes of Action in connection with or in any way related to the Chapter 11 Cases, including: (a) with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or an Interest for amounts not timely repaid pursuant to Article VI of the Plan; (b) with respect to the releases, injunctions, and other provisions contained in Article VIII of the Plan, including entry of such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions; (c) that may arise in connection with the Consummation, interpretation, implementation, or enforcement of the Plan, the Confirmation Order, or the Sale Order; or (d) related to section 1141 of the Bankruptcy Code;

10. enter and implement such orders as are necessary or appropriate if the Confirmation Order or Sale Order are for any reason modified, stayed, reversed, revoked, or vacated;

11. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order and the Sale Order;

12. enforce all orders, judgment, injunctions, releases, exculpations, indemnifications, and ruling entered in connection with the Chapter 11 Cases with respect to any Entity, and resolve any cases, controversies, suits, or disputes that may arise in connection with any Entity's rights arising from or obligations incurred in connection with the Plan;

13. hear and determine matters concerning local, state, federal, and foreign taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

14. enter an order or Final Decree concluding or closing the Chapter 11 Cases; and

15. hear and determine any other matters related to the Chapter 11 Cases and not inconsistent with the Bankruptcy Code or the Judicial Code.

Nothing herein limits the jurisdiction of the Bankruptcy Court to interpret and enforce the Plan or the Disclosure Statement, without regard to whether the controversy with respect to which such interpretation or enforcement relates may be pending in any state or other federal court of competent jurisdiction.

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in this Article XI, the provisions of this Article XI shall have no effect on and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

Unless otherwise specifically provided herein or in a prior order of the Bankruptcy Court, the Bankruptcy Court shall have exclusive jurisdiction to hear and determine disputes concerning Claims against or Interests in the Debtors that arose prior to the Effective Date.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the documents and instruments contained in the Plan shall be immediately effective and enforceable and deemed binding upon the Debtors, the Wind-Down Trust, the Wind-Down Trustee, and any and all Holders of Claims against or Interests in any Debtor (irrespective of whether the Holders of such Claims or Interests have accepted or are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, exculpations, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases. All Claims against and Interests in the Debtors shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or Interest has voted on the Plan.

B. Additional Documents

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Wind-Down Trustee, and all Holders of Claims receiving distributions pursuant to the Plan, and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan or the Confirmation Order.

C. Statutory Committee and Cessation of Fee and Expense Payment.

On the Effective Date, any statutory committee appointed in the Chapter 11 Cases, including the Committee, shall (other than for purposes of filing final fee applications and obtaining Bankruptcy Court approval of same) dissolve, and members thereof shall be released from all rights and duties from or related to the Chapter 11 Cases. The Debtors, the Wind-Down Trust and the Wind-Down Trustee shall not be responsible for paying any fees or expenses incurred by the members of or advisors to any statutory committees after the Effective Date.

D. Reservation of Rights

Except as expressly set forth herein, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to any Claims or Interests, unless and until the Effective Date has occurred.

E. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiary, or guardian, if any, of each such Entity.

F. Service of Documents

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the Wind-Down Trustee shall be served on:

Wind-Down Trustee

Exactech, Inc.
2320 NW 66th Court
Gainesville, Florida 32653
Attention: Donna Edwards
Email: Donna.Edwards@exac.com

with copies for information only (which shall not constitute notice) to:

Counsel to the Debtors

Ropes & Gray LLP
191 N Wacker Drive
Chicago, IL 60606
Attention: Ryan Preston Dahl
Benjamin M. Rhode
Lucas Smith
Email: Ryan.Dahl@ropesgray.com
Benjamin.Rhode@roepsgray.com
Luke.Smith@roepsgray.com

- and -

Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036
Attention: Lindsay Barca
Email: Lindsay.Barca@ropesgray.com

G. Entire Agreement; Controlling Document

Except as otherwise indicated, on the Effective Date, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations with respect to the subject matter of the Plan, all of which will have become merged and integrated into the Plan, except for the Sale Transaction Documents. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control. This Plan, including any drafts thereof (and any discussions, correspondence, or negotiations regarding any of the foregoing) shall in no event be construed as, or be deemed to be, evidence of

an admission or concession on the part of any party in interest of any claim or fault or liability or damages whatsoever. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, all negotiations, discussions, agreements, settlements, and compromises reflected in or related to Plan are part of a proposed settlement of matters that could otherwise be the subject of litigation among various parties in interest, and such negotiations, discussions, agreements, settlements, and compromises shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of the Plan.

H. Plan Supplement

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be made available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the website of the Claims, Noticing, and Solicitation Agent at https://restructuring.ra.kroll.com/exactech/ or the Bankruptcy Court's website at https://www.deb.uscourts.gov/. Unless otherwise ordered by the Bankruptcy Court, to the extent any exhibit or document in the Plan Supplement is inconsistent with the terms of any part of the Plan that does not constitute the Plan Supplement, such part of the Plan that does not constitute the Plan Supplement shall control.

I. Non-Severability of Plan Provisions upon Confirmation

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors (in consultation with the Required Consenting Lenders), shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to their terms; (2) integral to the Plan and may not be deleted or modified without the consent of the parties thereto; and (3) non-severable and mutually dependent.

J. Section 1125(e) Good Faith Compliance

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors, the Wind-Down Trustee, the Consenting Lenders, and each of their respective Affiliates, and each of their and their Affiliates' agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys, in each case solely in their respective capacities as such, will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, neither any of such parties nor individuals or the Wind-Down Trust will have any liability for the

violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan or any previous plan.

K. Closing of Chapter 11 Cases

The Wind-Down Trustee shall, promptly after the full administration of the Chapter 11 Cases, File all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases; *provided* that the Wind-Down Trustee can move to close less than all of the Chapter 11 Cases at any time following the Effective Date.

L. Waiver or Estoppel

Each Holder of a Claim against or an Interest in any Debtor shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed prior to the Confirmation Date.

M. Substantial Consummation

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

[*Remainder of Page Intentionally Left Blank*]

Dated: March 20, 2025

Exactech, Inc.
on behalf of itself and all other Debtors

/s/ Jesse York
Jesse York
Chief Restructuring Officer

EXHIBIT B

Restructuring Support Agreement

THIS RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER OR ACCEPTANCE WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS RESTRUCTURING SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE SUPPORT EFFECTIVE DATE ON THE TERMS DESCRIBED IN THIS AGREEMENT, DEEMED BINDING ON ANY OF THE PARTIES TO THIS AGREEMENT.

RESTRUCTURING SUPPORT AGREEMENT

This RESTRUCTURING SUPPORT AGREEMENT (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof, including all exhibits, this "***Agreement***") dated October 28, 2024 is entered into by and among (each of the following described in sub-clauses (a) through (b) of this preamble, individually, a "***Party***" and, collectively, the "***Parties***"):[1]

(a) Exactech, Inc. (the "***Company***"), and each of its Affiliates listed on **Exhibit A-1** to this Agreement that have executed and delivered counterpart signature pages to this Agreement (collectively, the "***Company Parties***" and, Osteon Holdings, Inc. and Osteon Intermediate Holdings I, Inc., the "***HoldCo Parties***" and, Osteon Intermediate Holdings II, Inc., Exactech, Inc., and XpandOrtho, Inc., the "***OpCo Parties***") to counsel to the Consenting Lenders;

(b) the undersigned beneficial holders of, or investment advisors, sub-advisors, or managers of discretionary accounts or funds that beneficially hold, Prepetition First Lien Claims that have executed and delivered counterpart signature pages to this Agreement (in each case solely in their capacity as such, together with each Prepetition First Lien Lender that executes and delivers a Joinder Agreement, in the form attached hereto as **Exhibit A-2**, from time to time after the date hereof, the "***Consenting Lenders***") to counsel to the Company Parties, and counsel to the Consenting Lenders.

The terms of the Restructuring Term Sheet are hereby incorporated and included in the terms of this Agreement. In the event of any inconsistencies between the terms of this Agreement and the Restructuring Term Sheet, the terms of the Restructuring Term Sheet shall govern.

RECITALS

WHEREAS, the Parties consent to and have agreed to consummate and support the transactions contemplated by this Agreement to be memorialized in the Approved Plan (such transactions, the "***Transactions***") on the terms set forth in this Agreement, including the Restructuring Term Sheet attached hereto as **Exhibit B** (the "***Restructuring Term Sheet***") and all other exhibits to this Agreement;

---

[1] Capitalized terms used but not defined in the preamble and recitals to this Agreement have the meanings ascribed to them in Section 1.

WHEREAS, the Transactions are to be consummated through voluntary chapter 11 cases (the "***Chapter 11 Cases***") under the Bankruptcy Code in the Bankruptcy Court on the terms set forth in this Agreement;

WHEREAS, the Transactions will include a sale of all or substantially all of the assets of the OpCo Parties to the Winning Bidder (as defined in the Bidding Procedures (as defined herein)) pursuant to sections 363, 1123(b)(4), and 1129 of the Bankruptcy Code (the "***Sale Transaction***"), which shall be consummated pursuant to a joint chapter 11 plan of the Company Parties filed by the Company Parties that is consistent with this Agreement and otherwise contains terms and conditions reasonably acceptable to the Required Consenting Lenders and is approved by the Bankruptcy Court (the "***Approved Plan***"); *provided*, for the avoidance of doubt, that the Approved Plan will provide for either (a) the sale of substantially all of the assets of the OpCo Parties to the Stalking Horse Purchaser or (b) payment in full in cash on the Effective Date (including prepetition and postpetition interest) of all (i) allowed DIP Claims and (ii) allowed Prepetition Pari 1L Claims (as defined in the Restructuring Term Sheet) with net proceeds of the sale (any such sale transaction the "***Approved Sale Transaction***");

WHEREAS, in connection with the Sale Transaction, the OpCo Parties will continue to conduct a sale and marketing process in accordance with this Agreement (the "***Sale Process***"), pursuant to which the OpCo Parties will solicit bids with respect to the Sale Transaction in accordance with bidding procedures, which shall be materially consistent with the form attached hereto as **Exhibit C** and otherwise reasonably acceptable to the applicable Company Parties and the Required Consenting Lenders (the "***Bidding Procedures***");

WHEREAS, as part of the Sale Process, an Entity or entities formed by or on behalf of the Consenting Lenders will serve as the Stalking Horse Purchaser and agree to credit bid (including via a direction to the applicable agent) certain of the Consenting Lenders' Claims (including DIP Obligations) pursuant to section 363(k) of the Bankruptcy Code and as set forth in the Stalking Horse APA attached hereto as **Exhibit D**, which bid will be subject to higher or otherwise better offers submitted pursuant to the Sale Process and the Bidding Procedures;

WHEREAS, (a) the Consenting Lenders have further agreed, subject to the terms and conditions herein, to consent to the use of Cash Collateral and (b) certain of the Consenting Lenders and/or their Affiliates, as set forth on Schedule I hereto (such Consenting Lenders and/or their Affiliates, the "***Backstop DIP Lenders***") have agreed, subject to the terms and conditions herein, to provide the OpCo Parties with debtor in possession financing (the "***DIP Facility***") pursuant to that certain postpetition credit agreement (the "***DIP Credit Agreement***") substantially in the form attached hereto as **Exhibit E**;

WHEREAS, pursuant to the Milestones set forth in Section 3.01 of this Agreement, the OpCo Parties will seek Bankruptcy Court approval of their entry into the DIP Credit Agreement pursuant to the Interim DIP Order (as defined herein) no later than the date that is five (5) days after the Petition Date, which order shall be consistent with the form attached hereto as **Exhibit F** and otherwise reasonably acceptable to the Company Parties and the Required Consenting Lenders;

WHEREAS, this Agreement is the product of arm's-length, good-faith negotiations among the Parties and each of their respective advisors and sets forth the material terms and conditions of the Transactions; and

WHEREAS, the Parties desire to express to each other their mutual support and commitment in respect of the matters set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, on a several but not joint basis, agree as follows:

AGREEMENT

1. **Certain Definitions.**

As used in this Agreement, the following terms have the following meanings:

"***Ad Hoc Group***" means the ad hoc group of certain secured lenders (and/or investment advisors to secured lenders) under the Prepetition First Lien Credit Agreement represented by the Ad Hoc Group Advisors.

"***Ad Hoc Group Advisors***" means (i) Milbank, LLP ("***Milbank***"), as counsel to the Ad Hoc Group, (ii) Evercore Group L.L.C., as investment banker to the Ad Hoc Group, (iii) Richards, Layton & Finger, P.A., as co-counsel to the Ad Hoc Group, and (iv) any other counsel or professional advisor retained by or on behalf of the Ad Hoc Group in the Ad Hoc Group's reasonable discretion and as communicated to the Company Advisors prior to the date of such retention.

"***Affiliates***" has the meaning set forth in section 101(2) of the Bankruptcy Code as if such Entity were a debtor in a case under the Bankruptcy Code.

"***Agreement***" has the meaning set forth in the preamble to this Agreement.

"***Alternative Restructuring***" means any reorganization, merger, consolidation, tender offer, exchange offer, business combination, joint venture, partnership, sale of all or any material portion of assets, financing (debt or equity), plan proposal, recapitalization, restructuring, or liquidation of the OpCo Parties, or any other transaction of similar effect; *provided that*, for the avoidance of doubt, the Transactions, including any higher or otherwise better offers submitted in accordance with the Sale Process and Bidding Procedures that provide for the payment in full in cash on the Effective Date (including prepetition and postpetition interest) of all (i) allowed DIP Claims (as defined in the Restructuring Term Sheet) and (ii) allowed Prepetition Pari 1L Claims (as defined in the Restructuring Term Sheet), shall not constitute an Alternative Restructuring.

"***Approved Plan***" has the meaning set forth in the recitals to this Agreement.

"***Backstop DIP Lenders***" has the meaning set forth in the recitals to this Agreement.

"***Bankruptcy Code***" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended.

"***Bankruptcy Court***" means the United States Bankruptcy Court for the District of Delaware.

"***Bar Date Order***" means the motion seeking approval of the Bar Date.

"***Bidding Procedures***" has the meaning set forth in the recitals to this Agreement.

"***Bidding Procedures Motion***" means the motion seeking approval of the Bidding Procedures.

"***Bidding Procedures Order***" means the final order granting the Bidding Procedures Motion.

"***Business Day***" means any day, other than a Saturday, a Sunday, or any other day on which banking institutions in New York, New York are required or authorized to close by law or executive order.

"***Cash Collateral***" has the meaning set forth in section 363(a) of the Bankruptcy Code.

"***Chapter 11 Cases***" has the meaning set forth in the recitals to this Agreement.

"***Claim***" has the meaning ascribed to such term under section 101(5) of the Bankruptcy Code.

"***Company***" has the meaning set forth in the preamble to this Agreement.

"***Company Advisors***" means the Company's advisors and professionals, including (i) Ropes & Gray LLP ("***Ropes & Gray***") and Young Conaway Stargatt & Taylor, LLP, as co-counsel to the Company Parties, (ii) Centerview Partners LLC, as investment banker to the Company Parties, (iii) Riveron RTS, LLC, as financial advisor to the Company Parties, and (iv) Kroll Restructuring Administration LLC, as claims agent to the Company Parties.

"***Company Party***" has the meaning set forth in the preamble to this Agreement.

"***Company Termination Event***" has the meaning set forth in Section 8.03.

"***Confirmation and Sale Order***" means the order entered by the Bankruptcy Court approving the Sale Transaction and confirming the Approved Plan pursuant to sections 363 and 1129 of the Bankruptcy Code, which order shall be consistent with this Agreement and reasonably acceptable to the applicable Company Parties and the Required Consenting Lenders.

"***Consenting Claims***" means all Claims against any Company Party held by Consenting Lenders from time to time.

"***Confirmation Date***" means the date that the Confirmation and Sale Order is entered by the Bankruptcy Court.

"***Consenting Lenders***" has the meaning set forth in the preamble to this Agreement.

"***Consenting Lender Termination Event***" has the meaning set forth in Section 8.02.

"***Debtors***" means the Company Parties that commence the Chapter 11 Cases.

"***Definitive Documents***" means all of the definitive documents implementing the Transactions, including: (a) this Agreement; (b) the Approved Plan (and any Plan Supplement or other related documents); (c) the Sale Documents; (d) the Disclosure Statement and the Solicitation Materials; (e) the Disclosure Statement Approval Order; (f) the Confirmation and Sale Order; (g) the DIP Facility Documents; (h) the Wind-Down Budget; (i) the motion seeking approval by the Bankruptcy Court of the use of cash collateral and of the DIP Facility and the DIP Orders; (j) the DIP Credit Agreement; and (k) any documents, instruments, schedules, or exhibits described in, related to, contemplated in, or necessary to implement.

"***DIP Budget***" means that certain "rolling" 26-week budget prepared by the Company Parties in accordance with the DIP Facility Documents.

"***DIP Credit Agreement***" has the meaning set forth in the recitals to this Agreement.

"***DIP Facility***" has the meaning set forth in the recitals to this Agreement.

"***DIP Facility Documents***" means, collectively, the DIP Credit Agreement, the DIP Orders, the security and guaranty documents, fee letters, notes, the DIP Budget, and any other ancillary documents entered into in connection therewith.

"***DIP Motion***" means any motions filed with the Bankruptcy Court seeking the use of Cash Collateral or approval of the DIP Facility or DIP Credit Agreement.

"***DIP Orders***" means, collectively, the Interim DIP Order and the Final DIP Order.

"***Disclosure Statement***" means the disclosure statement in respect of the Approved Plan, including all exhibits and schedules thereto, as approved or ratified by the Bankruptcy Court pursuant to sections 1125 and 1126 of the Bankruptcy Code.

"***Disclosure Statement Approval Order***" means the order of the Bankruptcy Court approving the Disclosure Statement and solicitation procedures in connection thereto.

"***Effective Date***" means the effective date of the Approved Plan.

"***Electing DIP Lenders***" has the meaning set forth in Section 3.03(b).

"***Election Deadline Date***" has the meaning set forth in Section 3.03(b).

"*Entity*" has the meaning set forth in section 101(15) of the Bankruptcy Code.

"***Fiduciary Out***" has the meaning set forth in Section 8.03(f).

"***Fiduciary Out Notice***" has the meaning set forth in Section 7.01.

"***Final DIP Order***" means the final order in the Chapter 11 Cases authorizing the Company's entry into the DIP Facility and use of Cash Collateral on a final basis.

"***HoldCo Parties***" has the meaning set forth in the preamble to this Agreement.

"***Interim DIP Order***" means the interim order attached hereto as **Exhibit F** authorizing the Company's entry into the DIP Facility and use of Cash Collateral on an interim basis.

"***Joinder Agreement***" has the meaning set forth in Section 4.03.

"***Law***" means any federal, state, local, or foreign law (including common law), statute, code, ordinance, rule, regulation, order, ruling, or judgment, in each case, that is validly adopted, promulgated, issued, or entered by a governmental authority of competent jurisdiction (including the Bankruptcy Court).

"***Milestones***" has the meaning set forth in Section 3.01(a).

"***OpCo Parties***" has the meaning set forth in the preamble to this Agreement.

"***Outside Date***" has the meaning set forth in Section 3.01(a)(7).

"***Party***" or "***Parties***" has the meaning set forth in the preamble to this Agreement.

"***Permitted Transferee***" has the meaning set forth in Section 4.03(c).

"***Petition Date***" has the meaning set forth in Section 3.01(a).

"***Plan Supplement***" means the compilation of documents and forms of documents, schedules, and exhibits to the Approved Plan that may be filed by the Company with the Bankruptcy Court from time to time.

"***Prepetition Equity Interests***" means any common stock, limited liability company interest, equity security (as defined in section 101(16) of the Bankruptcy Code), equity, ownership, profit interests, unit, or share in a Debtor, including all issued, unissued, authorized, or outstanding shares of capital stock of the Debtors and any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable or exchangeable securities or other agreements, arrangements or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor.

"***Prepetition First Lien Claim***" means any claim against any Company Party arising under, derived from, based on or related to the loans under the Prepetition First Lien Credit Agreement, including, for the avoidance of doubt, any Term Loans, any Revolving Loans (each as defined in the Prepetition First Lien Credit Agreement), and any guarantees thereof.

"***Prepetition First Lien Credit Agreement***" means that certain first lien credit agreement dated as of February 14, 2018 (as amended supplemented, restated, replaced, or otherwise modified from time to time) among Exactech, Inc., Osteon Intermediate Holdings II, Inc. as the

holding company guarantor, the other parties thereto as borrowers and guarantors, the Prepetition First Lien Lenders, and Goldman Sachs Bank USA, as administrative and collateral agent.

"***Prepetition First Lien Lenders***" means the lenders under the Prepetition First Lien Credit Agreement and any party that becomes a lender thereunder thereto from time to time.

"***Prepetition Side Car Claim***" means any claim against any Company Party arising under, derived from, based on or related to the loans under the Prepetition Side Car Credit Agreement, including any guarantees thereof.

"***Prepetition Side Car Credit Agreement***" means that certain first lien credit agreement dated as of September 19, 2023 (as amended supplemented, restated, replaced, or otherwise modified from time to time) among Exactech, Inc., Osteon Intermediate Holdings II, Inc. as the holding company guarantor, the other OpCo Parties thereto as borrowers and guarantors, TPG VII Osteon Holdings, L.P. as lender and administrative and collateral agent.

"***Prepetition Side Car Lenders***" means the lenders under the Prepetition Side Car Credit Agreement and any party that becomes a lender thereunder thereto from time to time.

"***Qualified Marketmaker***" has the meaning set forth in Section 4.03(d).

"***Qualified Marketmaker Joinder Date***" has the meaning set forth in Section 4.03(d).

"***Related Fund***" means, with respect to a Consenting Lender, any fund, account, or investment vehicle that is controlled or managed by (i) such Consenting Lender, (ii) an Affiliate of such Consenting Lender, or (iii) the same investment manager, advisor or subadvisor as such Consenting Lender or an Affiliate of such investment manager, advisor, or subadvisor, in each case, to the extent such entity can be legally bound to this Agreement.

"***Required Consenting Lenders***" means, as of the date of determination, Consenting Lenders holding at least 66.67% in aggregate outstanding principal amount of the Prepetition First Lien Claims held by the Consenting Lenders.

"***Sale Documents***" means collectively, the Bidding Procedures, the Bidding Procedures Order, the Confirmation and Sale Order, the Stalking Horse APA, and any ancillary documents to effectuate the Sale Transaction.

"***Sale Transaction***" has the meaning set forth in the recitals to this Agreement.

"***Securities Act***" means the U.S. Securities Act of 1933, as amended and any rules and regulations promulgated thereby.

"***Sellers***" means each of the Company Parties who shall be signatories to the Stalking Horse APA.

"***Solicitation***" means the solicitation of votes on the Approved Plan (including any non-voting election forms with respect to releases).

"***Solicitation Materials***" has the meaning set forth in the Approved Plan.

"***Sponsor***" means TPG VII Osteon Holdings, LP and its Affiliates, in each case, in their capacities as direct or indirect equityholders, managers, consultants, and lenders, as applicable, with respect to the Company Parties.

"***Stalking Horse APA***" means the stalking horse asset purchase agreement attached hereto as **Exhibit D** to be entered into on the Support Effective Date by the Sellers, on the one hand, and the Consenting Lenders (or a designee thereof) on the other hand, together with its Schedules (as defined therein) and each of the documents delivered pursuant to Sections 2.3 and 2.4 thereto.

"***Stalking Horse Purchaser***" shall mean the "Buyer" as set forth in the Stalking Horse APA.

"***Support Effective Date***" means the date on which counterpart signature pages to this Agreement shall have been executed and delivered by (i) each Company Party and (ii) Consenting Lenders holding at least 66.67% of the aggregate outstanding principal of Prepetition First Lien Claims.

"***Support Period***" means the period commencing on the Support Effective Date and ending on the Termination Date.

"***Termination Date***" means the date on which termination of this Agreement is effective as to a Party in accordance with Section 8 of this Agreement.

"***Transfer***" has the meaning set forth in Section 4.03.

"***Transactions***" has the meaning set forth in the recitals to this Agreement.

"***Transaction Expenses***" means all reasonable and documented fees, costs and expenses (whether incurred at any point before or after the commencement of the Chapter 11 Cases) incurred by the Ad Hoc Group Advisors, and any advisors thereto (a) in connection with the negotiation, formulation, preparation, execution, delivery, implementation, and consummation of this Agreement, the Restructuring Term Sheet, the Transactions, and/or any of the other Definitive Documents, and/or the transactions contemplated hereby or thereby, and/or any amendments, waivers, consents, supplements, or other modifications to any of the foregoing.

"***Wind-Down Budget***" has the meaning set forth in the Restructuring Term Sheet.

2. **Passage of Time.**

With respect to any Milestone or other reference of time herein, if the last day of such period falls on a Saturday, Sunday, or a "legal holiday," as defined in Rule 9006(a) of the Federal Rules of Bankruptcy Procedure, such Milestone or other reference of time shall be extended to the next such day that is not a Saturday, Sunday, or a "legal holiday," as defined in Rule 9006(a) of the Federal Rules of Bankruptcy Procedure; *provided*, for the avoidance of doubt, that any Milestone with respect to a hearing date shall be subject to the Bankruptcy Court's availability.

3. **Restructuring.**

Section 3.01 The Transactions.

(a) The Approved Plan and the Sale Transaction. Subject to the terms of this Agreement, the Company Parties will consummate the Sale Transaction pursuant to the Approved Plan after the Petition Date in accordance with the Bankruptcy Code and on terms consistent with this Agreement and in all respects in accordance with the following milestones (the "***Milestones***"); *provided* that, subject to the Outside Date, any Milestone may be extended or waived upon the mutual written consent (with email from counsel being sufficient) of the Company and the Required Consenting Lenders:

(1) *Commencement of the Chapter 11 Cases*. Provided that the Support Effective Date has occurred, the Company Parties agree that, as soon as reasonably practicable, but in no event later than October 28, 2024, each Company Party shall file with the Bankruptcy Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code and any and all other documents necessary to commence the Chapter 11 Cases (such date, the "***Petition Date***").

(2) *Entry of the Interim DIP Order*. As soon as practicable, but in no event later than the date that is five (5) days after the Petition Date, the Bankruptcy Court shall have entered the Interim DIP Order.

(3) *Entry of the Final DIP Order and Bidding Procedures Order*. As soon as practicable, but in no event later than the date that is thirty-five (35) days after the Petition Date, the Bankruptcy Court shall have entered (A) the Final DIP Order, and (B) the Bidding Procedures Order.

(4) By the date that is 35 days following the Petition Date, the Company Parties will begin discussions with a proposed Voluntary Administrator(s) of Exactech Australia Pty Ltd in relation to the Australian Corporate Restructuring, and will promptly provide to the Ad Hoc Group any oral or written feedback provided by the proposed voluntary administrator in connection with the potential voluntary administration process.

(5) *Entry of the Bar Date Order*. As soon as practicable, but in no event later than the date that is forty-five (45) days after the Petition Date, the Bankruptcy Court shall have entered the Bar Date Order.

(6) *Australian Proceedings*. If, by the date that is 75 days after the Petition Date, the Company Parties have not either (1) reached a settlement in respect of Federal Court of Australia proceedings number NSD1224/2024 and any matters the subject of those proceedings, that is acceptable to the Ad Hoc Group or (2) appointed one or more voluntary administrators to Exactech Australia Pty Ltd to pursue the voluntary administration of Exactech Australia Pty Ltd in Australia, then such failure shall constitute a Consenting Lender Termination Event; *provided that* if at such time, the relevant governing bodies of the Company Parties, Exactech International Operations AG, or Exactech Australia Pty Ltd. determine that such

actions are inconsistent with their fiduciary duties based on the advice of external counsel, such milestone shall be extended through (a) the Bid Deadline if there are no higher or better bids than the Stalking Horse Bid, or (b) in the event of an Auction, through the date that the Stalking Horse Purchaser is declared the Winning Bidder;

(7) *UK Corporate Restructuring Steps Plan*. By the date that is 60 days following the Petition Date, the Company Parties and the Ad Hoc Group shall agree on a detailed steps plan to effectuate the corporate restructuring of Exactech UK Limited, including a budget and estimate for fees, costs, taxes, and other expenses resulting from any such steps plan (the "***UK Corporate Restructuring Steps Plan***").

(8) If the Stalking Horse Purchaser is determined to be the Winning Bidder, subject to the Stalking Horse Purchaser providing the UK Restructuring Funding, the Company Parties will begin to effectuate the UK Corporate Restructuring Steps Plan on the date the Winning Bidder is declared;

(9) *Entry of the Disclosure Statement Order*. As soon as reasonably practicable, but in no event later than the date that is one hundred (100) days from the Petition Date, the Bankruptcy Court shall have entered the Disclosure Statement Approval Order.

(10) *Commencement of Solicitation*. As soon as reasonably practicable, but in no event later than fifteen (15) days after entry of the Disclosure Statement Approval Order, the Company Parties shall have commenced Solicitation.

(11) *Entry of the Confirmation and Sale Order*. As soon as reasonably practicable, but in no event later than one hundred-fifty (150) days after the Petition Date, the Bankruptcy Court shall have entered the Confirmation and Sale Order.

(12) *Outside Date*. The Effective Date shall occur as soon as reasonably practicable but in no event later than the date that is fourteen (14) calendar days after entry of the Confirmation and Sale Order (the "***Outside Date***"). Notwithstanding the foregoing, solely in the event that the Stalking Horse Bidder is the Winning Bidder or there is an Approved Sale Transaction, the Outside Date may be extended:

(A) automatically up to three (3) times, in each instance by up to one (1) month, solely to the extent necessary to satisfy any conditions to closing the Sale Transaction requiring regulatory approvals to transfer licenses, registrations, certifications or other permits held by the Company Parties that are required for the sale or use of their products or otherwise for the lawful conduct of their business in the European Union (the "***E.U. Regulatory Conditions***"); *provided*, that such automatic extension shall apply solely to the extent that (i) all other conditions to closing the Sale Transaction have been met, (ii) no Company Party is then in breach of this Agreement, the DIP Credit Agreement, or the Stalking Horse APA, and (iii) the E.U. Regulatory Conditions have not been waived by the Winning Bidder; and

(B) one time by up to three months, with the prior written consent of the Required Consenting Lenders;

in each case, subject to the terms and conditions of the DIP Credit Agreement (including any fees set forth therein).

Each of the Parties shall use commercially reasonable efforts to cooperate fully and coordinate amongst each other in connection with the Approved Plan, the Sale Transaction, and the Milestones. Further, each of the Parties shall take such action (including executing and delivering any other agreements) as may be reasonably necessary or as may be required by order of the Bankruptcy Court to carry out the purpose and intent of this Agreement (including to provide any reasonably necessary or reasonably requested information to federal, state, local, or foreign regulators), to obtain required regulatory approvals necessary for confirmation of the Approved Plan, including consummation of the Sale Transaction in connection therewith.

Section 3.02 Definitive Documents.

(a) The Definitive Documents not executed or in a form attached to this Agreement as of the Support Effective Date remain subject to negotiation and completion. Upon completion, the Definitive Documents and every other document, deed, agreement, filing, notification, letter, or instrument related to the Transactions shall contain terms, conditions, representations, warranties, and covenants materially consistent with the terms of this Agreement, as they may be modified, amended, or supplemented in accordance with Section 10. Further, the Definitive Documents not executed or in a form attached to this Agreement as of the Support Effective Date shall be materially consistent with this Agreement and otherwise be in form and substance reasonably acceptable to the Company Parties and the Required Consenting Lenders.

Section 3.03 DIP Commitment.

(a) Commitments. Each of the Backstop DIP Lenders confirms its commitment to provide (itself or through their respective affiliates), and hereby commits to provide, severally but not jointly, to the OpCo Parties the Loans (as defined in the DIP Credit Agreement) in the amounts allocated to the Backstop DIP Lenders in accordance with the percentages set forth in Schedule I hereof opposite each Backstop DIP Lender's name as its "Backstop Commitment Percentage," on the terms and subject to the conditions set forth herein and in the DIP Credit Agreement, including, without limitation, Article IV of the DIP Credit Agreement (the "Backstop Commitments"). The Backstop Commitments (and/or the related Backstop Commitment Premium) may be assigned among the Backstop DIP Lenders from time to time, without the consent of the Company Parties, by the assignor and assignee Backstop DIP Lenders providing written notice to Evercore (email being sufficient) of such assignment, and Schedule I hereto shall be updated to reflect such assignment (and shall be deemed amended solely with respect to such assigned amount upon delivery of such updated version to the Company Parties). Evercore may from time to time make *de minimis* adjustments to Schedule I to reflect corrections to the beneficial ownership of the Backstop Commitments with the written approval of the affected Backstop DIP Lenders (email being sufficient).

(b) Election Procedures. The parties hereto agree that each Prepetition First Lien Lender that is not a Backstop DIP Lender (in such capacity, each an "***Electing DIP Lender***") may participate (itself or through an affiliate) in providing its *pro rata* portion of Loans (which Loans shall be Final Loans (as defined in the DIP Credit Agreement)) by providing written notice to Evercore (email being sufficient) of its election to participate and signing a Joinder Agreement (and such other documents as may be reasonably requested by the Company) evidencing such Electing DIP Lenders' commitment to provide the Loans by no later than November 12, 2024 (the "***Election Deadline Date***").[2] Such participation shall be on a *pro rata* basis in accordance with the proportion of (1) the obligations under the Prepetition First Lien Credit Agreement beneficially owned by each such Electing DIP Lender to (2) the obligations owed to all Prepetition First Lien Lenders under the Prepetition First Lien Credit Agreement on the Election Deadline Date. The Loans of the Backstop DIP Lenders under the DIP Credit Agreement will be reallocated and/or assigned by the amount of the Loans provided by the Electing DIP Lenders on a pro rata basis based on the amount of each Backstop DIP Lender's Backstop Commitments.

(c) Premium. As consideration for the agreements and commitments under this Section 3.03, subject to the entry of the Interim DIP Order, the OpCo Parties collectively agree to pay, to the Backstop DIP Lenders the Backstop Commitment Premium pursuant to the terms of (and as defined in) the DIP Credit Agreement, according to the percentages set forth in Schedule I hereof.

4. **Agreements of the Consenting Lenders.**

Section 4.01 Support. Each Consenting Lender, with respect to each of its respective Consenting Claims, hereby covenants and agrees, severally and not jointly, during the Support Period to:

(a) support and not object to the Approved Plan, the Sale Process, or any of the Transactions (including those contemplated by this Agreement, the Restructuring Term Sheet, the DIP Credit Agreement, the Approved Plan, the Sale Documents, and the other Definitive Documents), and use commercially reasonable efforts to take any reasonable action necessary or reasonably requested by the Company in a timely manner to effectuate the Transactions in a manner materially consistent with this Agreement;

(b) pursue, consummate, and implement the Transactions on the terms set forth in this Agreement, including by negotiating, entering into, and effectuating the Definitive Documents (subject to the terms and conditions herein) in good faith and supporting the obtention of the necessary Bankruptcy Court approvals of the Definitive Documents to consummate the Transactions;

(c) when properly solicited to do so, timely vote or cause to be voted, consistent with the Solicitation Materials, all of its Claims (or Claims under its control) in support of the Approved Plan, including any Claims that are impaired under the Approved Plan and not change or withdraw (or cause or direct to be changed or withdrawn) any such vote described in this clause (c); *provided* that, except with respect to the termination rights provided in the Company

[2] To insert 10 B.D. after first day hearing. Note that Master Consent provides mechanics for joinder/reallocating for Electing DIP Lenders.

Termination Events under Section 8.05 (a), (d) and (e) herein, a Consenting Lender's vote shall be immediately and automatically without further action of any Consenting Lender revoked (and, upon such revocation, deemed void *ab initio*) upon termination of this Agreement pursuant to the terms hereof with respect to such Consenting Lender;

(d) consent to, support, grant, and, as applicable, opt-in or not opt-out of the releases set forth in the Approved Plan, including the release of third-party claims pursuant to the Approved Plan and Confirmation and Sale Order;

(e) not directly or indirectly (i) object to, delay, impede, or take any other action to interfere with the Chapter 11 Cases, the consummation of the Transactions, or acceptance, confirmation, and implementation of the Approved Plan (including encouraging another person to undertake any action prohibited by this Agreement), (ii) propose, support, vote for, encourage, seek, file, solicit, pursue, initiate, assist, join in, participate in the formulation of or enter into negotiations or discussions with any Entity regarding any Alternative Restructuring, including, for the avoidance of doubt, making or supporting any filings with the Bankruptcy Court or any regulatory agency, or making or supporting any press release, press report, or comparable public statement or filing with respect to any Alternative Restructuring and timely vote (or cause to be voted) its Claims against any Alternative Restructuring, or (iii) otherwise take any action that would interfere with, delay, or postpone the consummation of the Transactions as set forth herein, as applicable;

(f) (i) not direct any administrative agent or collateral agent (as applicable) to take any action inconsistent with such Consenting Lender's obligations under this Agreement or the Approved Plan, the Sale Documents, or any other Definitive Document, as applicable, and (ii) if any applicable administrative agent or collateral agent takes any action inconsistent with such Consenting Lender's obligations under this Agreement, the Approved Plan, the Sale Documents, or any other Definitive Document, as applicable, such Consenting Lender will use commercially reasonable efforts to direct such administrative agent or collateral agent (A) to cease, desist, and refrain from taking any such action, and (B) to take such action as may be necessary to effect the Transactions; *provided* that in no instance shall any Consenting Lender be required to (1) provide any indemnity to, or (2) initiate or participate in any litigation against, any administrative agent or collateral agent in connection with the requirements of this Section 4.01(f); *provided*, *further*, that it is acknowledged and agreed that actions taken by any administrative agent and/or collateral agent under the Prepetition First Lien Credit Agreement may constitute a Company Termination Event unless the Required Consenting Lenders have directed such agent to cease taking such action consistent with this section 4(f);

(g) (i) act in good faith with regard to the successful consummation of the Transactions materially consistent with this Agreement and (ii) use commercially reasonable efforts to support or pursue, as applicable, any necessary federal, state, local, and foreign regulatory approvals to enable consummation of the Transactions, including approvals from any regulatory body whose approval or consent is reasonably determined by the applicable Company Parties and the Required Consenting Lenders to be necessary to consummate the Transactions;

(h) the extent any legal, regulatory, or structural impediment arises that would prevent, hinder, or delay the consummation of the Transactions, negotiate in good faith appropriate additional or alternative provisions to address any such impediment;

(i) refrain from, directly or indirectly, taking any action that would be inconsistent with this Agreement in any material respect or that would materially interfere with or materially delay the consummation of the Transactions (including encouraging another person to undertake any action prohibited by this Agreement);

(j) promptly notify the Company Parties in writing (email being sufficient) after becoming aware of the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that would reasonably be expected to prevent the consummation of a material portion of the Transactions;

(k) inform the Company Parties reasonably promptly after becoming aware of any matter or circumstance which it knows, or believes is likely, to be a material impediment to the implementation or consummation of the Transactions; and

(l) some or all of the Consenting Lenders shall commit to provide additional financing reasonably necessary to satisfy all payments required to be made in connection with effectuating the UK Corporate Restructuring Steps Plan, (the "***UK Restructuring Funding***"), which financing will be on terms and conditions reasonably acceptable to the Company Parties and the Required Consenting Lenders.

Section 4.02 Additional Provisions Regarding the Consenting Lenders' Agreements. Notwithstanding anything contained in this Agreement, nothing in this Agreement shall: (a) affect the ability of any Consenting Lender to consult with any other Consenting Lender, the Company Parties, or any other party in interest in the Chapter 11 Cases (including any official committee and the United States Trustee); (b) impair or waive the rights of any Consenting Lender to assert or raise any objection permitted under this Agreement or any Definitive Document in connection with the Transactions; (c) prevent any Consenting Lender from (i) enforcing this Agreement, (ii) contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or any Definitive Document, or (iii) exercising any rights or remedies under this Agreement or any Definitive Documents; (d) limit the rights of a Consenting Lender under the Chapter 11 Cases, including appearing as a party in interest in any matter to be adjudicated in order to be heard concerning any matter arising in the Chapter 11 Cases, so long as the exercise of any such right is not inconsistent with such Consenting Lender's obligations hereunder; (e) limit the ability of a Consenting Lender to purchase, sell or enter into any transactions regarding the Claims or Prepetition Equity Interests, subject to the terms hereof, and any applicable agreements governing such Claims and Prepetition Equity Interests; (f) constitute a waiver or amendment of any term or provision of the Prepetition First Lien Credit Agreement; (g) require any Consenting Lender to incur, assume, or become liable for any financial or other liability or obligation other than as expressly stated in this Agreement or any Definitive Document to which such consenting lender is a party and that remains in full force and effect; (h) prevent any Consenting Lender from taking any customary perfection step or other action as is necessary to preserve or defend the validity, existence, and priority of its Claims or Prepetition Equity Interests or any lien securing

any such Claims or Prepetition Equity Interests (including the filing of proofs of claim); or (i) require any Consenting Lender to (A) take, or refrain from taking, any action where to do so would breach (x) any law or regulation, (y) any order or direction of any relevant court or governmental body, or (z) the terms of any non-disclosure agreement to which they are subject, in each case, or (B) fail to comply with any antitrust or regulatory obligations as such Consenting Lender may reasonably determine.

Section 4.03 Transfers.

(a) Each Consenting Lender agrees that during the Support Period, it shall not sell, assign, transfer, or otherwise dispose of ("***Transfer***"), directly or indirectly, any Claims against or in the OpCo Parties, any option thereon, or any right or interest therein (including by granting any proxies, depositing any Claims into a voting trust or entering into a voting agreement with respect to such Claims), and any purported Transfer shall be void and without effect unless the transferee thereof:

(1) is a Consenting Lender or a Related Fund; or

(2) before such Transfer, agrees in writing for the benefit of the Parties to become, effective prior to or upon the consummation of such Transfer, a Consenting Lender for all purposes hereunder and to be bound by all of the terms of this Agreement applicable to a Consenting Lender (including with respect to any and all Claims it already may hold before such Transfer) by executing a joinder agreement in the form attached hereto as **Exhibit A-2** (a "***Joinder Agreement***") and delivering an executed copy of such Joinder Agreement to (i) Ropes & Gray and (ii) Milbank as promptly as practicable, but in no event later than three (3) Business Days following, consummation of such Transfer. For the avoidance of doubt, a Consenting Lender may make a Transfer to a Related Fund without notice and with no requirement that the Related Fund execute a Joinder Agreement; *provided* that, following such Transfer, such Related Fund shall be deemed a Consenting Lender subject to the terms and conditions of this Agreement.

Each Consenting Lender agrees that any Transfer of any Claim that does not comply with the terms and procedures set forth herein shall be deemed void *ab initio*, and each other Party shall have the right to enforce the voiding of such Transfer.

(b) Notwithstanding anything to the contrary in this Agreement, a Consenting Lender may Transfer Claims to an Entity that is acting in its capacity as a Qualified Marketmaker (as defined below) without the requirement that the Qualified Marketmaker be or become an Entity that meets the requirements of Section 4.03(a)(1) and (2) hereof (a transferee that meets such requirements, a "***Permitted Transferee***"); *provided* that (i) any such Qualified Marketmaker may only subsequently Transfer the right, title, or interest to such Claims to a transferee that is or becomes a Permitted Transferee at the time of such Transfer, (ii) such transferor shall be solely responsible for the Qualified Marketmaker's failure to comply with the requirements of this Section 4.03, (iii) subject to Section 4.03(d), such Qualified Marketmaker must (A) subsequently Transfer the right, title or interest to such Claims within five (5) Business Days of its acquisition to a transferee described in the foregoing clause (i) that is not an affiliate, affiliated fund, or

affiliated Entity with a common advisor of such Qualified Marketmaker or (B) sign a Qualified Marketmaker Joinder (as defined below) on or before the Qualified Marketmaker Joinder Date (as defined below), and (iii) the Transfer documentation between such Consenting Lender and such Qualified Marketmaker shall contain a covenant providing for the requirement in the preceding clause (i); *provided*, *further*, that if a Consenting Lender is acting in its capacity as a Qualified Marketmaker, it may Transfer any Claims that it acquires that are not Consenting Claims (*i.e.*, received by such Qualified Marketmaker from a holder that is not a Consenting Lender) without such Transfer being subject to this Section 4.03.

(c) If at the time of a proposed Transfer of any Claims to a Qualified Marketmaker, such Claims (i) may be voted or their consent solicited with respect to the Transactions, then the proposed transferor must first vote or consent such Claims in accordance with Section 4.01, or (ii) have not yet been and may yet be voted or yet have their consent solicited with respect to the Approved Plan or the Transactions and such Qualified Marketmaker does not Transfer such Claims to a Permitted Transferee before the third Business Day before the expiration of an applicable voting or consent deadline (such date, the "***Qualified Marketmaker Joinder Date***"), such Qualified Marketmaker shall be required to (and the Transfer documentation to the Qualified Marketmaker shall have provided it shall), on the first Business Day immediately after the Qualified Marketmaker Joinder Date, become a Consenting Lender with respect to such Claims in accordance with the terms hereof (such signed Joinder Agreement, the "***Qualified Marketmaker Joinder***"); *provided*, *further*, that the Qualified Marketmaker shall automatically, and without further notice or action, no longer be a Consenting Lender with respect to such Claim or Interest at such time as such Claim or Interest has been Transferred by such Qualified Marketmaker to a transferee that is a Permitted Transferee in accordance with this Agreement.

(d) For these purposes, "***Qualified Marketmaker***" means an Entity that (i) holds itself out to the market as standing ready in the ordinary course of business to purchase from and sell to customers Consenting Claims (including debt securities or other debt), or enter with customers into long and/or short positions in Consenting Claims (including debt securities or other debt), in its capacity as a dealer or market maker in such Consenting Claims (including debt securities or other debt) and (ii) is in fact regularly in the business of making a market in claims, interest, or securities of issuers or borrowers

Section 4.04 Additional Claims. To the extent any Consenting Lender (a) acquires additional Claims entitled to vote on the Approved Plan; or (b) Transfers any Claims, then, in each case, each such Consenting Lender shall promptly notify Ropes & Gray of such acquisition (which notification may be by email from the Ad Hoc Group Advisors), and each such Consenting Lender hereby agrees that such additional Claims shall be subject to this Agreement, and that, for the duration of the Support Period, it shall vote (or cause to be voted) any such additional Claims entitled to vote on the Approved Plan (to the extent still held by it or on its behalf at the time of such vote), in a manner consistent with Section 4.01 hereof.

5. **Agreements of the Company Parties.**

The Company Parties hereby covenant and agree during the Support Period to:

(a) support and not object to the Approved Plan, the Sale Process, or any of the Transactions (including those contemplated by this Agreement, the Restructuring Term Sheet, the DIP Credit Agreement, the Approved Plan, the Sale Documents, and the other Definitive Documents), and take any reasonable action necessary in a timely manner to effectuate the Transactions in a manner materially consistent with this Agreement;

(b) pursue, consummate, and implement the Transactions on the terms set forth in this Agreement, including by negotiating, entering into, and effectuating the Definitive Documents in good faith and by obtaining the necessary Bankruptcy Court approvals of the Definitive Documents to consummate the Transactions;

(c) consent to, support, and grant, as applicable, the releases set forth in the Approved Plan, including the release of third-party claims pursuant to the Approved Plan and the Confirmation and Sale Order;

(d) not directly or indirectly (i) object to, delay, impede, or take any other action to interfere with the Chapter 11 Cases, the consummation of the Transactions, or acceptance, confirmation, and implementation of the Approved Plan (including encouraging another person to undertake any action prohibited by this Agreement), or (ii) otherwise take any action that would interfere with, delay, or postpone the consummation of the Transactions as set forth herein, as applicable;

(e) (i) act in good faith with regard to successful consummation of the Transactions consistent with this Agreement; and (ii) use commercially reasonable efforts to support or pursue, as applicable, any necessary federal, state, local, and foreign regulatory approvals to enable consummation of the Transactions, including approvals from any regulatory body whose approval or consent is determined by the Required Consenting Lenders to be necessary to consummate the Transactions;

(f) to the extent any legal, regulatory, or structural impediment arises that would prevent, hinder, or delay the consummation of the Transactions, negotiate in good faith appropriate additional or alternative provisions to address any such impediment;

(g) refrain from, directly or indirectly, taking any action that would be inconsistent with this Agreement in any material respect or that would materially interfere with or materially delay the consummation of the Transactions (including encouraging another person to undertake any action prohibited by this Agreement); *provided that* none of the foregoing affect the Company Parties' right to exercise the Fiduciary Out or limit the Company Parties' rights under Section 6 (subject in all respects to the rights of the Required Consenting Lenders to terminate this Agreement pursuant to Section 8);

(h) provide the Ad Hoc Group Advisors a reasonable opportunity to review draft copies of all first day pleadings and use commercially reasonable efforts to provide the Ad

Hoc Group a period of at least three (3) calendar days prior to the Petition Date to review such draft copies;

(i) act in good faith with regard to the successful consummation of the Transactions consistent with this Agreement;

(j) negotiate in good faith, execute, deliver, and perform its obligations under the Definitive Documents in accordance with the terms of this Agreement and any other required agreements to effectuate and consummate the Transactions and the transactions contemplated by the Definitive Documents;

(k) use commercially reasonable efforts to obtain additional support for the Transactions from their other material stakeholders;

(l) timely object to, and not file, as applicable, any motion or other pleading before the Bankruptcy Court (i) seeking to challenge the validity, enforceability, perfection or priority of, or any action seeking avoidance, claw-back, recharacterization or subordination of, any portion of the Prepetition First Lien Claims or any liens or collateral securing such Prepetition First Lien Loan Claims to the extent of any stipulations or waivers granted by any of the Company Parties pursuant to the DIP Orders, or (ii) requesting relief that is inconsistent with this Agreement in any material respect or would reasonably be expected to frustrate the purposes of this Agreement, including by preventing or delaying the consummation of the Restructuring Transactions;

(m) promptly notify the Consenting Lenders, the Ad Hoc Group Advisors in writing (email being sufficient) after becoming aware of the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that would reasonably be expected to prevent the consummation of a material portion of the Transactions;

(n) inform the Consenting Lenders, the Ad Hoc Group Advisors reasonably promptly after becoming aware of: (i) any matter or circumstance which it knows, or believes is likely, to be a material impediment to the implementation or consummation of the Transactions; (ii) any notice of any commencement of any involuntary insolvency proceedings, legal suit for payment of material debt, or securement of material security from or by any person in respect of any Company Party or any of its subsidiaries; or (iii) the occurrence of any termination event under this Agreement of which any Company Party is reasonably aware;

(o) in each case taking into account the Transactions (i) use commercially reasonable efforts to conduct its businesses and operations only in the ordinary course in a manner that is consistent with past practices and in compliance with applicable law, (ii) use commercially reasonable efforts to maintain its physical assets, properties, and facilities in their working order condition and repair, in the ordinary course, in a manner that is consistent with past practices, and in compliance with applicable law (ordinary wear and tear and casualty and condemnation excepted), (iii) maintain its books and records in the ordinary course, in a manner that is consistent with past practices, and in compliance with applicable law, (iv) maintain all insurance policies, or suitable replacements therefor, in full force and effect, in the ordinary course, in a manner that is

consistent with past practices, and in compliance with applicable law, (v) maintain its good standing under the laws of the state or other jurisdiction in which it is incorporated, organized or formed; and (v) use commercially reasonable efforts to preserve intact its business organizations and relationships with third parties (including creditors, lessors, licensors, suppliers, distributors, and customers) and employees in the ordinary course, in a manner that is consistent in all material respects with past practices, and in compliance with applicable law;

(p) pay and reimburse in full in cash in immediately available funds (i) after the Petition Date, subject to any applicable orders of the Bankruptcy Court but without the need to file fee or retention applications, all Transaction Expenses incurred prior to (to the extent not previously paid), on, and after the Petition Date, by the date that is five (5) Business Days of delivery to the Company Parties of any applicable invoice or receipt (or such other date as ordered by the Bankruptcy Court), and (ii) on the Effective Date, all Transaction Expenses incurred and outstanding in connection with the Restructuring Transactions (including any estimated fees and expenses estimated to be incurred through the Effective Date);

(q) (i) provide the Ad Hoc Advisors a reasonable opportunity to review Definitive Documents and other material pleading (but excluding monthly or quarterly operating reports, retention applications, fee applications, fee statements, and any declarations in support thereof or related thereto) any Company Party intends to file with the Bankruptcy Court, (ii) provide Ad Hoc Advisors a period of at least three (3) calendar days prior to the date when the Company Parties intend to file any Definitive Document or other material pleading to review, and (iii) consult in good faith with the Ad Hoc Group Advisors regarding the form and substance of any such proposed filing (in addition to any consent rights set forth herein);

(r) consult with the Consenting Lenders on a regular basis during the Chapter 11 Cases with respect to any strategic, regulatory, and other material transactions (including with respect to any settlements) impacting the Company Parties and their material affiliates;

(s) promptly, provide all due diligence and other information reasonably requested by the Ad Hoc Group Advisors in connection with; *provided that* the Company will have no obligation to provide any due diligence or other information to the extent that the Company reasonably determines that doing so would waive attorney-client privilege, the protection of any attorney work product doctrine, or any similar privileges or doctrines under applicable law:

(i) the Federal Court of Australia proceedings number NSD1224/2024 ("***Australian Class Action Proceeding***") and any related settlement negotiations with the Australian Class Action Proceeding plaintiffs;

(ii) the potential restructuring of Exactech Australia Pty Ltd (which may include, among other things, a voluntary administration process together with a Deed of Company Arrangement ("***DOCA***") or asset sale) in form and substance acceptable to the Ad Hoc Group in their reasonable discretion (the "***Australian Corporate Restructuring***") including without limitation, in relation to any material contracts, assets, and

liabilities of Exactech Australia, and any relevant regulatory and tax considerations; or

(iii) comments and/or information (as applicable), in respect of the proposed Australian Corporate Restructuring including in respect of any documentation relevant to the effectuation of such a transaction, such as the form of any DOCA or asset sale agreement;

(t) If requested in writing by the Ad Hoc Group Advisors, within 20 days of such request, the Company Parties will use commercially reasonable efforts to:

(i) obtain legal advice from local Australian counsel in relation to the nature and scope of claims to be compromised by way of any: (a) voluntary administration process in respect of Exactech Australia Pty Ltd; (b) settlement in respect of the Australian Class Action Proceeding, and to provide to the Ad Hoc Group Advisors copies of any such advice *provided* that the Company Parties will have no obligation to provide copies of any such advice to the extent that the Company Parties reasonably determines that doing so would waive attorney-client privilege, the protection of any attorney work product doctrine, or any similar privileges or doctrines under applicable law; and

(ii) provide analysis to the Ad Hoc Group outlining the Company Parties' reasonable view regarding the nature of any claims that may arise from the matters connected with the Australian Class Action Proceeding that may not be compromised by (a) or (b) above, including with respect to the potential number and quantum of such claims.

(u) promptly upon request from the Ad Hoc Group take such reasonable steps as requested in writing by the Ad Hoc Group to develop a detailed plan with respect to the preparation for the Australian Corporate Restructuring including a budget and estimate for fees, costs, taxes, and other expenses resulting from any such detailed plan;

(v) consult with the Ad Hoc Group with respect to the identity of any proposed voluntary administrator to Exactech Australia Pty Ltd and will seek the Ad Hoc Group's consent to the identity of such voluntary administrator (such consent not to be unreasonably withheld) (the "***Voluntary Administrator(s)***");

(w) consult with the Ad Hoc Group in relation to the identity of any directors proposed to be appointed to Exactech Australia Pty Ltd;

(x) not undertake any steps to amend, assign, terminate or provide any consents, or notices with respect to the license between Exactech Inc. and Exactech Australia Pty Ltd without consent from the Required Consenting Lenders;

(y) seek recognition of the Chapter 11 Cases with respect to Exactech Inc and an associated stay of the class action in Australia with respect to Exactech Inc.;

(z) use commercially reasonable efforts, and will procure that its direct and indirect subsidiaries including, without limitation, Exactech International Operations AG, use their commercially reasonable efforts, from time to time to take all steps to support the Australian Corporate Restructuring; *provided that* in no event shall any Company Party, Exactech International Operations AG, or Exactech Australia Pty Ltd. or any director, officer, manager, or member of any such entity be required to take any action or to refrain from taking any action to the extent inconsistent with applicable Law or its fiduciary obligations under applicable Law (as determined in good faith after consultation with outside legal counsel);

(aa) if Voluntary Administrator(s) are appointed to Exactech Australia Pty Ltd, the Company will request that the Voluntary Administrator(s) consult with the Ad Hoc Group with respect to the voluntary administration of Exactech Australia Pty Ltd.;

(bb) after the Company Parties and the Ad Hoc Group agree on the UK Corporate Restructuring Steps Plan and if the Stalking Horse Purchaser is declared the Winning Bidder, Exactech UK Limited shall promptly commence discussions with contract counterparties regarding its restructuring and corporate reorganization and consult with and provide regular updates to the Ad Hoc Group in connection therewith;

(cc) after the Company Parties and the Ad Hoc Group agree on the UK Corporate Restructuring Steps Plan and if the Stalking Horse Purchaser is declared the Winning Bidder, the Company Parties shall use all commercially reasonable efforts to complete the UK Corporate Restructuring Steps Plan as expeditiously as possible and shall consult with and provide regular updates to the Ad Hoc Group in connection therewith; and

(dd) to the extent that the Ad Hoc Group commences a proceeding in the Bankruptcy Court to seek a determination that all of Exactech, Inc.'s rights and interests (including membership interests and other equity interests) in JointMedica Limited can be transferred (and the relevant agreements, including without limitation that certain Amended and Restated Exclusive Distribution Agreement, dated as of August 24, 2023, between JointMedica Limited and Exactech, Inc., can be assumed and assigned) without the consent of JointMedica Investment Holdings, L.P. (and/or the Sponsor) (the "***JV Proceeding***"), the Debtors will use commercially reasonable efforts to support (i) the Ad Hoc Group's position in all respects with respect to such JV Proceeding, including by making any and all relevant information available to the Ad Hoc Group, and (ii) prosecution of such proceeding on the timeline proposed by the Ad Hoc Group.

6. **Additional Provisions Regarding Company Parties' Commitments.**

Section 6.01 Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement will require the Company Parties or any directors, officers, managers, or members of the Company Parties, each in their capacities as a director, officer, manager, or member of the Company Parties, to take any action, including the Fiduciary Out, or to refrain from taking any action, to the extent such person reasonably determines, after consulting with counsel, such action or inaction would be inconsistent with their fiduciary duties under applicable law (as determined by them in good faith after consultation with outside legal counsel), and any such action or inaction taken or not taken pursuant to this Section 6.01 shall not be deemed to constitute a breach of this Agreement; *provided* that such determination shall not impede, limit, or otherwise

alter any Party's termination rights set forth herein or in any Definitive Document. The Company Parties shall promptly notify each of the Consenting Lenders of any such determination within twenty-four (24) hours following such determination. Notwithstanding anything to the contrary herein, each Consenting Lender reserves its rights to challenge any action taken in the exercise of such fiduciary duties.

Section 6.02 Notwithstanding anything to the contrary in this Agreement, each Company Party and its respective directors, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives shall have the rights to, up and until the Bid Deadline: (a) consider, respond to, and facilitate Alternative Restructurings; (b) provide access to non-public information concerning any Company Party to any Entity or enter into nondisclosure agreements with any Entity; (c) maintain or continue discussions or negotiations with respect to Alternative Restructurings; (d) otherwise cooperate with, assist, participate in, or facilitate any inquiries, proposals, discussions, or negotiation of Alternative Restructurings; and (e) enter into or continue discussions or negotiations with holders of Claims against or equity interests in a Company Party (including any Party to this Agreement), any other party in interest in the Chapter 11 Cases (including any official committee and the United States Trustee), or any other Entity regarding the Transactions or Alternative Restructuring; *provided*, that (i) the Company Parties shall as soon as practicably reasonable notify the Consenting Lenders if the Company Parties (or their affiliates or agents) respond to any Alternative Restructuring proposal with a counter proposal (or other response) in writing and (ii) notwithstanding the foregoing, nothing herein shall impede, limit, or otherwise alter any Party's termination rights set forth herein or in any Definitive Document.

Section 6.03 Nothing in this Agreement shall: (a) impair or waive the rights of any Company Party to assert or raise any objection permitted under this Agreement in connection with the Transactions; or (b) prevent any Company Party from enforcing this Agreement or contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement.

7. [Reserved]

8. Termination of Agreement.

Section 8.01 Generally. This Agreement will automatically terminate (as to all Parties) upon (i) the Effective Date or (ii) three (3) Business days following the receipt of written notice, delivered in accordance with Section 22 hereof, from (a) the Required Consenting Lenders (which, for the avoidance of doubt, may be delivered by e-mail by Milbank on behalf of any or all entities constituting the Consenting Lenders) to the other Parties at any time after the occurrence of any Consenting Lender Termination Event or (b) each of the Company Parties (which for the avoidance of doubt, may be delivered by e-mail by Ropes & Gray on behalf of any or all entities constituting the Company Parties) to the other Parties at any time after the occurrence of any Company Termination Event. No Party may terminate this Agreement based on a Consenting Lender Termination Event or Company Termination Event, as applicable, caused by such Party's failure to perform or comply in all material respects with the terms and conditions of this Agreement (unless such failure to perform or comply arises as a result of another Party's prior failure to perform or comply in all material respects with the terms and conditions of this Agreement).

Section 8.02 If the Chapter 11 Cases are commenced, each of the Parties waives any right to assert that the exercise of termination rights under this Agreement is subject to the automatic stay provisions of the Bankruptcy Code, and expressly stipulates and consents hereunder to the prospective modification of the automatic stay provisions of the Bankruptcy Code for purposes of exercising termination rights under this Agreement, to the extent the Bankruptcy Court determines that such relief is required. The Company Parties acknowledge that after the Petition Date, the giving of notice of termination and the exercise of any rights under this Agreement by any Party shall not be considered a violation of the automatic stay of section 362 of the Bankruptcy Code.

Section 8.03 Each of the dates and time periods in this Section 8 may be extended by mutual agreement (which may be evidenced by e-mail confirmation, including from respective counsel) among the Company Parties and the Required Consenting Lenders.

Section 8.04 A "***Consenting Lender Termination Event***" will mean any of the following:

(a) failure of a Company Party to meet any Milestone, unless such Milestone is satisfied prior to delivery of a notice to the Company Parties from the Ad Hoc Group notifying the Company Parties of the failure to meet the Milestone, or waived or extended in accordance with Section 3.01(a) of this Agreement, or unless such failure is the result of any act, omission, or delay on the part of the terminating Consenting Lenders in material breach of their obligations under this Agreement;

(b) any Company Party withdraws or modifies the Bidding Procedures, any Sale Document, the Approved Plan, or the Disclosure Statement or files or supports any motion or pleading with the Bankruptcy Court that is in any material respect inconsistent with this Agreement, the Sale Documents or the Approved Plan and such withdrawal, modification, motion, or pleading has not been revoked or withdrawn (as applicable) before the date that is three (3) Business Days after the Company Parties receives written notice from the Required Consenting Lenders that such withdrawal, modification, motion, or pleading is inconsistent with this Agreement, the Sale Documents or the Approved Plan;

(c) any Company Party files a motion seeking to approve or support any Alternative Restructuring, modification, motion, or pleading with the Bankruptcy Court or take any action that is materially inconsistent with this Agreement, the Sale Documents, or the Approved Plan, as applicable, and such Alternative Restructuring, modification, motion, or pleading has not been revoked before the date that is three (3) Business Days after the filing or supporting party receives written notice from the Required Consenting Lenders that such withdrawal, modification, motion, or pleading is inconsistent with this Agreement, the Sale Documents, or the Approved Plan, as applicable;

(d) the material breach by a Company Party of any of the representations, warranties, covenants, or other obligations of the Company Parties set forth in this Agreement, which breach has not been cured (if curable) within five (5) Business Days of written notice from the Required Consenting Lenders; *provided*, that this termination right may not be exercised by any Consenting Lender that is in material breach of this Agreement;

(e) (i) entry of a DIP Order, Bidding Procedures Order, Disclosure Statement Approval Order, or Confirmation and Sale Order that is not consistent with this Agreement or otherwise reasonably acceptable to the Required Consenting Lenders or (ii) the filing of a motion by any Company Party seeking an order (without the prior written consent of the Required Consenting Lenders) vacating or modifying a DIP Order, Bidding Procedures Order, Disclosure Statement Approval Order, or Confirmation and Sale Order;

(f) (i) the occurrence of a termination event under, or the maturity date of, the DIP Documents, (ii) the occurrence of any Event of Default under (and as defined in) the DIP Credit Agreement that has not been cured (if subject to cure) in accordance with the terms of the DIP Credit Agreement and where the obligations outstanding under the DIP Credit Agreement have been accelerated, (iii) the termination or modification of any of the DIP Orders in a manner that is inconsistent with the Restructuring Term Sheet or the DIP Credit Agreement; or (iv) the termination of any order or agreement permitting the use of cash collateral in the Chapter 11 Cases, in each case, without the consent of the applicable terminating Consenting Lenders;

(g) a Company Party files or directly or indirectly supports another party in filing any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any First Lien Claims held by Consenting Lenders in manner inconsistent with the stipulations and waivers granted by any Company Party pursuant to the Final DIP Order;

(h) any Company Party loses the exclusive right to file a chapter 11 plan or to solicit acceptances thereof pursuant to section 1121 of the Bankruptcy Code;

(i) a Company Party fails to maintain their good standing under the laws of the state or other jurisdiction in which they are incorporated or organized, except to the extent that any failure to maintain such Company Party's good standing arises solely from the filing of the Chapter 11 Cases or is otherwise consented to by the Required Consenting Lenders;

(j) the Bankruptcy Court enters an order denying the Sale Transaction or denying confirmation of the Approved Plan or, in each case, disallowing any material provision thereof (without the consent of the Required Consenting Lenders) and such order remains in effect for fifteen (15) calendar days after entry of such order;

(k) any Company Party proposes or supports an Alternative Restructuring pursuant to a pleading filed in the Bankruptcy Court or publicly announces its intention to pursue an Alternative Restructuring, which proposal, support, or announcement has not been withdrawn after three Business Days' written notice from the Required Consenting Lenders;

(l) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final ruling, judgment or non-appealable order enjoining the consummation of or rendering illegal the Transactions, and such ruling, judgment or order has not been reversed or vacated by the later of (i) the entry of the Confirmation and Sale Order and (ii) three (3) Business Days after the Required Consenting Lenders provide written notice to the other Parties that such final ruling, judgment, or non-appealable order is materially inconsistent with this Agreement, unless in each case such ruling, judgment or order arises

primarily from the actions of a Consenting Lender or from the failure of a Consenting Lender to comply with its obligation hereunder;

(m) the Bankruptcy Court or a court of competent jurisdiction enters an order (i) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, (ii) dismissing one or more of the Chapter 11 Cases, (iii) rejecting this Agreement, or (iv) appointing a trustee or examiner for the Chapter 11 Cases, which order in each case has not been reversed, stayed, or vacated within three (3) Business Days after the Required Consenting Lenders provide written notice to the other Parties that such order is materially inconsistent with this Agreement;

(n) any Company Party exercises the Fiduciary Out, provides a Fiduciary Out Notice, or otherwise gives notice of termination of this Agreement pursuant to this Section 8; or

(o) any of the Definitive Documents, after completion, (i) contain terms, conditions, representations, warranties, or covenants that are inconsistent with this Agreement (including the Restructuring Term Sheet), (ii) shall have been amended or modified, other than in accordance with their terms, or (iii) shall have been withdrawn, in each case without the consent of the Required Consenting Lenders.

Section 8.05 A "***Company Termination Event***" will mean any of the following:

(a) the Consenting Lenders entitled to vote on the Approved Plan have (i) failed to timely vote their Claims in favor of the Approved Plan when properly solicited to do so, (ii) at any time change their votes to constitute rejections to the Approved Plan, or (iii) either fail to opt into the releases set forth in the Approved Plan or elect to opt out of the releases set forth in the Approved Plan, in each case in a manner inconsistent with this Agreement and, solely to the extent that the Consenting Lenders who have failed to meet the requirements in the foregoing clauses (i)-(ii) hold 33.33% or more of the aggregate outstanding principal amount of Prepetition First Lien Claims; *provided* that the Company Parties shall be entitled to pursue any and all other remedies against such Consenting Lender(s) for any such breach, including specific performance, injunctive, or other equitable relief;

(b) if, during the pendency of the Chapter 11 Cases, the Ad Hoc Group no longer constitutes "Required Lenders" under the Prepetition First Lien Credit Agreement;

(c) if the Required Consenting Lenders give notice of termination of this Agreement pursuant to this Section 8;

(d) one or more of the Consenting Lenders, or the collateral agent or administrative agent under the Prepetition First Lien Credit Agreement (unless the Required Consenting Lenders direct such agent to withdraw or cease such actions consistent with section 4(f) hereof) file or support any Alternative Restructuring, modification, motion, or pleading with the Bankruptcy Court or take any action that is materially inconsistent with this Agreement, the Sale Documents, or the Approved Plan, as applicable, and such Alternative Restructuring, modification, motion, or pleading has not been revoked before the date that is three (3) Business Days after the filing or supporting party receives written notice from the Company or Ropes &

Gray that such Alternative Restructuring, modification, motion, or pleading is inconsistent with this Agreement, the Sale Documents, or the Approved Plan, as applicable;

(e) the material breach by one or more of the Consenting Lenders of any of the representations, warranties, covenants, or other obligations of the Company set forth in this Agreement solely to the extent that (i) such breach would result in non-breaching Consenting Lenders holding less than 66.67% of the aggregate outstanding principal amount of Prepetition First Lien Claims and (ii) such breach has not been cured (if curable) before the date that is five (5) Business Days after receiving written notice from the Company Parties; *provided*, that this termination right may not be exercised by any Company Party that is in material breach of this Agreement and such breach would give rise to a Consenting Lender Termination Event;

(f) the board of directors, board of managers, or such similar governing body of any applicable Company Party determines in good faith, based on the advice of outside counsel that continued performance under this Agreement would be inconsistent with the exercise of its fiduciary duties under any applicable law (the "***Fiduciary Out***"); *provided* that counsel to such applicable Company Party shall provide notice of such determination (the "***Fiduciary Out Notice***") not later than one (1) Business Day thereafter (email being sufficient) to the Ad Hoc Group Advisors; *provided, further*, for the avoidance of doubt, that the Required Consenting Lenders may terminate this Agreement in accordance with Section 8.04(m); or

(g) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final ruling, judgment or non-appealable order enjoining the consummation of or rendering illegal the Transactions, and such ruling, judgment or order has not been reversed or vacated by the later of (i) the entry of the Confirmation and Sale Order and (ii) fifteen (15) Business Days after the Company provides written notice to the other Parties that such final ruling, judgment, or non-appealable order is inconsistent with this Agreement.

Section 8.06 Mutual Termination. This Agreement may be terminated by mutual written agreement of the Company and the Required Consenting Lenders. The Company will deliver written notice of any such termination to all Parties in accordance with Section 22 hereof.

Section 8.07 Effect of Termination. Upon the occurrence of a Termination Date as to a Party, this Agreement shall be of no further force and effect as to such Party and each Party subject to such termination shall be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had, had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement, including with respect to any and all Claims or causes of action. Nothing in this Agreement shall be construed as prohibiting a Company Party or any of the Consenting Lenders from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before a Termination Date. Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict any right of any Party or the ability of any Party to protect and reserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any other Party. Nothing in this Section 8.07 shall restrict any Company Party's

right to terminate this Agreement in accordance with the Fiduciary Out, subject in all respects to the rights of the Required Consenting Lenders to terminate this Agreement pursuant to this Section 8.

Section 8.08 Automatic Termination. This Agreement shall terminate automatically without any further required action or notice (a) with respect to all Parties, immediately after the Effective Date and (b) solely with respect to an individual Consenting Lender, upon the receipt of written notice from such Consenting Lender (which, for the avoidance of doubt, may be delivered by e-mail by Milbank on behalf of any Consenting Lender) to (i) Milbank and (ii) the other Parties representing and certifying that it no longer beneficially owns or has investment authority or discretion over any Consenting Claims; *provided* that such Consenting Claims were validly Transferred in accordance with Section 4.03.

Section 8.09 No Waiver. If the Transactions are not consummated, nothing herein shall be construed as a waiver by any Party of any or all of such Party's rights, and the Parties expressly reserve any and all of their respective rights as if the Parties had not entered this Agreement. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the Agreement's terms.

9. **Additional Documents.**

Each Party hereby covenants and agrees to cooperate with each other in good faith in connection with, and will exercise commercially reasonable efforts with respect to, the negotiation, drafting, and execution and delivery of the Definitive Documents. In the case of any conflict or inconsistency between the Approved Plan and any form of or term sheet for a Definitive Document attached as an exhibit hereto, the terms of the Approved Plan shall control. In the case of any conflict or inconsistency between the Confirmation and Sale Order and the Approved Plan or any other Definitive Document, the Confirmation and Sale Order shall control.

10. **Representations and Warranties.**

Section 10.01 Each Party, severally (and not jointly), represents and warrants to the other Parties that the following statements are true, correct, and complete as of the date hereof (or such later date that such Party first becomes bound by this Agreement) and solely with respect to the Company Parties, subject to any limitations or approvals arising from or required by the commencement of the Chapter 11 Cases:

(a) such Party is validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, and has all requisite corporate, partnership, limited liability company or similar authority to enter into this Agreement and carry out the transactions contemplated hereby and perform its obligations contemplated hereunder; and the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized by all necessary corporate, limited liability company, partnership or other similar action on its part;

(b) the execution, delivery and performance by such Party of this Agreement does not and will not (i) violate (x) in any material respect any provision of law, rule or regulation

applicable to it or (y) its charter or bylaws (or other similar governing documents) or (ii) in the case of the Consenting Lenders, conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it is a party;

(c) the execution, delivery and performance by such Party of this Agreement does not and will not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any federal, state, or governmental authority or regulatory body, except such filings that may be necessary in connection with the Chapter 11 Cases and such filings as may be necessary or required for disclosure to any applicable regulatory body whose approval or consent is determined by the Company Parties to be necessary to consummate the Transactions; and

(d) this Agreement is the legally valid and binding obligation of such Party, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability or a ruling of a court.

Section 10.02 Each Consenting Lender severally (and not jointly), represents and warrants to the other Parties that as of the date hereof (or such later date that such Party first becomes bound by this Agreement), such Consenting Lender:

(a) (i) is the beneficial owner of the Prepetition First Lien Claims set forth below its name on the applicable signature page of this Agreement or (ii) has, with respect to such beneficial ownership of such Prepetition First Lien Claims, (A) investment or voting discretion with respect to such Prepetition First Lien Claims, (B) full power and authority to vote on and consent to matters concerning such Prepetition First Lien Claims, and (C) full power and authority to bind or act on the behalf of, such beneficial owners.

(b) does not own or control any other "claims", "equity security" or "security" in respect of the Company Parties (including as such terms are defined in section 101 of the Bankruptcy Code) other than as set forth below its name on the signature page to this Agreement;

(c) other than related to the Transaction, is not a party to any other agreement, arrangement, or understanding with respect to the subject matter hereof with another Consenting Lender;

(d) by entering into this Agreement and performing its obligations hereunder is not taking any action that would constitute a breach of any law or regulation or violation of any order or direction of any relevant court or governmental body.

11. **Amendments and Waivers.**

This Agreement may not be modified, amended, or supplemented, and no condition or requirement of this Agreement may be waived, in any manner except in accordance with this Section 11.

This Agreement may be modified, amended, or supplemented, or a condition or requirement of this Agreement may be waived, only in a writing signed by: (a) each OpCo Party or (b) the Required Consenting Lenders.

Any proposed modification, amendment, waiver, or supplement that does not comply with this Section 11 shall be ineffective and void *ab initio.*

The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver of any such right, power or remedy or any provision of this Agreement, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy. All remedies under this Agreement are cumulative and are not exclusive of any other remedies provided by Law.

12. **Effectiveness.**

This Agreement will become effective and binding (i) as to the Company Parties and the Consenting Lenders on the Support Effective Date; (ii) as to any Consenting Lender that enters into a Joinder Agreement, upon delivery to the Company of such validly completed Joinder Agreement and the occurrence of the Support Effective Date; and (iii) as to any Permitted Transferee, upon delivery of a validly completed Joinder Agreement and the occurrence of the Support Effective Date.

13. **GOVERNING LAW; JURISDICTION; WAIVER OF JURY TRIAL.**

THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISIONS WHICH WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. BY ITS EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ANY LEGAL ACTION, SUIT OR PROCEEDING AGAINST IT WITH RESPECT TO ANY MATTER UNDER OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RENDERED IN ANY SUCH ACTION, SUIT OR PROCEEDING, MAY BE BROUGHT IN ANY FEDERAL OR STATE COURT IN NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HEREBY IRREVOCABLY ACCEPTS AND SUBMITS ITSELF TO THE EXCLUSIVE JURISDICTION OF EACH SUCH COURT, GENERALLY AND UNCONDITIONALLY, WITH RESPECT TO ANY SUCH ACTION, SUIT OR PROCEEDING. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RESTRUCTURING CONTEMPLATED HEREBY. NOTWITHSTANDING THE FOREGOING, DURING THE PENDENCY OF THE CHAPTER 11 CASES, ALL PROCEEDINGS CONTEMPLATED BY THIS SECTION 13 SHALL BE BROUGHT IN THE BANKRUPTCY COURT.

14. **Remedies/Specific Performance.**

It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party, and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (without the posting of any bond and without proof of actual damages) as a remedy of any such breach, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to promptly comply with any of its obligations hereunder.

15. **Survival.**

Notwithstanding the termination of this Agreement pursuant to Section 8 hereof, Sections 5(n) and 13-22 (and, to the extent applicable to the interpretation of such surviving sections, Section 1) will survive such termination and will continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

16. **Headings.**

The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and will not affect the interpretation hereof or, for any purpose, be deemed a part of this Agreement.

17. **Successors and Assigns; Severability; Several Obligations.**

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns, as applicable. There are no third party beneficiaries under this Agreement, and the rights or obligations of any Party under this Agreement may not be assigned, delegated, or transferred to any other person or Entity.

18. **Prior Negotiations; Entire Agreement.**

This Agreement, including the exhibits and schedules hereto, constitutes the entire agreement of the Parties, and supersedes all other prior negotiations, with respect to the subject matter hereof, except that the Parties acknowledge that any confidentiality agreements or agreements with respect to shared or common interest heretofore executed between the Company Parties, any Consenting Lender (or the Ad Hoc Group Advisors) will continue in full force and effect in accordance with the terms thereof.

19. **Counterparts.**

This Agreement may be executed in several counterparts, each of which will be deemed to be an original, and all of which together will be deemed to be one and the same agreement. Execution copies of this Agreement may be executed via PDF or other electronic means and may be delivered by electronic mail, which will be deemed to be an original for the purposes of this Section 19.

20. **Interpretation.**

Except as otherwise expressly provided in this Agreement, the term "including" shall mean "including, without limitation," and the words "include" and "includes" shall have corresponding meanings.

21. **Notices.**

All notices, requests, demands, document deliveries, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given, provided or made (a) when delivered personally; (b) when sent by electronic mail ("e-mail"); or (c) two business days after deposit with an overnight courier service, with postage prepaid to the Parties at the following addresses (or at such other addresses for a Party as shall be specified by like notice):

(1) If to the Company Parties, to:

Exactech, Inc.
2320 NW 66th Court,
Gainesville, Florida 32653
Attention: Donna Edwards, General Counsel and Senior Vice President
(donna.edwards@exac.com)

with a copy (which will not constitute notice) to:

Ropes & Gray LLP
191 North Wacker, 32 Floor
Chicago, IL 60606
Attention: Ryan Preston Dahl (ryan.dahl@ropesgray.com)
Benjamin M. Rhode (benjamin.rhode@ropesgray.com)
Luke Smith (luke.smith@ropesgray.com)

(2) If to the Consenting Lenders, to the addresses or electronic mail addresses set forth below the Consenting Lender's signature, with a copy (which will not constitute notice) to:

Milbank LLP
55 Hudson Yards
New York, NY 10001
Attention: Evan Fleck (efleck@milbank.com)
Nelly Almeida (nalmeida@milbank.com)

Any notice given by delivery, mail, or courier will be effective when received. Any notice given by electronic mail will be effective upon confirmation of transmission. Any notice or consent to be provided by the Required Consenting Lenders may be delivered by e-mail by Milbank on behalf of any or all entities constituting the Consenting Lenders.

22. **No Solicitation; Representation by Counsel; Adequate Information.**

(a) This Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a chapter 11 plan for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise.

(b) Each Party acknowledges for the benefit of the other Parties and their respective advisors that it has the requisite knowledge and experience in financial and business matters so that it is capable of evaluating the merits and risks of the securities that may be acquired by it pursuant to the transactions contemplated hereby and has had an opportunity to receive information from the Company Parties and that it has been represented by counsel in connection with this Agreement and the transactions contemplated hereby. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel will have no application and is expressly waived. Each Party hereby further confirms for the benefit of the other Parties and their respective advisors that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions, and prospects of the Company Parties and/or the Transactions, and without reliance on any statement of any other Party (or such other Party's financial, legal or other professional advisors), other than such express representations and warranties of the Company Parties set forth in this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

Company Signature Page to
the Restructuring Support Agreement

AUTHORIZED SIGNATORY OF
OSTEON HOLDINGS, INC.

DocuSigned by:
6B41AA5252AD4D1...

Name: Donna Edwards
Title: Secretary

AUTHORIZED SIGNATORY OF
OSTEON INTERMEDIATE HOLDINGS I, INC.

DocuSigned by:
6B41AA5252AD4D1...

Name: Donna Edwards
Title: Secretary

AUTHORIZED SIGNATORY OF
OSTEON INTERMEDIATE HOLDINGS II, INC.

DocuSigned by:
6B41AA5252AD4D1...

Name: Donna Edwards
Title: Secretary

AUTHORIZED SIGNATORY OF
EXACTECH, INC.

DocuSigned by:
6B41AA5252AD4D1...

Name: Donna Edwards
Title: Secretary

AUTHORIZED SIGNATORY OF XPANDORTHO, INC.

DocuSigned by:

6B41AA5252AD4D1...

Name: Donna Edwards
Title: Secretary

[*Lender Signature Pages on File*]

EXHIBIT C

Simplified Corporate Structure Chart

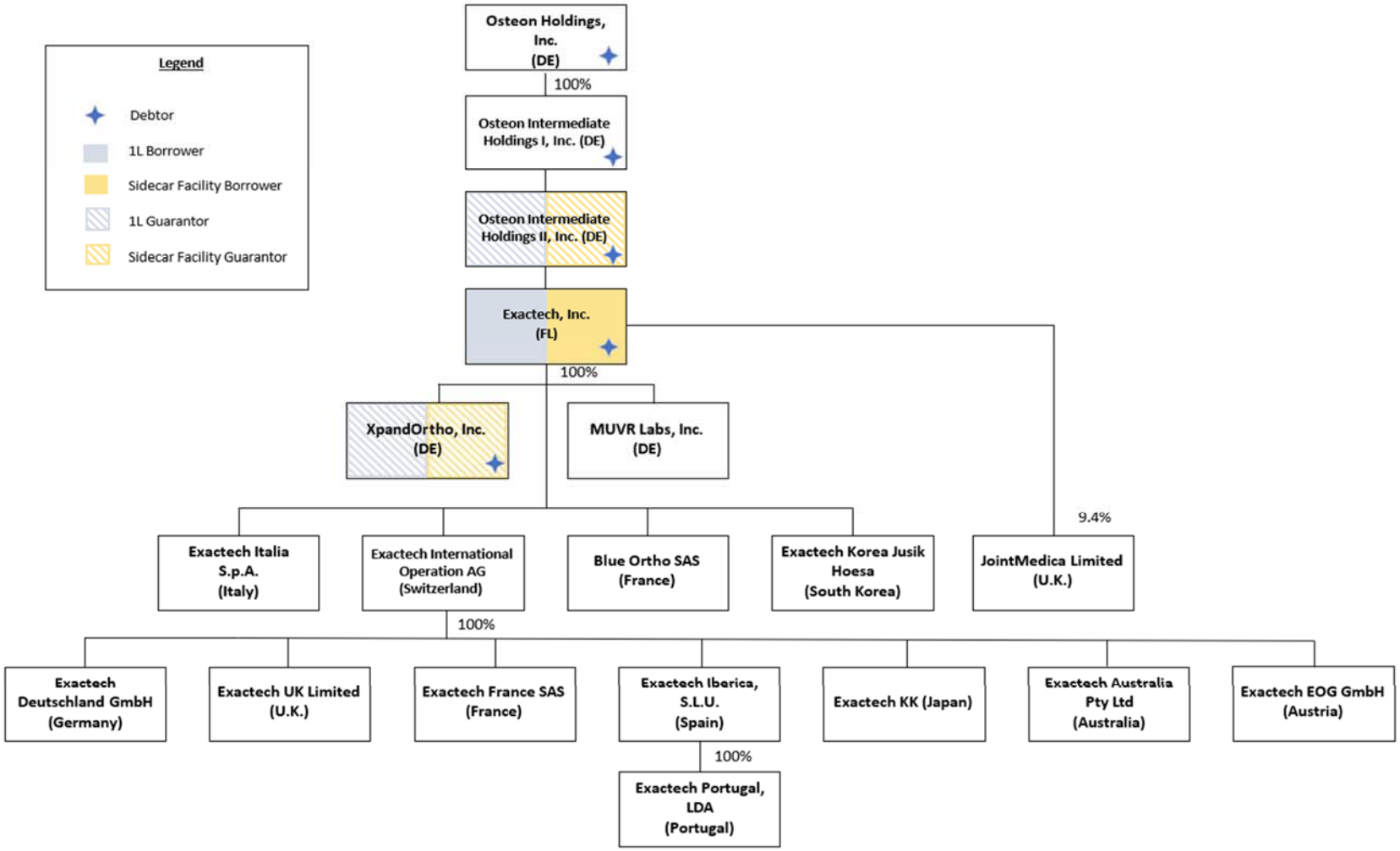


EXHIBIT D

Disclosure Statement Order

[INTENTIONALLY OMITTED]

EXHIBIT E

Liquidation Analysis

Liquidation Analysis

Under the "best interests" of creditors test set forth in section 1129(a)(7) of the Bankruptcy Code, the Bankruptcy Court may not confirm a chapter 11 plan unless the plan provides each holder of a claim or interest who does not otherwise vote in favor of the plan with property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtor was liquidated under chapter 7 of the Bankruptcy Code. *See* 11 U.S.C. § 1129(a)(7).[1] Accordingly, to demonstrate that the Debtors' Plan satisfies the "best interests" of creditors test, the Debtors have prepared this hypothetical liquidation analysis (this "Liquidation Analysis") presenting recoveries that may be obtained by Holders of Claims and Interests upon a disposition of assets in a hypothetical chapter 7 liquidation as an alternative to recoveries provided under the Plan.

The Liquidation Analysis presents information based on, among other things, the Debtors' books and records, and good faith estimates regarding asset recoveries and Claims resulting from a hypothetical liquidation under chapter 7 of the Bankruptcy Code. This Liquidation Analysis contemplates converting the ongoing Chapter 11 Cases to liquidation under chapter 7 on March 28, 2025 (the "Conversion Date"). Primary sources of recovery are expected to consist of available cash on hand, collectable accounts receivable, and proceeds from the rapid scrapping of inventory and sale of certain fixed assets. This analysis includes provisions for a chapter 7 trustee to oversee the liquidation, professionals to support the trustee, and a liquidator to assist in the disposal of inventory and certain fixed assets. This process is assumed to take three months to complete. Amounts used in this Liquidation Analysis are from the latest quarterly balance sheet prepared as of September 30, 2024, the Debtors' filed Statement of Assets and Liabilities ("SOAL"), and weekly cash flow and working capital projections from the DIP Budget, taken as of the assumed Conversion Date. This analysis only includes the Debtors. Non-debtor entities are assumed to liquidate simultaneously utilizing all assets locally available with no excess recovery available to the Debtors and no additional support required from the Debtors. The determination of the proceeds from the hypothetical liquidation of assets involves the use of estimates and assumptions. Although the Debtors consider the estimates and assumptions underlying the Liquidation Analysis to be reasonable under the circumstances, such estimates and assumptions are subject to business, economic, competitive, political, and regulatory uncertainties and contingencies beyond the Debtors' control. Accordingly, the forecasted results set forth by the Liquidation Analysis may not be realized if the Debtors were liquidated. Actual results in such a case could vary from those

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[1] Capitalized terms used but not defined herein have the meanings set forth in (a) the *Disclosure Statement Relating to the Joint Chapter 11 Plan of Exactech, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (as may be amended, modified, or supplemented from time to time and including all exhibits thereto, the "Disclosure Statement"), to which this Liquidation Analysis is attached as **Exhibit E** or (b) the *Joint Chapter 11 Plan of Exactech, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 390] (as may be amended, modified, or supplemented from time to time and including all exhibits thereto, the "Plan"), as applicable.

presented herein, which could result in distributions to members of applicable Classes of Claims to differ from those set forth in this Liquidation Analysis.

The Liquidation Analysis is a hypothetical exercise that has been prepared for the sole purpose of presenting a reasonable good faith estimate of the proceeds that would be realized if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code. The Liquidation Analysis is not intended and should not be used for any other purpose. The Liquidation Analysis does not purport to be a valuation of the Debtors' assets in the context of a holistic reorganization, and there may be a difference between the Liquidation Analysis and the values that may be realized or Claims generated in an actual liquidation.

Nothing contained in the Liquidation Analysis is intended to be, or constitutes, a concession, admission, or allowance of any claim by the Debtors. The actual amount or priority of Allowed Claims in the Chapter 11 Cases could differ from the estimated amounts set forth and used in the Liquidation Analysis. The Debtors reserve all rights to supplement, modify, or amend the analysis set forth herein.

Analysis

Consolidated, $000s USD		Liquidation Analysis - Consolidated Debtors						
		Assets Book Value	Assets Subject to Other Secured Claims (Class 1)	Assets Subject to Dist. Under Remaining Plan Priority Waterfall (Classes 2-5)	Recovery Available for Distribution to Classes 2-5: Estimate (%) Low	Estimate (%) High	Estimate ($) Low	Estimate ($) High
Assets								
Current Assets								
Cash & Cash Equivalents	[1]	$10,000	–	$10,000	100.0%	100.0%	$10,000	$10,000
DIP Funding Account	[2]	15,000	–	15,000	100.0%	100.0%	15,000	15,000
Accounts Receivable	[3]	38,093	–	38,093	80.0%	90.0%	30,474	34,283
Prepaid Expenses	[4]	4,774	–	4,774	1.8%	5.4%	86	259
Income Taxes Receivable	[5]	1,485	–	1,485	5.0%	10.0%	74	149
Net Inventories	[6]	52,997	–	52,997	4.0%	6.9%	2,117	3,668
Other Current Assets	[7]	–	–	–	–	–	–	–
Subtotal, Current Assets		$122,349	–	$122,349	47.2%	51.8%	$57,752	$63,359
Non-current Assets								
Property & Equipment, Net	[8]	$118,008	$62,380	$55,628	5.6%	12.2%	$3,120	$6,769
Deposits	[9]	116	–	116	90.0%	100.0%	104	116
Insurance Receivable	[10]	6,850	–	6,850	–	–	–	–
Intangible Assets, Net	[11]	172,139	–	172,139	1.9%	6.3%	3,231	10,795
Goodwill		157,372	–	157,372	–	–	–	–
Non-current Inventory	[6]	31,535	–	31,535	–	–	–	–
Intercompany	[12]	120,864	–	120,864	–	–	–	–
Other non-current assets	[13]	2,740	–	2,740	50.0%	70.0%	1,370	1,918
Subtotal, Non-current Assets		$609,626	$62,380	$547,245	1.4%	3.6%	$7,825	$19,598
Total Assets / Gross Proceeds		**$731,975**	**$62,380**	**$669,595**	**9.8%**	**12.4%**	**$65,577**	**$82,958**
Cost of Asset Liquidation								
Wind-down costs	[14]						(3,207)	(3,207)
Liquidator Fees	[15]						(943)	(1,879)
Chapter 7 Professional Fees	[16]						(2,250)	(2,250)
Chapter 7 Trustee Fees	[17]						(1,799)	(2,292)
Net Cash Available for Distribution					**8.6%**	**11.0%**	**$57,379**	**$73,330**

		Summary of Estimated Claims Recovery						
Gross Claims		Book Value	Other Secured Claims (Class 1)	Remaining Plan Priority Waterfall Claims (Classes 2-5)	Recovery Estimate (%) Low	High	Recovery Estimate ($) Low	High
Other Secured Claims		**$77,158**	**$77,158**	**–**	100.0%	100.0%	**$77,158**	**$77,158**
Sale-Leaseback Obligations	[18]	75,590	75,590	–	100.0%	100.0%	75,590	75,590
Equipment Financings	[19]	1,032	1,032	–	100.0%	100.0%	1,032	1,032
Other	[20]	535	535	–	100.0%	100.0%	535	535
Administrative & Priority Claims		**$119,929**	**–**	**$119,929**	47.8%	61.1%	**$57,379**	**$73,330**
Administrative Claims	[21]	$12,995	–	$12,995	6.5%	6.5%	$840	$840
Professional Fee Claims	[22]	1,385	–	1,385	100.0%	100.0%	1,385	1,385
Statutory Fees	[23]	250	–	250	100.0%	100.0%	250	250
Priority Tax Claims	[24]	1,774	–	1,774	–	–	–	–
DIP Claims	[25]	90,530	–	90,530	60.6%	78.3%	54,903	70,855
Secured Claims (Prepetition Pari 1L)		**$369,241**	**–**	**$369,241**	–	–	**–**	**–**
Prepetition 1L Credit Facility	[26]	333,807	–	333,807	–	–	–	–
Prepetition 1L Sidecar Facility	[27]	35,434	–	35,434	–	–	–	–
Unsecured Claims		**$86,703**	**–**	**$86,703**	–	–	–	–
Accounts Payable	[28]	27,498	-	27,498	–	–	–	–
Accrued Liabilities	[29]	59,205	-	59,205	–	–	–	–
Litigation Related Claims	[30]	–	-	–	–	–	–	–
Shareholders' Equity	[31]	**$43,552**	**–**	**–**	–	–	**–**	**–**

1. **Cash & Cash Equivalents** assumes an estimated $10.0M of available cash based on the Company's targeted minimum liquidity.

2. **DIP Funding Account** includes $15.0M of cash held in reserve from the Final DIP draw. These funds are assumed to provide $15.0M of the $54.9M to $70.9M of DIP Claims recovery.

3. **Accounts Receivable** represent outstanding sales to healthcare systems and surgeons. For the avoidance of doubt, products are not sold directly to individual patients receiving Exactech implants and no portion of this amount is owed by individual patients. Customers generally wait to receive insurance proceeds before paying the Company. Typical days' sales outstanding are approximately 55 days. As of December 2024, the majority of Debtors' receivables were current with approximately 16% of receivables greater than 30 days past due. Estimated recovery is 80% to 90% of the projected net amount at the Conversion Date. This is $38.1MM, equal to $39.7M gross receivables less a 4.0%, or a $1.6M allowance, based on the ratio of the Debtors' September 30, 2024 balance sheet accounts.

4. **Prepaid Expenses** include prepayments for insurance, events and related travel, product, and subscriptions for services of various terms, mainly related to IT and ERP systems. Insurance renewals occur annually at the end of March and prepayments would therefore be consumed by the Conversion Date. Similarly, most other prepaids are expected to be consumed or are otherwise not a practical source of recovery, with the exception being subscription and other prepaids, which are expected to yield a limited recovery of 5% to 15%, or $86k to $259k, of the September 30, 2024 balance sheet amount.

5. **Income Tax Receivables** are $1.5M as of the September 30, 2024 balance sheet and estimated to yield a 5% to 10% recovery due to the onerous work that would need to be performed in order to collect such amount.

6. **Inventory** consists of the Company's proprietary orthopedic implants and related surgical instruments and imaging devices. This includes finished goods, as well as raw materials and work-in-process. The Company manufactures the bulk of its inventory, relying heavily on foreign non-Debtor operations. Due to the highly specific and specialized nature of these products, they have little value outside of an ongoing operation that includes the relevant intellectual property and are therefore unlikely to yield substantial recovery in a liquidation. Even the raw materials include a large portion of product-specific polymer that would have limited utility to other buyers. Some recovery is possible to the extent that inventory consists of metal that can be scrapped or reclaimed, mainly in the raw material and partially in the instruments categories. $23M of the September 30, 2024 inventory is raw materials, of which approximately 10% or $2.3M relates to metals. Estimated recovery is 50% to 75% of this metal raw material amount. Additionally, $20M of the September 30, 2024 inventory balance includes instruments that could be scrapped for an estimated 5% to 10% recovery.

7. **Other Current Assets** consist largely of stop loss insurance receivables that are expected to be collected on and depleted prior to the contemplated Conversion Date, yielding zero recovery. At this point, no value associated with potential causes of action that may be available to the Estate have been included in the liquidation analysis pending the completion of the Special Committee's investigation. Upon the conclusion of the investigation, to the extent quantifiable claims are identified, the analysis may be updated. To the extent there are causes of action available to the Estate certain of such causes of action (or the proceeds thereof) may be subject to the DIP Liens or the Adequate Protection Liens (each as defined in the DIP Orders).

8. **Property, Plant, & Equipment** – Following a series of sale leaseback transactions of machinery and other property, the Debtors no longer own substantial fixed assets.

    a. Machinery & Equipment, Facilities, and other Right-of-Use Assets consist of collateral for Other Secured Claims ("Class 1" under the Plan), the return of which is assumed to fully satisfy those lease and equipment financing claims. Note the total book value of these assets is less than the claim amounts due to GAAP accounting practices.

    b. Other owned fixed assets will be sold and the proceeds distributed under the priority waterfall to Classes 2-5 as available. Recovery is limited to an estimated 10% to 15% of Computer, Designs, and Software, which primarily consists of computer equipment; 5% to 10% of Surgical Instruments (in line with recoveries of similar inventory); 10% to 30% of Furniture & Fixtures; and 10% to 30%

of Property & Equipment In-Progress, which consists of newer equipment being brought online that may be useful to other buyers. Amounts are based on the net book value as of September 30, 2024.

9. **Deposits** are limited in amount ($116k per September 30, 2024 balance sheet) and expected to be largely recoverable. Estimated recovery is between 90% to 100%.

10. **Non-Current Insurance Receivables** are expected to remain available for defense costs and potential plaintiff settlements but are not anticipated to be a source of general recovery to creditors under the priority waterfall outlined herein.

11. **Intangible Assets, Net** consist of Product Licenses & Design, which are not expected to have any value in a liquidation; Customer Relations are expected to recover an estimated 50% to 75% of their book value; and Patents & Trademarks are expected to recover an estimated 10% to 40% of their book value.

12. **Intercompany** balances and investments in non-Debtor foreign subsidiaries are not expected to be a source of recovery. This analysis assumes that the non-Debtors will wind down, simultaneously utilizing all of the assets available locally with no additional support from the Debtors.

13. **Other non-current assets** include Debtors' minority equity investment in a medical device development company. This analysis assumes the majority shareholder buys out the Debtors' interest in the event of liquidation, yielding a recovery of $1.4M to $1.9M (*i.e.*, 50% to 70% of the book value of the Debtors' interest).

14. **Wind-Down Costs** include the operational costs to carry out the liquidation over a 13-week (3 month) period. Projected total costs of $3.2M consist of: $1.8M in lease payments, $700k utilities, and $700k for 15 employees at a blended annual cost of $180k per person.

15. **Liquidator Fees** are estimated at 18% of the gross proceeds from inventory and property. plant and equipment, representing typical auctioneer fees.

16. **Chapter 7 Professional Fees** include the cost of attorneys, accountants and other professionals that the Chapter 7 trustee retains to assist in the liquidation process. This analysis assumes $300k charged immediately and $150k per week in total fees for 13 weeks thereafter, totaling $2.3M.

17. **Chapter 7 Trustee Fees** reflect Section 326(a) of the Bankruptcy Code: a $53,350 fee on the first $1.0M of disbursements, plus 3% on the net distributions thereafter.

Other Secured Claims: Treatment for Other Secured Claims under the proposed plan: On the Effective Date, or as soon as practicable thereafter, except to the extent that a Holder of Other Secured Claim and the Debtor against which such Other Secured Claim is asserted agree to a less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, at the option of the applicable Debtor or the Wind-Down Trustee, as applicable: payment in full in Cash, the collateral securing such Holder's Other Secured Claim, or such other treatment as to render such Holder's Other Secured Claim Unimpaired. Other Secured Claims consist of the following**:**

18. **Sale-Leaseback Obligations** of $75.6M are the result of sale leaseback transactions on the Company's corporate headquarters, certain equipment and other financed equipment. Lease counterparties are entitled to full recovery. This analysis assumes that the return of the collateral will fully satisfy lease claims. Amounts are based on projected balance through March 2025.

19. **Equipment Financing** includes two equipment financing agreements, with claims totaling $1.1M. Counterparties are entitled to full recovery, and this analysis assumes that the return of collateral will fully satisfy equipment financing claims. Amounts per Schedule D of the SOAL.

20. **Other** of $535k relates to a credit card program, where the Company cash collateralizes the obligations to the issuing bank. Full recovery is assumed.

Administrative and Priority Claims consist of the following:

21. **Administrative Claims:**

    a. **Employee Claims** are estimated to be $840k based on 5 days of accrued payroll on the Conversion Date of March 28, 2024.

    b. **Post-Petition Accounts Payable** of $11.8M, represent projected claims incurred after the Petition Date and unpaid as of the Conversion Date.

    c. **503(b)(9) Claims** of $335k are projected at the Conversion Date based on the DIP Budget.

22. **Professional Fee** Claims of $1.4M are estimated to be incurred in excess of the projected amounts paid to professionals and funded into the escrow account at Conversion Date.

23. **Statutory Fees** are estimated to be $250k, owing to the U.S. Trustee for Q2 2025 prior to the Conversion Date and for disbursements made in connection with the liquidation.

24. **Priority Tax Claims** of $1.8M are estimated per Schedule E/F of the SOAL.

25. **DIP Claims** are estimated to be $91M based on the DIP forecast including PIK interest through the Conversion Date. This analysis does not reflect the application of reserves in the DIP Funding Account to the DIP Claims.

Secured Claims include**:**

26. **Prepetition Pari 1L Credit Facility Claims** of $333.8M are projected through March 2025, receiving $0 recovery.
27. **Prepetition 1L Sidecar Facility Claims** of $35.4M are projected through March 2025, receiving $0 recovery. Note the $33M is inclusive of principal, accrued cash and PIK interest and an exit fee per the terms of the credit agreement.

Unsecured Claims include:

28. **Accounts Payable** of $27.5M are projected for March 28, 2024, representing claims incurred prior to the Petition Date net of payments projected prior to the Conversion Date.
29. **Accrued Liabilities** of $59M are projected per the September 30, 2024 balance sheet.
30. **Litigation Related Claims** are contingent, unliquidated, and disputed, and not assigned an estimated value in this analysis. This liquidation analysis shows zero recovery available to satisfy any such claims.

Shareholders' Equity:

31. **Shareholders' Equity** is presented at book value as of September 30, 2024, and shown to receive zero recovery.

[detailed exhibit on following page]

Consolidated, $000s USD		Liquidation Analysis - Consolidated Debtors						
		Assets Book Value	Assets Subject to Other Secured Claims (Class 1)	Assets Subject to Dist. Under Remaining Plan Priority Waterfall (Classes 2-5)	Recovery Available for Distribution to Classes 2-5: Estimate (%) Low	Estimate (%) High	Estimate ($) Low	Estimate ($) High
Assets								
Current Assets								
Cash & Cash Equivalents	**[1]**	$10,000	–	$10,000	100.0%	100.0%	$10,000	$10,000
DIP Funding Account	**[2]**	15,000	–	15,000	100.0%	100.0%	15,000	15,000
Accounts Receivable	**[3]**	38,093	–	38,093	80.0%	90.0%	30,474	34,283
Prepaid Insurance		1,686	–	1,686	–	–	–	–
Prepaid Events		1,233	–	1,233	–	–	–	–
Prepaid Product		128	–	128	–	–	–	–
Other Prepaids		1,728	–	1,728	5.0%	15.0%	86	259
Prepaid Expenses	**[4]**	4,774	–	4,774	1.8%	5.4%	86	259
Income Taxes Receivable	**[5]**	1,485	–	1,485	5.0%	10.0%	74	149
Raw Materials		22,622	–	22,622	5.0%	7.5%	1,131	1,697
WIP		1,932	–	1,932	–	–	–	–
Mold Tools		(51)	–	(51)	–	–	–	–
Instruments		19,716	–	19,716	5.0%	10.0%	986	1,972
GPS Systems		2,819	–	2,819	–	–	–	–
Finished Goods & Other		5,959	–	5,959	–	–	–	–
Net Inventories	**[6]**	52,997	–	52,997	4.0%	6.9%	2,117	3,668
Other Current Assets	**[7]**	–	–	–	–	–	–	–
Subtotal, Current Assets		$122,349	–	$122,349	47.2%	51.8%	$57,752	$63,359
Non-current Assets								
Computers, Designs, & Software Net		$1,470	–	$1,470	10.0%	20.0%	$147	$294
Machinery & Equipment, Net		$9,016	$9,016	–	–	–	–	–
Surgical instruments, net		48,861	–	48,861	5.0%	10.0%	2,443	4,886
Furnitures and fixtures, net		970	–	970	10.0%	30.0%	97	291
Facilities, Net		48,052	48,052	–	–	–	–	–
Property & Equipment In-Progress		4,328	–	4,328	10.0%	30.0%	433	1,298
Land		4,307	4,307	–	–	–	–	–
Right Of Use Assets		1,006	1,006	–	–	–	–	–
Property & Equipment, Net	**[8]**	$118,008	$62,380	$55,628	5.6%	12.2%	$3,120	$6,769
Deposits	**[9]**	116	–	116	90.0%	100.0%	104	116
Insurance Receivable	**[10]**	6,850	–	6,850	–	–	–	–
Product licenses and designs, net		146,642	–	146,642	–	–	–	–
Customer Relations, net		1,704	–	1,704	50.0%	75.0%	852	1,278
Patents and trademarks, net		23,793	–	23,793	10.0%	40.0%	2,379	9,517
Intangible Assets, Net	**[11]**	172,139	–	172,139	1.9%	6.3%	3,231	10,795
Goodwill		157,372	–	157,372	–	–	–	–
Non-current Inventory	**[6]**	31,535	–	31,535	–	–	–	–
Intercompany	**[12]**	120,864	–	120,864	–	–	–	–
Other non-current assets	**[13]**	2,740	–	2,740	50.0%	70.0%	1,370	1,918
Subtotal, Non-current Assets		$609,626	$62,380	$547,245	1.4%	3.6%	$7,825	$19,598
Total Assets / Gross Proceeds		**$731,975**	**$62,380**	**$669,595**	**9.8%**	**12.4%**	**$65,577**	**$82,958**
Cost of Asset Liquidation								
Wind-down costs	**[14]**						(3,207)	(3,207)
Liquidator Fees	**[15]**						(943)	(1,879)
Chapter 7 Professional Fees	**[16]**						(2,250)	(2,250)
Chapter 7 Trustee Fees	**[17]**						(1,799)	(2,292)
Net Cash Available for Distribution					**8.6%**	**11.0%**	**$57,379**	**$73,330**

Gross Claims		Book Value	Other Secured Claims (Class 1)	Remaining Plan Priority Waterfall Claims (Classes 2-5)	Recovery Estimate (%) Low	Recovery Estimate (%) High	Recovery Estimate ($) Low	Recovery Estimate ($) High
		Summary of Estimated Claims Recovery						
Other Secured Claims		**$77,158**	**$77,158**	–	100.0%	100.0%	**$77,158**	**$77,158**
Sale-Leaseback Obligations	**[18]**	75,590	75,590	–	100.0%	100.0%	75,590	75,590
Equipment Financings	**[19]**	1,032	1,032	–	100.0%	100.0%	1,032	1,032
Other	**[20]**	535	535	–	100.0%	100.0%	535	535
Administrative & Priority Claims		**$119,929**	**–**	**$119,929**	47.8%	61.1%	**$57,379**	**$73,330**
Administrative Claims	**[21]**	$12,995	–	$12,995	6.5%	6.5%	$840	$840
Employee Claims		$840	–	840	100.0%	100.0%	840	840
Accounts Payable		11,819	–	11,819	–	–	–	–
503(b)(9) Claims		335	–	335	–	–	–	–
Professional Fee Claims	**[22]**	1,385	–	1,385	100.0%	100.0%	1,385	1,385
Statutory Fees	**[23]**	250	–	250	100.0%	100.0%	250	250
Priority Tax Claims	**[24]**	1,774	–	1,774	–	–	–	–
DIP Claims	**[25]**	90,530	–	90,530	60.6%	78.3%	54,903	70,855
Secured Claims (Prepetition Pari 1L)		**$369,241**	**–**	**$369,241**	–	–	**–**	**–**
Prepetition 1L Credit Facility	**[26]**	333,807	–	333,807	–	–	–	–
Prepetition 1L Sidecar Facility	**[27]**	35,434	–	35,434	–	–	–	–
Unsecured Claims		**$86,703**	**–**	**$86,703**	–	–	–	–
Accounts Payable	**[28]**	27,498	-	27,498	–	–	–	–
Accrued Liabilities	**[29]**	59,205	-	59,205	–	–	–	–
Litigation Related Claims	**[30]**	–	-	–	–	–	–	–
Shareholders' Equity	**[31]**	**$43,552**	**–**	**–**	–	–	**–**	**–**

Exhibit B

Blackline

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	Chapter 11
Exactech, Inc., *et al.*,[1]	Case No. 24-12441 (LSS)
Debtors	(Jointly Administered)

~~FIRST~~SECOND AMENDED DISCLOSURE STATEMENT RELATING TO THE ~~FIRST~~SECOND AMENDED JOINT CHAPTER 11 PLAN OF EXACTECH, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

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- and –

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number are: Osteon Holdings, Inc. (7042); Osteon Intermediate Holdings I, Inc. (7778); Osteon Intermediate Holdings II, Inc. (1292); Exactech, Inc. (3930); and XpandOrtho, Inc. (4250). The Debtors' service address is 2320 NW 66th Court, Gainesville, Florida 32653.

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~~Dated: February 3, 2025~~*Independent Counsel to the Special Committee*

Dated: March 20, 2025

NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN OFFER, ACCEPTANCE, COMMITMENT, OR LEGALLY BINDING OBLIGATION OF THE DEBTORS OR ANY OTHER PARTY IN INTEREST, AND THIS DISCLOSURE STATEMENT IS SUBJECT TO APPROVAL BY THE BANKRUPTCY COURT AND OTHER CUSTOMARY CONDITIONS. THIS DISCLOSURE STATEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES.

IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE ~~*FIRST*~~*SECOND AMENDED JOINT CHAPTER 11 PLAN OF EXACTECH, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE*. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE VII HEREIN.

PURSUANT TO THE RESTRUCTURING SUPPORT AGREEMENT, THE PLAN IS CURRENTLY SUPPORTED BY THE DEBTORS AND THE AD HOC GROUP CONSISTING OF HOLDERS OF SUBSTANTIALLY ALL OF THE PREPETITION FIRST LIEN CLAIMS (THE "AD HOC GROUP").

THE DEBTORS URGE EACH HOLDER OF A CLAIM OR INTEREST ENTITLED TO VOTE ON THE PLAN TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND THE PROPOSED RESTRUCTURING TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A GUARANTEE BY THE BANKRUPTCY COURT OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN, AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE MERITS OF THE PLAN, OR THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, FINANCIAL INFORMATION AND DOCUMENTS ANNEXED TO THIS DISCLOSURE STATEMENT, CERTAIN STATUTORY PROVISIONS, A SUMMARY OF THE RELEASES CONTEMPLATED BY THE PLAN AND THE SPECIAL COMMITTEE'S REPORT ON CERTAIN CAUSES OF ACTION RELATED THERETO, AND CERTAIN ANTICIPATED EVENTS IN THE CHAPTER 11 CASES. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH ANTICIPATED EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN

PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THE DEBTORS' BOOKS AND RECORDS AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES. ALTHOUGH THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE DEBTORS OR ANY OTHER AUTHORIZED PARTY MAY SEEK TO INVESTIGATE, FILE, AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS BEFORE OR AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO, AND EXPRESSLY DISCLAIM ANY DUTY TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE. HOLDERS OF CLAIMS OR INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION, MODIFICATION, OR AMENDMENT. THE DEBTORS RESERVE THE RIGHT TO FILE AN AMENDED OR MODIFIED PLAN AND RELATED DISCLOSURE STATEMENT FROM TIME TO TIME.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE

DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED HEREIN AND SET FORTH IN ARTICLE IX OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED, OR IF CONFIRMED, THAT THE CONDITIONS PRECEDENT TO BE SATISFIED FOR THE PLAN TO GO EFFECTIVE WILL BE SATISFIED.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS OR INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS OR INTERESTS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN, WHO VOTE TO REJECT THE PLAN, OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE RESTRUCTURING TRANSACTIONS CONTEMPLATED THEREBY.

YOU ARE ENCOURAGED TO READ THE PLAN AND THIS DISCLOSURE STATEMENT IN ITS ENTIRETY, INCLUDING ARTICLE XI, ENTITLED "CERTAIN RISK FACTORS TO BE CONSIDERED BEFORE VOTING," BEFORE SUBMITTING YOUR BALLOT TO VOTE ON THE PLAN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN REGULATORY AGENCY, NOR HAS THE SEC OR ANY OTHER AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT.

THE DEBTORS HAVE SOUGHT TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT; HOWEVER, THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR INCORPORATED HEREIN BY REFERENCE HAS NOT BEEN, AND WILL NOT BE, AUDITED OR REVIEWED BY THE DEBTORS' INDEPENDENT AUDITORS UNLESS EXPLICITLY PROVIDED OTHERWISE.

STATEMENTS CONCERNING THESE AND OTHER MATTERS ARE NOT GUARANTEES OF THE DEBTORS' FUTURE PERFORMANCE. THERE ARE RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE DEBTORS' ACTUAL PERFORMANCE OR ACHIEVEMENTS TO BE DIFFERENT FROM THOSE THEY MAY PROJECT, AND THE DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE THE PROJECTIONS MADE HEREIN.

THESE RISKS, UNCERTAINTIES, AND FACTORS MAY INCLUDE THE FOLLOWING: THE DEBTORS' ABILITY TO CONFIRM AND CONSUMMATE THE PLAN; THE POTENTIAL THAT THE DEBTORS MAY NEED TO PURSUE AN ALTERNATIVE TRANSACTION IF THE PLAN IS NOT CONFIRMED; THE DEBTORS' ABILITY TO CONSUMMATE A SALE TRANSACTION; THE POTENTIAL ADVERSE IMPACT OF THE CHAPTER 11 CASES ON THE DEBTORS' OPERATIONS, MANAGEMENT, AND EMPLOYEES; THE RISKS ASSOCIATED WITH OPERATING THE DEBTORS' BUSINESS DURING THE CHAPTER 11 CASES; CUSTOMER RESPONSES TO THE CHAPTER 11 CASES; THE DEBTORS' INABILITY TO DISCHARGE OR SETTLE CLAIMS DURING THE CHAPTER 11 CASES; GENERAL ECONOMIC, BUSINESS, AND MARKET CONDITIONS; EXPOSURE TO LITIGATION; THE DEBTORS' ABILITY TO IMPLEMENT COST REDUCTION INITIATIVES IN A TIMELY MANNER; THE DEBTORS' ABILITY TO DIVEST EXISTING BUSINESSES; AND ADVERSE TAX CHANGES.

THIS DISCLOSURE STATEMENT IS SUBJECT TO FURTHER REVISION AND MAY BE AMENDED TO, AMONG OTHER THINGS, TAKE INTO ACCOUNT FURTHER SPECIFICS OF ANY RESTRUCTURING TRANSACTION TO BE CONSUMMATED PURSUANT TO THE PLAN, AND TO ACCOMMODATE ADDITIONAL REQUESTS FOR DISCLOSURE.

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EXHIBITS

EXHIBIT A Chapter 11 Plan

EXHIBIT B Restructuring Support Agreement

EXHIBIT C Corporate Organization Chart

EXHIBIT D Disclosure Statement Order

EXHIBIT E Liquidation Analysis

Important Dates[2]

Event	Date
~~Disclosure Statement Hearing~~	~~February 4, 2025~~
Voting Record Date	~~February 7~~March 13, 2025
~~Qualifying Bid Deadline~~Disclosure Statement Hearing and Sale Hearing	~~February 24~~March 27, 2025 at ~~4:00 p.m~~10:00 a.m. (ET)
~~Auction Date (if necessary)~~	~~March 3, 2025 at 11:00 a.m. (ET)~~
~~Notice of Winning Bidder (if Auction)~~	~~March 4, 2025~~
Plan Voting Deadline	~~March 18~~May 2, 2025 at 4:00 p.m. (ET)
Deadline to Object to Confirmation ~~and Sale~~	~~March 18~~May 2, 2025 at 4:00 p.m. (ET)
Confirmation ~~and Sale~~ Hearing	~~March 27~~May 28, 2025 at 10:00 a.m. (ET)

[2] The dates contained in the Important Dates table may be changed by the Bankruptcy Court or the Debtors without further notice other than by such change being announced in open court.

ARTICLE I

INTRODUCTION

Exactech, Inc. and its debtor affiliates, as debtors and debtors in possession (collectively, the "Debtors," and together with direct and indirect non-Debtor subsidiaries and affiliates, collectively, the "Company" or "Exactech"), submit this disclosure statement (this "Disclosure Statement"), pursuant to section 1125 of the Bankruptcy Code, to Holders of Claims against and Interests in the Debtors in connection with the solicitation of votes for acceptance of the Plan.[3] A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. The Plan constitutes a separate chapter 11 plan for each of the Debtors.

The purpose of this Disclosure Statement, including the exhibits annexed hereto, is to provide information of a kind, and in sufficient detail, to enable creditors of the Debtors that are entitled to vote on the Plan to make an informed decision on whether to vote to accept or reject the Plan. This Disclosure Statement contains summaries of the Plan, certain statutory provisions, events that have occurred or are anticipated to occur in these Chapter 11 Cases, and certain documents related to the Plan.

By order dated [~~February~~March __], 2025, the Bankruptcy Court approved this Disclosure Statement as to the Debtors in accordance with section 1125 of the Bankruptcy Code, and found that it contained "adequate information" sufficient to enable a hypothetical investor of the relevant classes of Claims or Interests to make an informed judgment about the Plan, and authorized its use in connection with the solicitation of votes with respect to the Plan. Approval of this Disclosure Statement does not, however, constitute a determination by the Bankruptcy Court as to the fairness or merits of the Plan. No solicitation of votes may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code.

RELEASES UNDER THE PLAN: The Debtors are soliciting your consent to grant releases to third parties under the Plan. The Release being granted by Creditors is ~~set~~ described in Article II.L of this Disclosure Statement. The "Released Parties" who will benefit from this Release are described in Article II.M of this Disclosure Statement.

The Plan provides that if you affirmatively cast a Ballot to accept or reject the Plan and check the relevant Opt-In box, you will be giving your consent to the Release in Article VIII.C of the Plan and the related injunction to the fullest extent permitted by applicable law.

A. Voting and Confirmation

Article VIII of this Disclosure Statement specifies the deadlines, procedures, and instructions for voting to accept or reject the Plan, as well as the applicable standards for

[3] Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meaning ascribed to such terms in the Plan. The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between this Disclosure Statement and the Plan, the Plan will govern.

tabulating Ballots (as defined in the Voting Procedures). The following is an overview of certain information related to voting that is contained in Article VIII of this Disclosure Statement and elsewhere in this Disclosure Statement.

Each holder of a Claim in Class 3 (Prepetition Pari 1L Claims) and Class 4 (General Unsecured Claims) is entitled to vote to accept or reject the Plan. Each of Class 3 and Class 4 shall have accepted the Plan pursuant to the requirements of section 1126(c) of the Bankruptcy Code if at least two-thirds in amount and more than fifty percent in number of those Claims actually voted in each of Class 3 and Class 4, respectively, accept the Plan. Assuming the requisite acceptances in either Class are obtained, the Debtors intend to seek confirmation of the Plan at the Confirmation Hearing scheduled for ~~March 27~~May 28, 2025, before the Bankruptcy Court. For the avoidance of doubt, though proposed jointly, the Plan constitutes a separate Plan for each Debtor. Accordingly, a vote cast either to accept or reject the Plan by holders of Claims in Class 3 and Class 4 will be applied in the same manner and in the same amount in each Debtor's Plan.

The Debtors have engaged Kroll Restructuring Administration LLC ("Kroll" or the "Claims, Noticing and Solicitation Agent") to assist in the voting process. The Claims, Noticing and Solicitation Agent will provide additional copies of all materials and process and tabulate Ballots for Class 3 and Class 4.

To be counted, your Ballot indicating acceptance or rejection of the Plan must be received by the Claims, Noticing and Solicitation Agent no later than 4:00 p.m. (prevailing Eastern Time) on ~~March 18~~May 2, 2025 (the "Voting Deadline"). Any executed Ballot that does not indicate either an acceptance or rejection of the Plan or indicates both an acceptance and rejection of the Plan will not be counted as an acceptance or rejection and will not count toward the tabulations required pursuant to section 1129 of the Bankruptcy Code.

Prior to deciding whether and how to vote on the Plan, each holder of a Claim entitled to vote should carefully consider all of the information in this Disclosure Statement, including Article VII entitled "Risk Factors." **You should read this Disclosure Statement and the Plan with care in evaluating how the Plan will affect your Claim(s) before voting to accept or reject the Plan.**

The Debtors believe that the Plan is in the best interests of all creditors of the Debtors. The Debtors recommend that all holders of Claims against the Debtors, whose votes are being solicited, submit Ballots to accept the Plan.

B. Preliminary Statement

Founded in 1985, Exactech is a global medical device company that designs, manufactures, and markets joint replacement implants and related surgical instruments to help surgeons worldwide make patients more mobile. The Company's broad and innovative range of products include, without limitation, hip implants, knee implants, extremity implants and Exactech GPS Systems. The Company directs commercial operations in the United States as well as nine international markets, including Spain, Australia, Japan, the United Kingdom, and Italy.

The Company is headquartered in Gainesville, Florida and employs approximately 900 individuals worldwide. Since its founding in 1985, the Company has expanded its distribution to over 30 countries.

In advance of these Chapter 11 Cases, however, Exactech faced a severe liquidity crisis caused by the overhang of unliquidated and contingent liabilities resulting from litigation claims and funded debt maturity payments.

Nevertheless, the Company was successful in negotiating a sale transaction for certain of its core business lines to EI BIDCO, LLC (the "Stalking Horse Purchaser") pursuant to which EI BIDCO, LLC agreed to credit bid all of the DIP Claims and all of the Prepetition First Lien Claims on behalf of the Prepetition Pari 1L Claims, and assume certain liabilities, including for the payment of certain cure costs. The terms of the contemplated Stalking Horse sale transaction are set forth in the Stalking Horse APA dated October 29, 2024, between the Debtors and the Stalking Horse Purchaser and attached to the Restructuring Support Agreement as Exhibit D. On March 6, 2025, the Debtors and the Stalking Horse Purchaser entered into an amendment to the Stalking Horse APA [Docket No. 685]. The Stalking Horse APA ~~is~~was subject to higher or otherwise better bids submitted in accordance with the Bidding Procedures Order (defined below), and therefore sets a floor for such other potential bids to acquire the corresponding assets ~~(the "Going-Concern Assets") ~~during the Company's Chapter 11 Cases.[4]

On October 29, 2024, the Debtors commenced the Chapter 11 Cases in the United States Bankruptcy Court for the District of Delaware, with the goal of completing the sale to the Stalking Horse Purchaser or, in the event the Stalking Horse Purchaser ~~is~~was not the Winning Bidder, then to the Winning Bidder and responsibly winding down the Debtors' Estates thereafter. Shortly thereafter, the Debtors filed their Bidding Procedures Motion (defined below) to establish certain sale process dates and deadlines discussed in greater detail herein. The Bankruptcy Court entered the Bidding Procedures Order on December 10, 2024.

Following the consummation of the contemplated sale of substantially all of the Debtors' assets (including the equity of the Debtors' non-debtor foreign subsidiaries) (the "Sale Transaction") under the Plan, the Debtors propose to wind down their Estates. Under chapter 11, a debtor may reorganize or liquidate their business for the benefit of all stakeholders. The consummation of the Sale Transaction followed by an orderly wind-down is the principal objective of these Chapter 11 Cases.

C. Overview of the Plan

The following is a general overview of how the Plan treats all holders of Claims against, and Interests in, the Debtors. It is qualified in its entirety by, and should be read in conjunction with, the more detailed discussions, information, and notes appearing elsewhere in this Disclosure Statement and in the Plan. For a more detailed description of the terms and provisions of the

[4] As detailed herein, no higher or otherwise better bids were received by the Debtors in accordance with the Bidding Procedures Order in advance of the Bid Deadline. On March 6, 2025, the Debtors filed the *Notice of Cancellation of Auction and Designation of Stalking Horse Bid as the Winning Bid* [Docket No. 684], designating the Stalking Horse Bid as the Winning Bid and cancelling the Auction.

Plan, please refer to Article VI of this Disclosure Statement titled "The Debtors' Restructuring Support Agreement and Summary of the Plan."

Each of the Debtors is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code. The Plan does not contemplate the substantive consolidation of the Debtors' Estates. Instead, the Plan, although proposed jointly, constitutes a separate chapter 11 plan for each of the Debtors.

The primary objective of the Plan is to maximize value for all stakeholders and generally to distribute all property of the Estates that is or becomes available for distribution generally in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that the Plan accomplishes this objective and is in the best interest of the Estates.

Generally speaking, the Plan:

- provides for the sale of substantially all of the Debtors' assets to the Winning Bidder through the Sale Transaction;
- provides the vesting of remaining assets following consummation of the Sale Transaction in the Wind-Down Trust for the purpose of monetization and distribution to Holders of Allowed Claims;
- designates a Wind-Down Trustee to wind down the Debtors' affairs, pay and reconcile Claims against the Debtors, and administer the Plan in an efficient manner;
- provides for payment in full or such other treatment as to render such Claims Unimpaired of Allowed Administrative Claims, Statutory Fees, Allowed Priority Tax Claims, Allowed Other Security Claims, and Allowed Priority Non-Tax Claims;
- does not provide for a recovery for holders of section 510(b) Claims or Prepetition Equity Interests; and
- subject to the consent of the Winning Bidder, does not provide a recovery for holders of Intercompany Claims or Intercompany Interests.

The Plan includes certain debtor and consensual third-party releases. The Special Committee, with the assistance of its independent counsel, ~~is actively assessing~~assessed the existence of potential Claims or Causes of Action that the Debtors may hold against certain insiders and other affiliated Entities and whether the Debtors should retain, release, or seek to settle any such Claims and Causes of Action. In conjunction with those efforts, the Special Committee, with the assistance of its independent counsel, ~~has been evaluating and will continue to evaluate~~evaluated, among other things, the proposed releases and settlements contemplated by the Plan. ~~Accordingly, the release provisions contained in the Plan remain subject to ongoing review by the Special Committee in all respects. The Debtors, at the direction of the Special Committee, reserve the right to withdraw, or modify the releases in the Plan in advance of the Confirmation Date subject in all respects to, and without limiting any rights in, the Restructuring Support Agreement. Pursuant to the Restructuring Support Agreement, the Plan (including the~~

~~release provisions) and any amendments thereto must be reasonably acceptable to the Required Consenting Lenders.~~[4] As set forth in Article V.O of this Disclosure Statement, the Special Committee concluded that Estate Claims (as defined below) against the Sponsor and its Related Parties (including Sponsor Related Parties that previously served as officers or directors of the Debtors) should not be released unless the Sponsor agreed to provide adequate consideration. Additionally, the Special Committee has concluded that any proposed releases of Estate Claims should not include at this time the release of any Claims potentially held against David Petty. Finally, given the scope of the Independent Investigation, the Special Committee has also concluded that any proposed releases of Estate Claims should not include at this time the release of any Claims potentially held against former officers and directors of the Debtors unless such parties agree to provide adequate consideration (or another party agrees to provide adequate consideration on behalf of such parties).

The Debtors (including through the Special Committee) are engaged with their key stakeholders (including the Ad Hoc Group, the Committee, the DOJ, and the Sponsor) in an effort to resolve various matters. Further, the Debtors, the Special Committee, the Committee, and TPG VII Osteon Holdings, LP are participating in non-binding mediation regarding the terms of a potential consensual chapter 11 plan and the treatment of certain claims and causes of action held by the Debtors and their Estates. With the assistance of the Court-appointed mediator, following extensive negotiations with the Sponsor, the Special Committee has reached an agreement in principle with the Sponsor on the terms of a settlement pursuant to which the Special Committee would consent to providing a release of Estate Claims and Causes of Action against the Sponsor and its Related Parties (including Sponsor Related Parties that previously served as officers or directors of the Debtors) in exchange for contribution by the Sponsor of $10,000,000 in consideration. Specifically, the Sponsor shall contribute (i) $5,000,000 in cash and (ii) the portion of the New Takeback Debt and New Interests that the Sponsor is entitled to receive on account of the amount of the Prepetition Sidecar Claims that is attributable to the Exit Fee or the Applicable Premium arising and payable under the Prepetition Sidecar Credit Agreement (as defined therein), which the Special Committee values as $5,000,000.

The ~~Debtors (including through the~~ Special Committee~~) are engaged with their key stakeholders (including the Ad Hoc Group, the Committee, the DOJ, and the Sponsor) in an effort to resolve various matters. Those~~ also understands that the Sponsor and the Ad Hoc Group have agreed in principle to resolve the JointMedica Adversary Proceeding, subject to agreement on definitive documentation. However, the mediation and other discussions (which are ongoing and may not result in consensual resolutions with the relevant parties) may result in further settlements of certain disputed matters, including related to the Debtor releases contained in Article VIII.B of the Plan. Any such settlements, if reached, are expected to result in the potential inclusion of amendments or modifications of the Plan to propose additional settlements pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019. The Debtors believe that resolution of these controversies in advance of the Confirmation Hearing could

~~4. Notwithstanding the Special Committee's Investigation, the Consenting Lenders have not consented or agreed to support a Plan (or any modifications to the Plan) that provides any additional releases for the Sponsor other than as explicitly set forth in the Restructuring Support Agreement.~~

facilitate the favorable resolution of these Chapter 11 Cases and maximize distributions to Holders of Allowed Claims.

The Debtors, at the direction of the Special Committee, reserve the right to withdraw, or modify the releases in the Plan in advance of the Confirmation Date subject in all respects to, and without limiting any rights in, the Restructuring Support Agreement.

As referenced above, among other things, the Plan provides for the sale of substantially all of the Debtors' assets to the Winning Bidder through the Sale Transaction. Although there is not present intention to do so, the Debtors may, with the consent of the Required Consenting Lenders, modify the Plan to provide for a reorganization of the Debtors rather than a sale of substantially all assets. In the event the Debtors pivot to a reorganization of the Debtors and away from a sale of all or substantially all assets, the Debtors anticipate that the treatment of all Claims and Interests would remain as currently set forth in the Plan with the exception of the treatment of (1) DIP Claims, and (2) Prepetition Pari 1L Claims, which claims would receive takeback debt issued by the reorganized Debtors and 100% of the equity interests of the reorganized Debtors.

The Debtors believe that the Plan maximizes recoveries in the Chapter 11 Cases ~~as~~. While the Debtors reserve the right to amend or modify the Plan, including, with the consent of the Required Consenting Lenders, to provide for a reorganization of the Debtors rather than a sale of substantially all of the Debtors' assets, the Debtors do not currently have a viable alternative to the Sale Transaction meaning that absent consummating a Sale Transaction and confirming the Plan, the Debtors would need to convert these Chapter 11 Cases to a liquidation under Chapter 7 of the Bankruptcy Code, which would materially reduce recoveries to Holders of Claims, as reflected in the Liquidation Analysis, attached hereto as **Exhibit E**. Accordingly, the Debtors urge all Holders of Claims entitled to vote to accept the Plan.

ARTICLE II

QUESTIONS AND ANSWERS REGARDING THIS DISCLOSURE STATEMENT AND PLAN

A. Why are the Debtors sending me this Disclosure Statement?

The Debtors will be seeking to obtain Bankruptcy Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the Debtors to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the Plan and to share such disclosure statement with all Holders of Claims whose votes on the Plan are being solicited. This Disclosure Statement is being submitted in accordance with these requirements.

B. Am I entitled to vote on the Plan?

Your ability to vote on, and your distribution under, the Plan, if any, depends on what type of Claim you hold. Each category of Claims or Interests, as set forth in Article III of the Plan

pursuant to section 1122(a) of the Bankruptcy Code, is referred to as a "Class." Each Class's respective voting status is set forth below:

Class	Claim or Interest	Status	Voting Rights
1.	Other Secured Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
2.	Priority Non-Tax Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
3.	Prepetition Pari 1L Claims	Impaired	Entitled to Vote
4.	General Unsecured Claims	Impaired	Entitled to Vote
5.	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
6.	Intercompany Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
7.	Intercompany Interests	Impaired	Not Entitled to Vote (Deemed to Reject)
8.	Prepetition Equity Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

As set forth in Article III of the Plan and in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code, all Claims and Interests (other than Administrative Claims, Professional Fee Claims, DIP Claims, and Priority Tax Claims) are classified into Classes for all purposes, including voting, Confirmation, and distributions. A Claim or Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. A Claim or Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The table above summarizes the classification and voting rights of all classified Claims against and Interests in each Debtor under the Plan. As set forth in more detail in the Plan, the Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth in the Plan shall apply separately to each of the Debtors. All of the potential Classes are set forth in the Plan. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Classes shall be treated as set forth in Article III of the Plan.

C. I filed a Proof of Claim, how do I vote on the Plan?

If you held a Claim entitled to vote on the Plan as of the Voting Record Date of March 13, 2025, a Solicitation Package will be mailed to you at the address set forth in your proof of claim or, if no proof of claim was filed, the address listed for you in the Schedules. The Solicitation Package will include an appropriate form of Ballot, together with detailed voting instructions and a pre-addressed, postage prepaid return envelope. You can vote using the Ballot and following the detailed instructions for submitting the Ballot by mail or using the electronic balloting portal.

D. I filed a Proof of Claim, why did I not receive a Solicitation Package?

Only parties holding Claims entitled to vote on the Plan as of the Voting Record Date of March 13, 2025, will receive Solicitation Packages. If you believe you should have received a Solicitation Package and did not, you can reach out to the Claims, Noticing and, Solicitation Agent by: (a) writing via first-class mail, hand delivery, or overnight mail to Exactech, Inc. Ballot Processing Center, c/o Kroll Restructuring Administration LLC, 850 3rd Avenue, Suite 412, Brooklyn, NY 11232; (b) by writing via electronic mail to ExactechInfo@ra.kroll.com with a reference to "Exactech, Inc. Solicitation Inquiry" in the subject line, or (c) calling the Debtors' restructuring hotline at (833) 918-0986 (U.S./Canada, toll-free) or +1 (646) 781-8728 (international, toll) / +61 (2) 72-094-837 (Australia, toll).

E. My attorney filed my Proof of Claim, why did I not receive a Solicitation Package?

If your attorney filed a Proof of Claim on your behalf, your Solicitation Package, including your Ballot to vote to accept or reject the Plan, may have gone directly to your attorney. You should communicate with your attorney directly about your Solicitation Package and voting on the Plan.

F. Why does the Ballot I received say the amount of my Claim is $1.00 when I filed my Proof of Claim in a higher amount?

Pursuant to the Debtors' Solicitation Procedures, Personal Injury Claims (as determined on the face of the Claim or after a reasonable review of the supporting documentation by the Claims, Noticing and Solicitation Agent) will be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, at $1.00, unless the Claim is accompanied by supporting documentation evidencing that the value of the Claim has been liquidated at a higher value either though settlement signed by the applicable Debtor or by a judgment of an appropriate tribunal. *See* Solicitation Procedures at 6.

G. Why does the Ballot I received say the amount of my Claim is $1.00 when I filed my Proof of Claim in an unliquidated amount?

Pursuant to the Debtors' Solicitation Procedures, a Claim for which a Proof of Claim was timely filed for unknown or undetermined amounts, or that is wholly unliquidated or wholly contingent (for example, a Claim based on litigation, potential litigation or product liability) (as determined on the face of the Claim or after a reasonable review of the supporting documentation

by the Claims, Noticing and Solicitation Agent) and that has not been allowed, will be temporarily allowed for voting purposes only at $1.00. *See* Solicitation Procedures at 6-7.

H. What can I do if I disagree with the amount of my Claim listed on my Ballot?

To the extent you disagree with the amount of your Claim listed on your Ballot and wish to have your Claim temporarily allowed for voting purposes in a different amount, you may file a motion under Bankruptcy Rule 3018(a) by no later than April 18, 2025 at 4:00 p.m. (ET). The Debtors will have ten (10) days to respond to any such motions.

I. ~~C.~~ What are the sources of Cash and other consideration required to fund the Plan?

The Debtors or the Wind-Down Trust, as applicable, will fund the distributions under the Plan as set forth in the Plan with (i) the Sale Proceeds, including the Wind-Down Amount, (ii) ~~the Wind-Down Distributable Consideration, (iii)~~ Wind-Down Trust Assets, (iii) the GUC Reserve, and (iv) the ~~GUC Reserve~~Sponsor Consideration.

J. ~~D.~~ What will I receive from the Debtors if the Plan is consummated?

The following chart provides a summary of the anticipated recovery to Holders of Claims and Interests under the Plan. Any estimates of Claims or Interests in this Disclosure Statement may vary from the final amounts allowed by the Bankruptcy Court. Your ability to receive distributions under the Plan depends upon the ability of the Debtors to obtain Confirmation and meet the conditions necessary to consummate the Plan.

Each Holder of an Allowed Claim shall receive under the Plan the treatment described below in full and final satisfaction, settlement, release, and discharge of and in exchange for such Holder's Claim, except to the extent different treatment is agreed to by the Debtors and the Holder of such Allowed Claim. Unless otherwise indicated, the Holder of an Allowed Claim, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter. Projected recoveries included in the summary table below reflect the Debtors' analysis of anticipated Claims.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/ Equity Interest**	**Treatment of Claim/Equity Interest**	**Projected Amount of Claims[5]**	**Projected Recovery[6]**
1.	Other Secured Claims	Each Holder of an Allowed Other Secured Claim shall receive, at the option of the applicable Debtor or the Wind-Down Trustee, with the consent of the Winning Bidder, as applicable: (i) payment in full in Cash, (ii) the collateral securing such Holder's Other Secured Claim, or (iii) such other treatment as to render such Holder's Other Secured Claim Unimpaired; *provided* that if any such Allowed Other Secured Claim is Secured by an Acquired Asset, such choice of treatment will be with the consent of the Stalking Horse Purchaser~~ if it is the Winning Bidder~~.	$77.2 million	100%
2.	Priority Non-Tax Claims	Each Holder of an Allowed Priority Non-Tax Claim shall receive, at the option of the applicable Debtor or the Wind-Down Trustee, as applicable: (i) payment in full in Cash of the unpaid portion of its Priority Non-Tax Claim on the later of the Effective Date and such date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, or (ii) such other treatment as to render such Allowed Priority Non-Tax Claim Unimpaired.	Less than $~~0~~50,000	100%

[5] The estimated amount of each Allowed Claim is an estimate only, and actual amounts may be more or less than those set forth herein.

[6] The estimated recovery is an estimate only, and actual amounts may be more or less than those set forth herein based on, among other things, Proofs of Claim filed but not yet reconciled with the Debtors' books and records, Proofs of Claim filed subsequent to the filing of this Disclosure Statement, Claims arising from the rejection of Executory Contracts or Unexpired Leases and the resolution of Disputed Claims.

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/ Equity Interest**	**Treatment of Claim/Equity Interest**	**Projected Amount of Claims[5]**	**Projected Recovery[6]**
3.	Prepetition Pari 1L Claims	Each Holder of a Prepetition Pari 1L Claim shall receive ~~either: (i) if the Stalking Horse Purchaser is the Winning Bidder, then~~ in accordance with the Sale Transaction Documents, its Pro Rata share of (A) the amount of New Takeback Debt remaining after the DIP Takeback Exchange and (B) 100% of the New Interests (subject to dilution by the Management Incentive Plan); ~~or (ii) if the Stalking Horse Purchaser is not the Winning Bidder, payment in full in Cash (including prepetition and postpetition interest and all Exit Fees and~~*provided* that the portion of the New Takeback Debt and New Interests that the Sponsor is entitled to receive on account of the Prepetition Sidecar Claims that is attributable to the Exit Fee or the Applicable ~~Premiums~~Premium arising and payable under the Prepetition Sidecar Credit Agreement ~~(as defined therein)) on the Effective Date from the Wind-Down Distributable Consideration~~shall constitute part of the Sponsor Contribution for liquidation and distribution to the Holders of Allowed General Unsecured Claims.	$369.2 million	Not determined
4.	General Unsec	Each Holder of an Allowed General Unsecured Claim shall receive its	$~~70.3~~70-100 million[7]	Less than

[7] As discussed in Article IV herein, the Debtors face many ~~litigation related~~litigation-related Claims that are contingent, unliquidated, and disputed and the liability on such Claims, if any, is highly speculative. Therefore, the estimate for the General Unsecured Claims does not include such amounts for litigation related Claims, which could materially increase the estimate.

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/ Equity Interest**	**Treatment of Claim/Equity Interest**	**Projected Amount of Claims[5]**	**Projected Recovery[6]**
	ured Claims	aggregate Pro Rata share of~~:~~ (~~i) the Wind-Down Distributable Consideration remaining after distributions, if any, of such Wind-Down Distributable Consideration to Holders of Prepetition Pari 1L Claims, and (ii~~A) the GUC Reserve and (B) the Sponsor Consideration.		1%[8]
5.	Section 510(b) Claims	Each Holder of a Section 510(b) Claim, if any, will not receive any distribution on account of such Section 510(b) Claims.	$0	0%
6.	Intercompany Claims	On the Effective Date, except to the extent that an Intercompany Claim is assumed by or sold to the Winning Bidder in the Sale Transaction, each Allowed Intercompany Claim shall with the consent of the Winning Bidder, either be cancelled, released, reinstated, contributed, distributed, transferred, set off, settled, or otherwise addressed. No	$100,000	0%

[8] Due to the many litigation-related Claims filed against the Debtors, including thousands of unliquidated claims, the Debtors estimate that the recovery to Holders of General Unsecured Claims will be less than 1%. The projected recovery could potentially be ~~substantially~~ reduced on account of sums paid to Huron (defined below) during the pendency of these Chapter 11 Cases and pursuant to any Final Order approving Huron's Professional Fee Claims. If the Stalking Horse Bid is ~~the Winning Bid and~~ approved at the ~~Confirmation and~~ Sale Hearing, the Debtors anticipate that Huron's fees will be approximately $750,000 and the resulting amount of the GUC Reserve based on that amount will be $125,000.

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/ Equity Interest**	**Treatment of Claim/Equity Interest**	**Projected Amount of Claims[5]**	**Projected Recovery[6]**
		distribution should be made on account of Intercompany Claims.		
7.	Intercompany Interests	On the Effective Date, each Allowed Intercompany Interest shall, with the consent of the Winning Bidder, either be cancelled, released, extinguished, reinstated, transferred, set off, settled, or otherwise addressed pursuant to the Sale Transaction such that such Intercompany Interest is, to the extent reasonably practicable, treated in a tax-efficient manner. Each Holder of an Intercompany Interest shall not receive or retain any distribution, property, or other value on account of its Intercompany Interest.	Undetermined	0%
8.	Prepetition Equity Interests	Each Prepetition Equity Interests shall be cancelled, and the Holders thereof shall not receive or retain any property on account of such interests under the Plan.	~~$673.2 million~~N/A	0%

K. ~~E.~~ What will I receive from the Debtors if I hold an Allowed Administrative Claim, or Priority Tax Claim?

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims or Interests in accordance with Article III of the Plan, and as set forth below.

1. Administrative Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims, Transaction Expenses, or DIP Claims) will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim in accordance with the

following: (1) if such Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim, without any further action by the Holder of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Wind-Down Trustee, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except for Professional Fee Claims, DIP Claims, and Transaction Expenses (which are addressed in Article II.B, Article II.D, and Article II.F of the Plan, respectively), and unless previously Filed, requests for payment of Administrative Claims arising after January 10, 2025 must be Filed and served on the Wind-Down Trustee no later than the Administrative Claim Bar Date or other bar date pursuant to the procedures specified in the Bar Date Order, the Plan, the Confirmation ~~and Sale~~ Order, and the notice of entry of the Confirmation ~~and Sale~~ Order. Objections to such requests must be Filed and served on the Wind-Down Trustee (if the Wind-Down Trustee is not the objecting party) and the requesting party on or before the Administrative Claim Objection Bar Date. If an objection is timely filed, after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, an order of the Bankruptcy Court that becomes a Final Order. If no objection is timely filed, each Administrative Claim shall be Allowed in the amount asserted in the Administrative Claim.

Objections to such requests must be Filed and served on the Wind-Down Trustee (if the Wind-Down Trustee is not the objecting party) and the requesting party on or before the Administrative Claim Objection Bar Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, an order of the Bankruptcy Court that becomes a Final Order.

Except for Professional Fee Claims, DIP Claims, and Transaction Expenses, Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not File and serve such a request on or before the applicable Administrative Claim Bar Date or other date established by the Bar Date Order shall be Disputed and unless Allowed by a Final Order shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Estates, the Wind-Down Trust, the Wind-Down Trustee, or the property of any of the foregoing, and such Administrative Claims shall be deemed discharged and released as of the Effective Date.

2. DIP Claims

Notwithstanding anything to the contrary herein, in full and final satisfaction, settlement, release and discharge of and in exchange for release of all Allowed DIP Claims, on the Effective Date, each Allowed DIP Claim shall ~~(i) if the Stalking Horse Purchaser is the Winning Bidder,~~ be credit bid in its entirety in accordance with the Stalking Horse APA and the Restructuring Transactions Memorandum, and each holder of an Allowed DIP Claim shall receive New Takeback Debt in accordance with the DIP Takeback Exchange~~, or (ii) if the Stalking Horse Purchaser is not the Winning Bidder, be paid in full in Cash on the earlier of the maturity of the DIP Facility or the Effective Date and otherwise in accordance with the terms of the DIP Credit Agreement Documents~~. The DIP Claims shall be Allowed in the aggregate amount outstanding under the DIP Credit Agreement Documents as of the Effective Date. For the avoidance of doubt, the DIP Claims include interest and any of the DIP Fees and Expenses (as defined in the Final DIP Order). Upon satisfaction of all DIP Claims in accordance with the DIP Credit Agreement, all Liens and security interests granted by the Debtors to secure the DIP Claims shall be of no further force or effect.

3. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim and the Debtors against which such Allowed Priority Tax Claim is asserted agree to a less favorable treatment, in exchange for full and final satisfaction, settlement, release and discharge of each Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive, at the option of the Debtors (with the consent of the Winning Bidder), ~~receive~~ either: (i) the full unpaid amount of such Allowed Priority Tax Claim in Cash on the later of the Effective Date and the date on which such Priority Tax Claim becomes an Allowed Claim (or, if not then due, when such Allowed Priority Tax Claim is due); (ii) equal annual installment payments in Cash, of a total value equal to the Allowed amount of such Priority Tax Claim, over a period ending not later than five (5) years after the Petition Date, or (iii) otherwise treated in accordance with Section 1129(a)(9)(C) of the Bankruptcy Code.

4. Transaction Expenses

Without the filing of any retention applications, fee applications, or any other applications in the Chapter 11 Cases, and without any requirement for further notice or Bankruptcy Court review or approval, on the Effective Date, the Debtors shall pay in full in Cash any outstanding Transaction Expenses.

L. ~~F.~~ Are there any regulatory ~~approval~~approvals required to consummate the Sale Transaction contemplated under the Plan?

Certain regulatory approvals are required prior to the consummation of the Sale Transaction proposed under the Plan. More specifically, the devices and other products developed and sold by the Debtors are subject to extensive regulation, and licensing and certification requirements by foreign, federal, state and local governmental and regulatory authorities. In order to avoid unwanted market disruption, which could jeopardize patient care, consummation of the Sale Transaction requires consent of certain regulatory authorities to the

transition of the Debtors' existing product licenses and certifications, as well as pending applications for product licenses and certifications, to the Winning Bidder. Any delays or denials from regulatory authorities on the transfer of product licenses and certifications to the Winning Bidder could significantly delay or ultimately endanger the consummation of the Sale Transaction.

M. What happens if a Sale Transaction is not consummated?

The Debtors, with the consent of the Required Consenting Lenders, may modify the Plan to provide for a reorganization rather than a contemporaneous sale of all of substantially all of the Debtors' assets. In the event the Debtors pivot to a reorganization of the Debtors and away from a sale of all or substantially all assets, the Debtors anticipate that the treatment of all Claims and Interests would remain as currently set forth in the Plan with the exception of the treatment of (1) DIP Claims, and (2) Prepetition Pari 1L Claims, which claims would receive takeback debt issued by the reorganized Debtors and 100% of the equity interests of the reorganized Debtors following the reorganized Debtors' emergence from chapter 11.

The Debtors believe that the Plan maximizes recoveries in the Chapter 11 Cases. While the Debtors reserve the right to amend or modify the Plan, including to provide for a reorganization of the Debtors rather than a sale of substantially all of the Debtors' assets, the Debtors do not currently have a viable alternative to the Sale Transaction meaning that absent consummating a Sale Transaction and confirming the Plan, the Debtors would need to convert these Chapter 11 Cases to a liquidation under Chapter 7 of the Bankruptcy Code, which would materially reduce recoveries to Holders of Claims, as reflected in the Liquidation Analysis.

N. ~~G.~~ What happens to my recovery if the Plan is not confirmed or does not go effective?

In the event that the Plan is not confirmed or does not go effective, there is no assurance that the Debtors will be able to implement the Restructuring Transactions, including the Sale Transaction. It is possible that any alternative may provide Holders of Allowed Claims with less than they would have received pursuant to the Plan. For a more detailed description of the consequences of an extended chapter 11 case, or of a scenario involving the liquidation of the Company, *see* Article IX of this Disclosure Statement, entitled "Confirmation of the Plan" and the Liquidation Analysis attached hereto as **Exhibit E**.

The Debtors believe that liquidation under chapter 7 of the Bankruptcy Code—a distinctly possible event if the Restructuring Transactions, including the Sale Transaction, are not consummated or the Plan is not confirmed—would result in reduced creditor recoveries as compared to the Plan. Smaller recoveries would result because of, among other things, the loss of the Debtors' going-concern value, significant additional administrative expenses associated with the appointment of a chapter 7 trustee and administration of a chapter 7 liquidation, including additional claims that may be entitled to administrative priority.

O. ~~H.~~ If the Plan provides that I get a distribution, do I get it upon Confirmation or when the Plan goes effective, and what is meant by "Confirmation," "Effective Date," and "Consummation?"

"Confirmation" of the Plan refers to approval of the Plan by the Bankruptcy Court. Confirmation of the Plan does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of the Plan by the Bankruptcy Court, there are conditions that must be satisfied or waived before Plan can go effective. Initial distributions to Holders of Allowed Claims will only be made on the date the Plan becomes effective—the "Effective Date"—or as soon as reasonably practicable thereafter, as specified in the Plan. *See* Article IX of the Plan for the conditions precedent to consummation of the Plan. "Consummation" of the Plan refers to the occurrence of the Effective Date, on and after which date the various Restructuring Transaction under the Plan will be implemented.

P. ~~I.~~ Is there potential litigation related to the Plan?

Parties in interest may object to the approval of this Disclosure Statement and may object to Confirmation of the Plan as well, which objections potentially could give rise to litigation. *See* Article IX.A of this Disclosure Statement.

In the event that it becomes necessary to confirm the Plan over the rejection of certain Classes, the Debtors may seek confirmation of the Plan notwithstanding the dissent of such rejecting Classes. The Bankruptcy Court may confirm the Plan pursuant to the "cram down" provisions of the Bankruptcy Code, which allow the Bankruptcy Court to confirm a plan that has been rejected by an impaired Class if it determines that the Plan satisfies section 1129(b) of the Bankruptcy Code. *See* Article IX.F of this Disclosure Statement.

Q. ~~J.~~ Will the final amount of Allowed General Unsecured Claims affect the recovery of Holders of Allowed Unsecured Claims?

~~Although~~Following expiration of the Claims Bar Date ~~has not passed as of the filing of this Disclosure Statement~~, the Debtors' current estimate of aggregate Allowed General Unsecured Claims is approximately $~~70.3 million.~~[9]70-100 million.[9] However, Proofs of Claim asserting over $23 billion in General Unsecured Claims have been filed against the Debtors. The Debtors have not yet reviewed or analyzed all filed proofs of claim and anticipate that many of the filed proofs of claim are related to the product liability claims. The Company disputes the merits of the product liability claims and any attendant liability on account thereof.

[9] ~~As discussed in Article IV herein, the Debtors face many litigation related Claims that are contingent, unliquidated, and disputed and the liability on such Claims, if any, is highly speculative. Therefore, the estimate for the General Unsecured Claims does not include such amounts for litigation related Claims, which could materially increase the estimate.~~

[9] As discussed in Article IV herein, the Debtors face many litigation related Claims that are contingent, unliquidated, and disputed and the liability on such Claims, if any, is highly speculative. Therefore, the estimate for the General Unsecured Claims does not include such amounts for litigation related Claims, which could materially increase the estimate.

Although the Debtors' estimate of Allowed General Unsecured Claims is the result of the Debtors' and their advisors' analysis of reasonably available information, the projected amount of Allowed General Unsecured Claims set forth herein is subject to material change (either higher or lower), which difference could materially affect Class 4 recoveries, if any, and reflects the Debtors' current view on potential rejection damages and the universe of General Unsecured Claims that will be filed. ~~Any material change in the number or amount of Claims filed prior to the Claims Bar Date may have a material impact on the amount of ultimately Allowed General Unsecured Claims.~~ The Debtors may object to certain Proofs of Claim, and any such objections would ~~also~~ cause the total amount of Allowed General Unsecured Claims to change.

Furthermore, the Debtors may also reject Executory Contracts and Unexpired Leases, which will result in parties asserting General Unsecured Claims for rejection damages. The number, identity, or timing of actual rejected Executory Contracts and Unexpired Leases could have a material impact on the amount of General Unsecured Claims.

All of this could materially affect recoveries to Holders of Allowed General Unsecured Claims.

R. ~~K.~~ How will the preservation of certain Causes of Action affect my recovery under the Plan?

The Plan provides for the retention of all Causes of Action other than those that are sold, waived, abandoned, relinquished, exculpated, released, compromised, or settled.

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to the Plan and the Sale Transaction Documents, the Wind-Down Trustee shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan, other than Avoidance Actions and the Causes of Action (a) acquired by Exactech NewCo or its subsidiaries in accordance with the Sale Transaction, (b) released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII.B, or (c) waived.

The Wind-Down Trustee may pursue such retained Causes of Action, as appropriate, in accordance with the best interests of the Wind-Down Trust. The Wind-Down Trustee shall retain and may exclusively enforce any and all such Causes of Action. The Wind-Down Trustee shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Wind-Down Trustee will not pursue any and all available Causes of Action against it, except as assigned or transferred to Exactech NewCo in accordance with the Sale Transaction Documents, or otherwise expressly provided in the Plan. Unless any such

Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, assigned, or transferred to the Exactech NewCo in accordance with the Sale Transaction Documents, or settled in the Plan or a Final Order, the Wind-Down Trustee expressly reserves all such Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consumption.

S. ~~L.~~ Will there be releases and exculpation granted to parties in interest as part of the Plan?

Yes. The Plan proposes to release the Released Parties[10] and to exculpate the Exculpated Parties.[11] The Debtors' releases, third-party releases, and exculpation provisions included in the Plan are an integral part of the Debtors' chapter 11 efforts.

The releases proposed in Article VIII.B of the Plan encompass all Claims and Causes of Action held by the Debtors and their Estates. A release or compromise by the Debtors and their Estates of a particular Claim or Cause of Action may subsequently preclude a claimant from asserting its own Claim or Cause of Action under a similar legal theory, including theories of veil piercing, alter ego, or successor liability. Whether this occurs is a question of law that will depend on the particular theory and applicable non-bankruptcy law on which a creditor's Claim or Cause of Action is predicated. Creditors who have asserted or intend to assert Claims or Causes of Action against the Released Parties should consult their own counsel to determine how the releases in the Plan may affect the creditor's own Claims and Causes of Action.

The Special Committee, with the assistance of its independent counsel, ~~is actively assessing~~assessed the existence of potential Claims or Causes of Action that the Debtors may hold against certain insiders and other affiliated Entities and whether the Debtors should retain, release, or seek to settle any such Claims and Causes of Action. This investigation is described in Article V.~~K~~O below. In conjunction with those efforts, the Special Committee, with the

[10] "*Released Party*" means, collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) the Agents; (c) the DIP Lenders; (d) the Consenting Lenders; (e) Exactech NewCo; (f) the Sponsor; (g) the Stalking Horse Purchaser; (h) each Related Party of each Entity in clauses (a) through (g)~~; *provided* with respect to the Sponsor and its Related Parties such Entities shall only be Released Parties to the extent such Entities are also Releasing Parties; *provided*, *further* that the designation~~ (which, notwithstanding anything to the contrary herein, shall include Related Parties of the Sponsor ~~and its~~that are current or former Related Parties ~~(other than~~of one or more of the Debtors ~~in their capacities as such) as~~); *provided* that David Petty shall not be a Released ~~Parties shall be subject to the limitations set forth in Article VIII.B and Article VIII.C of the Plan~~Party.

[11] "*Exculpated Party*" means, collectively, and, in each case, solely in their respective capacities as such and solely to the extent they served in such capacity between the Petition Date and the Effective Date: (a) the Debtors; (b) the Debtors' Professionals; (c) the Debtors' directors and officers; and (d) with respect to each of the foregoing in clauses (a) and (c), solely to the extent they are estate fiduciaries, and without duplication of parties otherwise set forth above, each such Entity's current and former Affiliates, and each such Entity's and its current and former Affiliates' current and former subsidiaries, officers, directors (including any sub-committee of directors), managers, principals, members (including ex officio members and managing members), employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

assistance of its independent counsel, ~~has been evaluating and will continue to evaluate~~evaluated, among other things, the proposed releases and settlements contemplated by the Plan. ~~Accordingly, the release provisions contained in the Plan remain subject to ongoing review by~~ As set forth in Article V.O of this Disclosure Statement, the Special Committee has concluded that Estate Claims against the Sponsor and its Related Parties (including Sponsor Related Parties that previously served as officers or directors of the Debtors) should be released because the Sponsor is providing $10,000,000 in consideration. Specifically, the Sponsor shall contribute (i) $5,000,000 in cash and (ii) the portion of the New Takeback Debt and New Interests that the Sponsor is entitled to receive on account of the amount of the Prepetition Sidecar Claims that is attributable to the Exit Fee or the Applicable Premium arising and payable under the Prepetition Sidecar Credit Agreement (as defined therein), which the Special Committee ~~in all respects. The Debtors, at the direction of the~~values as $5,000,000.The Special Committee, ~~reserve the right to withdraw or modify the releases in the Plan in advance of the Confirmation Date subject in all respects to, and without limiting any rights in, the Restructuring Support Agreement. Pursuant to the Restructuring Support Agreement, the Plan (including the release provisions) and any amendments thereto must be reasonably acceptable to the Required Consenting Lenders.~~[12]however, has concluded that any proposed releases of Estate Claims should not include at this time the release of any Claims potentially held against David Petty. Finally, given the scope of the Independent Investigation, the Special Committee has also concluded that any proposed releases of Estate Claims should not include at this time the release of any Claims potentially held against former officers and directors of the Debtors other than Related Parties of the Sponsor that previously served as directors and/or officers of the Debtors.

~~The Released Parties and the Exculpated Parties have made or are expected to make substantial and valuable contributions to the Debtors' chapter 11 process through efforts to negotiate and implement the Plan, which will maximize the value of the Debtors' estates for the benefit of all parties in interest. Accordingly, subject to the conclusion of the Special Committee's investigation, each of the Released Parties and the Exculpated Parties warrants the benefit of the release and exculpation provisions. Importantly, each of the Releasing Parties[13]will be found to have consented to the releases in the Plan and deemed to have expressly, unconditionally, generally, individually, and collectively released and discharged all Claims and Causes of Action against the Debtors and the Released Parties as described below.~~

Other than the Independent Investigation with respect to the Sponsor and its Related Parties, which Independent Investigation is completed, the Special Committee's conclusions with respect to the Independent Investigation into potential Estate Claims against the above-referenced Released Parties are based on the facts and circumstances as identified and known by the Special

[12] ~~Notwithstanding the Special Committee's Investigation, the Consenting Lenders have not consented or agreed to support a Plan (or any modifications to the Plan) that provides any additional releases for the Sponsor other than as explicitly set forth in the Restructuring Support Agreement.~~

[13] ~~"Releasing Parties" means, collectively, and in each case in its capacity as such, (a) each party identified in clauses (b) through (g) of the definition of Released Party; (b) each Holder of a Claim in Class 3 or Class 4 who checks the box on its Ballot indicating that it opts to grant the releases contained in Article VIII of the Plan; and (c) each Related Party of (x) each Debtor and (y) each Entity in clauses (a) and (b) solely to the extent such entity is legally entitled to bind such Related Party to the releases contained in the Plan under applicable non bankruptcy law.~~

Committee as of the date hereof. The Special Committee will remain responsive to any potential claims that are identified and will undertake appropriate investigation to ensure that valuable estate causes of action are not released for inadequate consideration. Accordingly, other than with respect to the Sponsor and its Related Parties as provided herein, to the extent the Independent Investigation uncovers Estate Claims or Causes of Action worthy of pursuit prior to Confirmation, the Special Committee may recommend that the Debtors amend and narrow the scope of the proposed Released Parties or remove such Claim or Cause of Action entirely in order to allow such Estate Claims or Causes of Action to be preserved. Pursuant to the Restructuring Support Agreement, the Plan (including the release provisions) and any amendments thereto must be reasonably acceptable to the Required Consenting Lenders.[12]

~~Based on the foregoing, the~~The Debtors believe that the releases and exculpations in the Plan given by the Debtors are necessary and appropriate and meet the requisite legal standard promulgated by the United States Court of Appeals for the Third Circuit, and that affirmative opt-in releases being granted through the Plan by third-parties are consensual. Moreover, the Debtors will be prepared to present evidence at the Confirmation Hearing to demonstrate the basis for and propriety of the release and exculpation provisions.[13] The release, exculpation, and injunction provisions that are contained in the Plan are copied in pertinent part below.

If you are a holder of Claim in Class 3 (Prepetition Pari 1L Claims) or Class 4 (General Unsecured Claims) and are therefore entitled to vote to accept or reject the Plan, you may "opt-in" to granting the third-party release by checking the box for the opt-in election on your Ballot. Your decision to opt-in to granting the third-party release will not affect your recovery under the Plan. By granting the release, you will be releasing recoupment rights you have against the Released Parties, which include the Debtors and the Winning Bidder.

If you are a holder of Claim in Class 1 (Other Secured Claims), Class 2 (Priority Non-Tax Claims), Class 5 (Section 510(b) Claims), Class 6 (Intercompany Claims), Class 7 (Intercompany Interests) or Class 8 (Prepetition Equity Interests), and are therefore not entitled to vote to accept or reject the Plan, you are not a Releasing Party under the Plan, and will not be deemed to grant the third-party release, in your capacity as such.

[12] Notwithstanding the Special Committee's Investigation, the Consenting Lenders have not consented to or agreed to support a Plan (or any modifications to the Plan) that provides any additional releases for the Sponsor other than as explicitly set forth in the Restructuring Support Agreement.

[13] For more information related to the risks associated with the failure to obtain approval of the releases and exculpations proposed under the Plan, *see* Article VII.A.13, "*Releases, Injunctions, and Exculpations Provisions May Not Be Approved*."

1. Releases by the Debtors[14]

Pursuant to section 1123(b) and any other applicable provision of the Bankruptcy Code, in exchange for good and valuable consideration provided by each of the Released Parties, the adequacy and sufficiency of which is hereby confirmed, on and after the Effective Date, each Released Party is deemed released and discharged by each and all of the Debtors, their Estates, and the Wind-Down Trust, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims and Causes of Action, including any derivative Claims asserted or assertable on behalf of any of the Debtors, that the Debtors, their Estates, or the Wind-Down Trust, as applicable, would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among the Debtors and/or their Affiliates, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Prepetition First Lien Credit Agreement Documents, the Prepetition Sidecar Credit Agreement, the Restructuring Transactions, the Sale ~~Transactions~~Transaction, entry into the Stalking Horse APA, the New Takeback Debt, the New Revolving Facility (as defined in the Restructuring Support Agreement), the DIP Facility (as defined in the Restructuring Support Agreement), the Bridge Loan (as defined in the DIP Orders), the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, the Plan, the Definitive Documents, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of the Sale Transaction, Consummation, the administration and implementation of the Plan, including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan ~~or~~, the Confirmation ~~and~~Order, or the Sale Order in lieu of such legal opinion, the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective

[14] ~~The Special Committee's investigation into certain potential Claims and Causes of Action held by the Debtors' Estates is ongoing. The Debtor Release, including without limitation the scope of the Released Parties, is subject in all respects to the conclusion of the investigation and determination with respect to any potential Claims or Causes of Action, if any, identified therein, and the Debtors expressly reserve the right to determine prior to Confirmation of the Plan not to release and to bring any such Claims or Causes of Action.~~

Date; *provided* that ~~(a)~~ such releases will not apply to any Person or Entity with respect to any Claims, demands, liabilities, disputes, remedies, Causes of Action, indebtedness, or obligations arising from fraud, willful misconduct, or gross negligence by any such Person or Entity~~, (b) the Debtors do not provide any releases of any Claims or Causes of Action (if any) that the Debtors may be able to assert against the Sponsor or its Related Parties for any liability (if any) in any qui tam actions, and (c) notwithstanding anything to the contrary herein, to the extent that the Special Committee determines to recommend that any Debtor should not grant releases in favor of the Sponsor or its Related Parties with respect to any claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, or obligations, including those that are proposed to be released herein by the Debtors, any such releases given by Debtors will be null and void~~. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of the Debtors or the Stalking Horse Purchaser arising under the Stalking Horse APA or the Sale Order or any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation ~~and~~Order, the Sale Order, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or Sale Transaction.

Entry of the Confirmation ~~and Sale~~ Order shall constitute the Bankruptcy Court's approval, pursuant section 1123(b) and Bankruptcy Rule 9019, of the releases described in this Article VIII.B ~~of the Plan~~, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each release described in Article VIII.B of the Plan is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good-faith settlement and compromise of the released Claims and Causes of Action; (3) in the best interests of the Debtors, their Estates, and all stakeholders; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; (6) a sound exercise of the Debtors' business judgment; and (7) a bar to any of the Debtors, their Estates, or the Wind-Down Trust asserting any released Claims or Causes of Action against any of the Released Parties or their property.

2. Releases by Holders of Claims and Interests

~~Subject to the Exit Fee/MOIC ROR, as~~As of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each of the Releasing Parties is deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Debtor and each other Released Party from any and all Claims and Causes of Action, including any derivative Claims asserted or assertable on behalf of any of the Debtors, their Estates, and the Wind Down Trust, as applicable, that such Entity would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor, the Wind-Down Trust, or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' capital structure, the assertion or enforcement of rights and remedies against the Debtors, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or

among the Debtors, and/or their Affiliates, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Prepetition First Lien Credit Agreement Documents, the Prepetition Sidecar Credit Agreement, the Restructuring Transactions, the Sale ~~Transactions~~Transaction, entry into the ~~Staling~~Stalking Horse APA, the New Takeback Debt, the New Revolving Facility (as defined in the Restructuring Support Agreement), the DIP Facility (as defined in the Restructuring Support Agreement), the Bridge Loans (as defined in the DIP Orders), the Chapter 11 Cases and related adversary proceedings, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, the Definitive Documents, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of the Sale Transaction, the Consummation, the administration and implementation of the Plan, including providing any legal opinion requested by any Person or Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan ~~or~~, the Confirmation ~~and~~Order, or the Sale Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; *provided* that ~~(a)~~ such releases will not apply to any Person or Entity with respect to any Claims, demands, liabilities, disputes, remedies, Causes of Action, indebtedness, or obligations arising from fraud, willful misconduct, or gross negligence by any such Person or Entity~~, (b) the Consenting Lenders do not provide any releases of any Claims or Causes of Acton (if any) that the Consenting Lenders may be able to assert against the Sponsor or its Related Parties (other than the Debtors) for any liability (if any) in any Qui Tam Claims, and (c) notwithstanding anything to the contrary herein, to the extent that the Special Committee determines to recommend that any Debtor should not grant releases in favor of the Sponsor or its Related Parties (other than the Debtors) with respect to any Claims, demands, liabilities, responsibilities, disputes, remedies, Causes of Action, indebtedness, or obligations, including those that are proposed to be released herein by the Consenting Lenders, any such releases given by the Consenting Lenders will be null and void and the Consenting Lenders will have no obligation to offer or consent to such releases of the Sponsor or any of its Related Parties (other than the Debtors)~~. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations of the Debtors or the Stalking Horse Purchaser arising under the Stalking Horse APA or the Sale Order or any obligations of any Entity arising after the Effective Date under the Plan, the Confirmation ~~and~~Order, the Sale Order, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or Sale Transaction.

Entry of the Confirmation ~~and Sale~~ Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in Article VIII.C of the Plan which includes by reference each of the related provisions and definitions

contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each release described in this Article VIII.C ~~of the Plan~~ is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good-faith settlement and compromise of the released Claims and Causes of Action; (3) in the best interests of the Debtors, their Estates, and all stakeholders; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; (6) a sound exercise of the Debtors' business judgment; and (7) a bar to any of the Releasing Parties asserting any Claim or Cause of Action against any of the Released Parties or their property.

3. Exculpation

Notwithstanding anything herein to the contrary, to the fullest extent permitted by applicable law, no Exculpated Party shall have or incur, and each Exculpated Party (in each case in its capacity as such) is released and exculpated from, any liability to any holder of a Claim or Cause of Action against or Interest in a Debtor for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases from the Petition Date to the Effective Date, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, the Plan, the Sale ~~Transactions,~~Transaction, entry into the Stalking Horse APA, the New Takeback Debt, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the DIP Credit Agreement Documents, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of the Sale Transaction, Consummation, the administration and implementation of the Plan, including providing any legal opinion requested by any Person or Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan ~~or~~, the Confirmation ~~and~~Order, or the Sale Order in lieu of such legal opinion, the issuance or distribution of securities pursuant to the Plan or the distribution of property under the Plan or any other agreement (whether or not such issuance or distribution occurs following the Effective Date), negotiations regarding or concerning any of the foregoing, or the administration of the Plan or property to be distributed hereunder, except for Claims and Causes of Action related to any act or omission that is determined by Final Order to have constituted fraud, willful misconduct, or gross negligence, but in all respects such Persons and Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. For the avoidance of doubt, no Exculpated Party shall be exculpated with respect to any Claim or Cause of Action related to or arising from the Excluded Litigation, including any Excluded Product Liability Claims (each as defined in the Stalking Horse APA) or the Qui Tam Claims.

4. Injunction

Except as otherwise expressly provided in the Plan ~~or~~, the Confirmation ~~and~~Order, or the Sale Order, all Persons and Entities who have held, hold, or may hold Claims, Interests or Causes of Action that have been released, discharged, or are subject to exculpation under the Plan are permanently enjoined and precluded, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Wind-Down Trust, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or proceeding of any kind on account of or in connection with or with respect to any such Claims, Interests or Causes of Action; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action; (3) creating, perfecting, or enforcing any Lien, Claim, or encumbrance of any kind against such Entities or their respective assets and property or the estates of such Entities on account of or in connection with or with respect to any such Claims, Interests or Causes of Action; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action, unless such Holder has Filed a motion requesting the right to perform such setoff, subrogation, or recoupment of any kind on or before the Effective Date, and notwithstanding any indication in any Proof of Claim or Proof of Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff, subrogation, and recoupment pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind against such Entities on account of or in connection with or with respect to any such Claims, Interests, or Causes of Action released, settled, or compromised pursuant to the Plan.

Upon entry of the Confirmation ~~and Sale~~ Order, all Holders of Claims and Interests and their respective current and former directors, managers, officers, principals, predecessors, successors, employees, agents, and direct and indirect Affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or Reinstatement of such Claim or Interest, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in Article VIII.E of the Plan.

5. Release of Liens

Except as otherwise expressly provided in the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created pursuant to the Plan ~~or~~, the Confirmation ~~and~~Order, or the Sale Order, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released~~,~~ and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Debtors shall automatically revert to the applicable Debtor, Exactech Newco or,

Wind-Down Trust, as applicable, and their successors and assigns, in each case, without any further approval or order of the Bankruptcy Court and without any action or Filing being required to be made by any Person or Entity. To the extent that any Holder of a Secured Claim that has been satisfied in full or discharged pursuant to the Plan, or any agent for such Holder, including the Agents, has filed or recorded publicly any Liens and/or security interests to secure such Holder's Secured Claim, then as soon as practicable on or after the Effective Date, such Holder (or the agent for such Holder) shall take any and all steps reasonably requested by the Debtors, the Wind-Down Trustee, Exactech NewCo or any administrative agent, collateral agent or indenture trustee under any exit financing facility that are necessary or desirable to record or effectuate the cancelation and/or extinguishment of such Liens and/or security interests, including the filing of Uniform Commercial Code termination statements, termination of deposit account control agreements, and any other applicable filings or recordings, and the Wind-Down Trustee or Exactech NewCo shall be entitled to file Uniform Commercial Code termination statements or to make any other such filings or recordings on such Holder's behalf. The filing of a copy of the Confirmation ~~and~~Order or the Sale Order with any local, state, federal, or foreign agency or department shall not be required to effect the termination of such Liens or security interests, but, if presented for filing or recording, shall constitute good and sufficient evidence of such termination.

T. ~~M.~~ Who are the "Released Parties" under the Plan?

The Released Parties include, collectively, and in each case in its capacity as such (and each of their Related Parties[15][14]):

- each of the Debtors, including Osteon Holdings, Inc., Osteon Intermediate Holdings I, Inc., Osteon Intermediate Holdings II, Inc., Exactech, Inc., and XpandOrtho, Inc.;
- the Agents~~;~~, including GLAS USA LLC, as administrative and collateral agent under any DIP Credit Facility, and any predecessors and successors in such capacity, GLAS USA LLC, as successor administrative agent and collateral agent under the Prepetition First Lien Credit Agreement, and any predecessors and successors in such capacity,

[15][14] "*Related Party*" means, with respect to an Entity, each of, and in each case solely in its capacity as such, (a) such Entity's ~~current and former~~ Affiliates and (b) such Entity's respective ~~current and former~~ directors, managers, officers, shareholders, equity holders(regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, predecessors, participants, successors, assigns, (whether by operation of law or otherwise) subsidiaries, associated entities, managed or advised entities, accounts or funds, partners, limited partners, general partners, principals, members, management companies, fund advisors, fiduciaries, trustees, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, and other professionals, representatives, advisors, predecessors, successors, and assigns, and the respective heirs, executors, estates, and nominees of the foregoing.

For purposes of the Plan, as to any Person or Entity (other than a Debtor for purposes of the Debtor Release), such Person or Entity's Related Parties shall mean its current and former Related Parties. For the avoidance of any doubt, the Debtors shall not release nor be deemed to release any Debtor's former Related Parties except those Persons or Entities that are also Related Parties of the Sponsor. For additional information on the Debtors' Related Parties, including former and current directors and officers, please refer to the Debtors' Schedules of Assets and Liabilities and Statements of Financial Affairs [Docket Nos. 193-202].

TPG VII Osteon Holdings, LP solely in its capacity as Prepetition Sidecar Agent, and any predecessors and successors in such capacity;

- the DIP Lenders, including Greywolf Capital Management LP, Post Advisory Group, LLC, Stellex Capital Management LLC, Strategic Value Partners, LLC;
- the Consenting Lenders~~;~~, including Greywolf Capital Management LP, Octagon Investment Partners 48, Ltd., POST CLO 2021-1 LTD, Post CLO 2018-1 LTD, Post Senior Loan Master Fund, LP, Stellex Capital Partners II LP, Strategic Value Capital Solutions II MF L.P., Strategic Value Excelsior Fund, L.P., Strategic Value Special Situations Master Fund V, L.P., Channel Islands LLC;
- ~~Exacteeh NewCo~~the Winning Bidder, EI BIDCO, LLC; and
- the Sponsor ~~(solely as and to the extent set forth in the Plan, which for the avoidance of doubt does not release the Sponsor with respect to any qui tam actions[16])~~, which includes TPG, Inc., TPG Capital, L.P., JointMedica Limited, JointMedica Investment Holdings, L.P., TPG VII Osteon Holdings, LP, TPG Partners VII, L.P., TPG Genpar VII, L.P., TPG Genpar VII Advisors, LLC, Osteon Merger Sub, Inc., TPG Global, LLC~~, and~~.

~~• the Stalking Horse Purchaser;~~

~~However, the designation of the Sponsor and its Related Parties as Released Parties will be subject to the Special Committee's determination that any Debtor should not grant releases in favor of the Sponsor or its Related Parties with respect to, without limitation any Claims, demands, liabilities, responsibilities, disputes, remedies, Causes of Action, indebtedness, or obligations, set forth in Article VIII.C of the Plan.~~

The Debtors' Related Parties include, without limitation, the Debtors' current directors, officers, and employees, including Elizabeth Abrams, Laurent Angibaud, Travis Autrey, Jeffrey Binder, Gwen Bingham, Matthew Brzozowski, Matt Collins, Tony W. Collins, Brian Danahy, Donna Edwards, Stacey Fedorka, Kendall Garrison, Karen Golz, Adam Hayden, Darin Johnson, Jessica Livingston, Cassy Morgan, Diana Nole, Timothy Pohl, Chris Roche, John Schilling, Dale Wolf, Jesse York, and Andrew Zeltwanger.

Other than the Independent Investigation with respect to the Sponsor and its Related Parties, which Independent Investigation is completed, the Special Committee's conclusions with respect to the Independent Investigation into potential Estate Claims against the above-referenced Released Parties are based on the facts and circumstances as identified and known by the Special Committee as of the date hereof. The Special Committee will remain responsive to any potential Claims that are identified and will undertake appropriate investigation to ensure that valuable Estate Causes of Action are not released for inadequate consideration. Accordingly, other than

[16] ~~Notwithstanding the Special Committee's Investigation, the Consenting Lenders have not consented or agreed to support a Plan (or any modifications to the Plan) that provides any additional releases for the Sponsor other than as explicitly set forth in the Restructuring Support Agreement.~~

with respect to the Sponsor and its Related Parties as provided herein, to the extent the Independent Investigation uncovers Estate Claims or Causes of Action worthy of pursuit prior to Confirmation, the Special Committee may recommend that the Debtors amend and narrow the scope of the proposed Released Parties or remove such Claim or Cause of Action entirely in order to allow such Estate Claims or Causes of Action to be preserved.

U. Does the Debtor Release affect any Claims or Causes of Action I may have against the Released Parties?

As referenced above and discussed in more detail in Article V.M, the Debtor Release proposed in Article VIII.B of the Plan encompass all Claims and Causes of Action held by the Debtors and their Estates. Upon the commencement of a bankruptcy case, certain claims or causes of action based on theories that can be asserted by both a debtor and its creditors prior to bankruptcy become property of the debtor's estate and may only be pursued by the debtor (as debtor in possession) or a bankruptcy trustee (or other designated representative of the debtor's estate) unless abandoned.[15]

A release or compromise by the Debtors and their Estates of a particular Claim or Cause of Action that is property of the Estates subsequently precludes a claimant from asserting its own Claim or Cause of Action under a similar legal theory.[16]

Whether a Claim or Cause of Action becomes property of the estate requires that it "existed at the commencement of the bankruptcy filing and … the debtor could have asserted [the claim] on its own behalf."[17] Whether a Claim or Cause of Action existed on the Petition Date is a question of applicable non-bankruptcy, and whether the Debtors could have asserted the Claims or Causes of Action on their own behalf is determined by the facts and circumstances of the Debtors' cases and the nature of the Claims or Causes of Action.

Creditors of the Debtors have sued Debtor Osteon Holdings, Inc. and certain entities affiliated with the Sponsor seeking to hold them liable for the conduct of Exactech, Inc., on an alter ego or a veil piercing theory.[18] Courts have found that under certain states' laws veil piercing and alter ego theories of liability (which are Causes of Action under the Plan) become property of a debtor's bankruptcy estate upon the commencement of chapter 11 cases.[19] If those cases govern individual creditors' Causes of Action based on those theories against non-Debtors,

[15] *See In re Wilton Armetale, Inc.*, 968 F.3d 273, 282-284 (3d Cir. 2020).

[16] *See In re Emoral, Inc.*, 740 F.3d 875, 879 (3d Cir. 2014).

[17] *Wilton*, 968 F.3d at 282.

[18] As discussed herein, with respect to certain plaintiffs, these Causes of Action were dismissed with prejudice, and on March 6, 2025, the plaintiffs filed the Rule 60 Motion (as defined below) in the MDL, which seeks Court permission to amend their complaint to re-plead those Causes of Action.

[19] *See e.g., In re Buildings by Jamie, Inc.*, 230 B.R.36, 43 (Bankr. D.N.J. 1998) (applying New Jersey law, concluding that a debtor's individual creditors lacked standing to bring an alter ego veil-piercing cause of action as such action was property of the estate because New Jersey law permits a corporation to pierce its own veil and recovery would benefit the estate as a whole); *In re TPC Grp. Inc., No. 22-10493,* 2023 Bankr. LEXIS 446, at*19 (Bankr. D. Del. Feb. 22, 2023) (finding that any veil-piercing claim is an estate cause of action).

then such Causes of Action may not be asserted unless the Debtors (or another Estate representative) abandon such claims. The Debtors believe that these cases control with respect to alter ego and veil piercing Causes of Action related to the conduct of these defendants, and that such Causes of Action are property of the Debtors' Estates.

One case has found that Causes of Action based on alter ego or veil piercing were not property of the estate when the underlying claim arose under federal law and after the petition date.[20] The Committee's view is that: "Under applicable Florida law, the Debtors here could not have asserted personal injury claims against TPG under the alter ego and veil piercing doctrines under state law prior to the bankruptcy. Pre-bankruptcy, only the individuals injured by the defective products and other creditors of the Debtors have standing to assert such claims." *See* Committee Obj. to Discl. Stmt. ¶ 80. Thus, the Committee does not believe that the alter ego or veil piercing Causes of Action that the Debtors' creditors have asserted ever became property of the Debtors' Estates. The Debtors and the Sponsor disagree.

If the Committee is wrong as to the ultimate question of whether Causes of Action for theories of alter ego or veil piercing are property of the Estates, the Debtor Release in the Plan would serve to compromise and preclude any of the Debtors' creditors from suing any of the Released Parties under such theories. Creditors would also be precluded from asserting claims against the non-debtors based on those Causes of Action if the Debtors enter into settlements or otherwise resolve the alter ego or veil piercing theories against such non-debtors. Therefore, creditors should consult their own counsel to determine whether they believe that alter ego or veil piercing Causes of Action are property of the Debtors' Estates.

Individual creditors may believe that they have Causes of Action against Released Parties under other theories of liability. Such Causes of Action would be subject to the same analysis set forth above. Thus, creditors who have asserted or intend to assert Claims or Causes of Action against the Released Parties should consult their own counsel to determine how the Debtor Releases in the Plan may affect the creditor's own Claims and Causes of Action.

V. ~~N.~~ What is the deadline to vote on the Plan?

The Voting Deadline is ~~March 18~~May 2, 2025, at 4:00 p.m. (prevailing Eastern Time).

W. ~~O.~~ How do I vote for or against the Plan?

Detailed instructions regarding how to vote on the Plan are contained on the Ballots distributed to Holders of Claims that are entitled to vote on the Plan. For your vote to be counted, your Ballot must be properly completed, executed, and delivered as directed, so that your Ballot (or a master ballot) including your vote is ***actually received*** by Kroll Restructuring Administration LLC, the Debtors' Claims, Noticing~~,~~ and Solicitation Agent, ***on or before the Voting Deadline, i.e. ~~March 18~~May 2, 2025, at 4:00 p.m. (prevailing Eastern Time)***. *See* Article VIII of this Disclosure Statement for more information.

[20] *See Bd. of Trs. of Teamsters Local 863 v. Foodtown, Inc.*, 296 F.3d 164, 170-71 (3d Cir. 2002) (finding that a claim based on withdrawal liability under ERISA was not property of the estate).

X. ~~P.~~ Why is the Bankruptcy Court holding a Confirmation Hearing?

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a hearing on confirmation of the Plan and recognizes that any party in interest may object to Confirmation of the Plan.

Y. ~~Q.~~ When is the Confirmation Hearing set to occur?

The Bankruptcy Court has scheduled the Confirmation Hearing for ~~March 27~~May 28, 2025, at 10:00 a.m. (prevailing Eastern Time). The Confirmation Hearing may be adjourned from time to time without further notice.

Objections to Confirmation must be filed and served on the Debtors, and certain other parties, by no later than ~~March 18~~May 2, 2025, at 4:00 p.m. (prevailing Eastern Time) in accordance with the notice of the Confirmation Hearing that accompanies this Disclosure Statement and the Disclosure Statement Order attached hereto as **Exhibit D** and incorporated herein by reference.

Z. ~~R.~~ What is the purpose of the Confirmation Hearing?

The confirmation of a chapter 11 plan by a bankruptcy court binds the debtor, any issuer of securities under a chapter 11 plan, any person acquiring property under a chapter 11 plan, any creditor or equity interest holder of a debtor, and any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code.

AA. ~~S.~~ Who do I contact if I have additional questions with respect to this Disclosure Statement or the Plan?

If you have any questions regarding this Disclosure Statement or the Plan, please contact the Debtors' Claims, Noticing~~,~~ and Solicitation Agent, Kroll Restructuring Administration LLC, via one of the following methods:

By first-class mail, hand delivery, or overnight mail at:
Exactech, Inc. Ballot Processing Center.
c/o Kroll Restructuring Administration LLC
850 3rd Avenue, Suite 412
Brooklyn, NY 11232

By electronic mail at:
ExactechInfo@ra.kroll.com *with a reference to "Exactech, Inc. Solicitation Inquiry" in the subject line*

By telephone at:
(833) 918-0986 *(U.S./Canada, toll-free) or +1 (646) 781-8728 (international, toll) / +61 (2) 72-094-837 (Australia, toll)*

Copies of the Plan, this Disclosure Statement, and any other publicly filed documents in the Chapter 11 Cases are available upon written request to the Claims, Noticing~~,~~ and Solicitation

Agent at the address above or by downloading the exhibits and documents from the website of the Claims, Noticing~~,~~ and Solicitation Agent at https://restructuring.ra.kroll.com/Exactech/ (free of charge) or the Bankruptcy Court's website at https://www.deb.uscourts.gov/ (for a fee).

BB. ~~T.~~ Do the Debtors recommend voting in favor of the Plan?

Yes. The Debtors believe the Plan provides for a greater distribution to the Debtors' creditors than would otherwise result from any other available alternative. The Debtors believe the Plan, which provides for consummation of the Sale ~~Transactions~~Transaction, an orderly Wind-Down and dissolution of the Debtors and for distributions to Holders of Allowed Claims and Allowed Interests, is in the best interests of all Holders of Claims and Interests, and that other alternatives fail to realize or recognize the value inherent under the Plan.

CC. ~~U.~~ Who is ~~Committed~~committed by the Restructuring Support Agreement to ~~Support~~support the Plan?

The Plan is supported by, among others, the Debtors and the Ad Hoc Group.

ARTICLE III

THE DEBTORS' CORPORATE HISTORY, STRUCTURE, AND BUSINESS OVERVIEW

A. Exactech's Corporate History

The Company is a privately held, leading manufacturer and developer of orthopedic implant devices, related surgical instruments, and an AI-based platform of smart technologies to hospitals and physicians. Founded in 1985 by Dr. Bill Petty, an orthopedic surgeon, Dr. Gary Miller, a biomedical engineer, and Betty Petty, the Company's mission since its inception remains the same—to help people with joint and arthritic diseases and injuries improve their quality of life by maintaining their activity and independence.

In its early stages, the Company exclusively focused on hip-related products. Its first product was a cemented primary hip system, followed by additional hip joint products. Building on its success with hip products, in 1992, the Company expanded its scope and developed its first knee implant. In 1996, in order to support the full commercialization of its knee implants, the Company went public with an IPO on Nasdaq. The Company further expanded its scope in 2005 by entering the extremities market with the launch of its shoulder products, which quickly gained surgeon acceptance and have been market leaders for more than ten years. In 2014, the Company acquired an advanced, computer-assisted surgical technology company to develop ExactechGPS, a computer-assisted device that provides surgeons with a 3D view of the patients' joints, which has since changed the way total joint replacement surgeries are performed.

After being a public company for 21 years, in 2018, the Company became privately-held after the Sponsor acquired substantially all of the common stock of Debtor Osteon Holdings, Inc.

B. Exactech's Business Operations

1. Operations Overview

Exactech is vertically integrated with approximately 70% of its products being manufactured in-house across four manufacturing facilities in Gainesville and Sarasota, Florida, and Gieres, France. The Company employs approximately 900 employees worldwide, of which approximately 580 are employed in the United States. Further details about the Company's in-house manufacturing capabilities are set forth in the chart below.

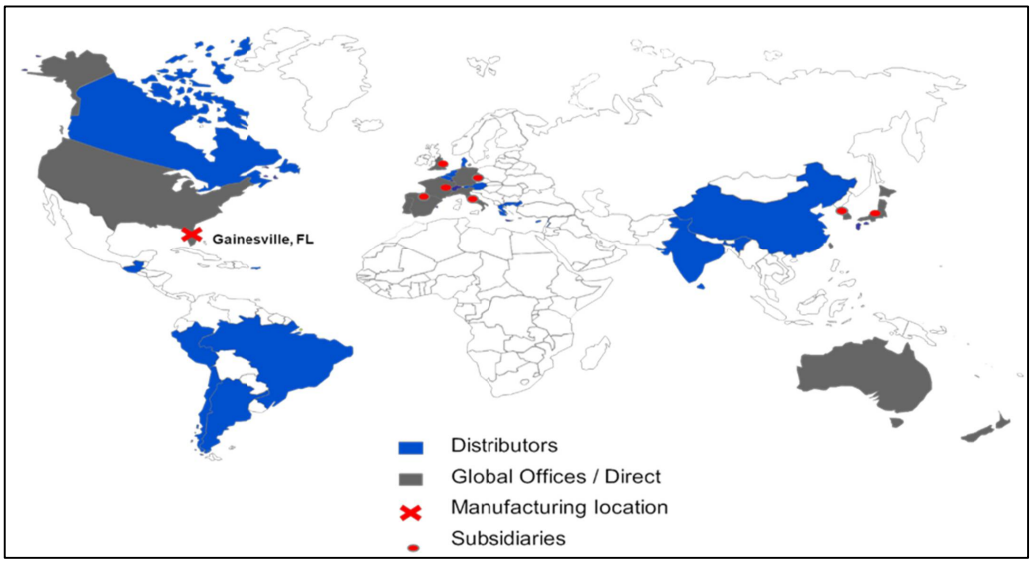
	Gainesville, FL (Headquarters)	Sarasota, FL (Instruments)	Sarasota, FL (Molding)	Gieres, France (Exactech GPS)
Operations	Manufacturing, distribution, warehouse, and customer service	Instrument and screw manufacturing	Compression molding of ultra-high-molecular-weight polyethylene	Hardware and software development and manufacturing of ExactechGPS
Product Lines	Implant manufacturing	Knee and shoulder instruments; hip and shoulder screw implants	Tibial bearings, humeral liners, and glenoids	GPS navigation system
Key Manufacturing Capabilities	Milling, turning, grinding, finishing, sterile and non-sterile packaging	Milling, turning, grinding, finishing, sterile and non-sterile packaging	Compression molding and finishing	Component assembly and testing

In addition to its manufacturing capabilities, the Company also maintains a robust sales force of independent contractors with well-established global commercial infrastructure, who are key to driving the Company's revenue generation. The Company has focused on global expansion since 2010 and currently maintains direct sales presence in ten countries with more than 350 sales representatives in the U.S. sales force, focusing on direct agency support and

medical education activities, and distribution in approximately 20 markets worldwide including Europe, Latin America, and Asia.

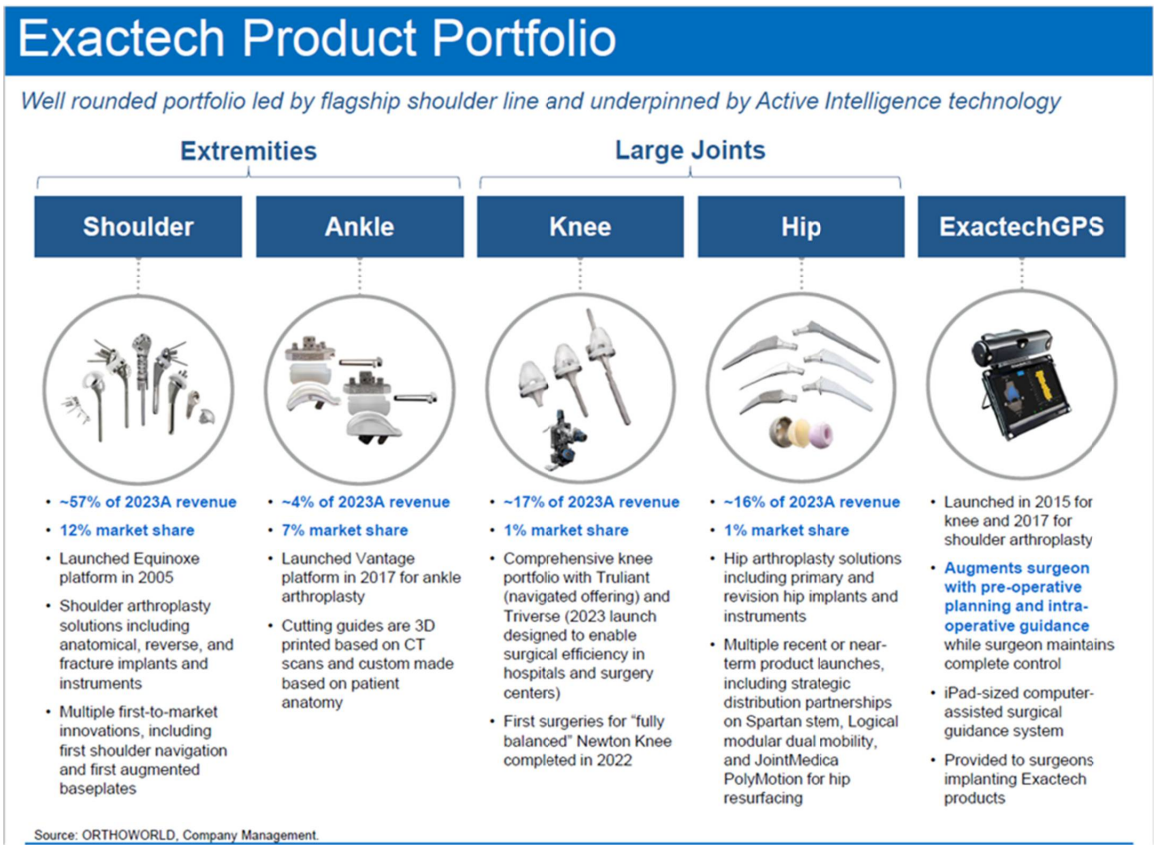
The Company's corporate structure is set forth on the structure chart attached hereto as Exhibit C. As detailed on the structure chart, the Company has twelve non-debtor foreign subsidiaries, organized under the laws of Australia, Austria, France, Germany, Japan, Portugal, South Korea, Spain, Switzerland, the United Kingdom.

As of 2023, approximately 70% of the Company's net revenue is generated in the U.S. and approximately 30% is generated outside of the U.S. Of the 30% revenue generated outside of the U.S., a majority of the sales are from the United Kingdom, Western Europe, Japan, and Australia, with approximately 93% of the revenue outside the U.S. generated through the Company's direct global offices while approximately 7% is generated through distributors.



2. Product Portfolio

The Company's product portfolio spans across three different categories: (i) extremities (shoulder and ankle), (ii) large joints (knee and hip), and (iii) others (ExactechGPS and other supporting materials). Approximately 61% of the Company's revenues is generated from the sale of its extremities products, 33% from large joint products, and 6% from others.



i. **Extremities**: Extremities product category includes shoulder (Equinoxe) and ankle (Vantage) platforms.

- **Shoulder (Equinoxe)**: Launched in 2005, Equinoxe provides shoulder arthroplasty solutions, including anatomical, reverse, and fracture implants and instruments. Shoulder products are the Company's leading product category accounting for 57% of the Company's revenue in 2023, and include multiple first-to-market innovations, including first shoulder navigation and first augmented baseplates.

- **Ankle (Vantage)**: Launched in 2017, Vantage accounted for 4% of the Company's revenue in 2023. Vantage products are manufactured and custom-made with cutting guides 3D-printed based on the patient's anatomy. In 2023, the Company received FDA clearance for ExactechGPS® Ankle, the first surgical navigation system for total ankle arthroplasty (TAA), which it launched on December 2nd, 2024.

ii. **Large Joints**: Large joints products include knee (Truliant / TriVerse), and hip (Alteon) platforms.

- **Knee (Truliant and TriVerse)**: Knee products accounted for 17% of the Company's revenue in 2023. The Company maintains a comprehensive knee portfolio with Truliant (navigated offering) and TriVerse, which was

launched in 2023, designed to enable surgical efficiency in hospitals and surgery centers.

- **Hip (Alteon)**: Hip products accounted for 16% of the Company's revenue in 2023 and provide arthroplasty solutions, including primary and revision hip implants and instruments. There are multiple recent and near-term product launches including strategic distribution partnerships on the Company's Spartan Stem, Logical system and with JointMedica PolyMotion for hip resurfacing.

iii. **Others:** ExactechGPS is an iPad-sized computer assisted surgical guide that is provided to surgeons implanting Exactech products and offers surgeons with a 3D view of the patient's joints for the surgical process. In 2015, ExactechGPS was launched for knees and in 2017 for shoulder arthroplasty. ExactechGPS augments surgeons with pre-operative planning and intra-operative guidance while the surgeon maintains complete control.

C. The Debtor's Prepetition Capital Structure

As of the Petition Date, the Debtors had approximately $352 million of funded principal debt obligations, consisting of obligations under the Prepetition First Lien Credit Agreement (defined herein), and the Prepetition Sidecar Credit Agreement (defined herein). The following table details the Company's prepetition capital structure (as of the Petition Date) with respect to its funded debt:

Instrument	Approx. Balance Outstanding	Rate	Security
Prepetition First Lien Credit Agreement	**$323,644,335.88**	S + Term SOFR Adj. + 3.75%	Substantially all assets subject to Excluded Assets as defined in the Prepetition First Lien Credit Agreement
Revolving Loans	$52,180,116.32		
Prepetition First Lien Term Loan	$264,917,930.82		
2024 Incremental Term Loan[17][21]	$6,546,288.74	S + Term SOFR Adj. + 8.00%	
Prepetition Sidecar Credit Agreement	**$28,525,064.59**	• 12% per annum on or prior to March 18, 2024 (2% cash, 10% PIK) • 18% per annum after March 18, 2024 (2% cash, 16% PIK)	Substantially all assets subject to Excluded Assets as defined in the Prepetition Sidecar Credit Agreement

[17][21] The 2024 Incremental Term Loan was refinanced under the DIP Credit Agreement pursuant to the Interim DIP Order on October 31, 2024.

Instrument	Approx. Balance Outstanding	Rate	Security
Original Sidecar Term Loans	$17,600,993.96		
Incremental Sidecar Term Loans	$10,924,070.63		
Total:	**$352,169,400.47**		

1. Prepetition First Lien Credit Agreement

On February 14, 2018, Debtor Exactech, Inc. entered into that certain Credit Agreement dated as of February 14, 2018 (as amended, restated, supplemented, amended and restated or otherwise modified from time to time prior to the Petition Date, the "Prepetition First Lien Credit Agreement" and the claims outstanding thereunder, the "Prepetition First Lien Claims"), among Exactech, as borrower (the "Borrower"), Osteon Intermediate Holdings II, Inc., as holdings ("Holdings"), Goldman Sachs Bank USA, as administrative agent and collateral agent (in such capacities, the "Prepetition First Lien Agent"),[~~18~~22] and the lenders party thereto from time to time (the "Prepetition First Lien Lenders"), pursuant to which the Prepetition First Lien Lenders agreed to provide the Borrower with (i) a revolving credit facility in an aggregate amount of $50,000,000 (the "Revolving Loans" and the holders thereof, the "Revolving Lenders"), and (ii) a first lien term loan facility in the aggregate principal amount of $235,000,000 (the "Original First Lien Term Loans").

Under the Prepetition First Lien Credit Agreement, the Revolving Loans have a maturity date of November 15, 2024 and bear interest at SOFR plus 3.75% with a 0.25% step-down or a 0.50% step-down depending on the first lien net leverage ratio. The Original First Lien Term Loans have a maturity date of February 14, 2025 and bear interest at SOFR plus 3.75%.

2. Amendment No. 1 to the Prepetition First Lien Credit Agreement

On December 17, 2019, the Borrower entered into that certain Amendment No. 1 to the Credit Agreement with the Prepetition First Lien Agent and the Prepetition First Lien Lenders, pursuant to which the Prepetition First Lien Lenders agreed to provide the Borrower with incremental term loans in the aggregate principal amount of $35,000,000 (the "2019 Incremental Term Loans" and, together with the Original First Lien Term Loans, the "Prepetition First Lien Term Loans"). The 2019 Incremental Term Loans have the same maturity date and interest rate as the Original First Lien Term Loans.

3. Amendment No. 2 to the Prepetition First Lien Credit Agreement.

On January 19, 2022, the Borrower entered into that certain Amendment No. 2 to the Credit Agreement with the Prepetition First Lien Agent and the Prepetition First Lien Lenders,

[~~18~~22] On October 28, 2024, GLAS USA LLC replaced Goldman Sachs Bank USA as the Prepetition First Lien Agent.

pursuant to which the Prepetition First Lien Lenders agreed to extend the maturity date of the Revolving Loans from February 14, 2023 to November 15, 2024.

4. Amendment No. 3 to the Prepetition First Lien Credit Agreement

On March 3, 2023, the Borrower entered into that certain Amendment No. 3 to the Credit Agreement with the Prepetition First Lien Agent, pursuant to which the LIBOR interest rate on the Prepetition First Lien Term Loans were replaced with SOFR plus Term SOFR Adjustment.

5. Amendment No. 4 to the Prepetition First Lien Credit Agreement

On October 9, 2024, the Borrower entered into that certain Amendment No. 4 to the Credit Agreement with the Prepetition First Lien Agent acting at the direction of certain Prepetition First Lien Lenders, pursuant to which certain Prepetition First Lien Lenders agreed to provide incremental term loans in an aggregate principal amount of $6,500,000 (the "2024 Incremental Term Loans"). The 2024 Incremental Term Loans have a maturity date of October 10, 2025 and bear interest at SOFR + 8.00% (with 7.00% to be paid in kind). The liens and security interests securing the obligations under the Prepetition First Lien Credit Agreement (other than 2024 Incremental Term Loans) and Prepetition Sidecar Credit Agreement were subordinated to the liens and security interests securing the 2024 Incremental Term Loans.

On October 31, 2024, the 2024 Incremental Term Loan was repaid with the proceeds of the DIP Credit Agreement pursuant to the terms of the Interim DIP Order.

6. Guaranty and Security Under Prepetition First Lien Credit Agreement

Pursuant to that certain Guaranty dated as of February 14, 2018 (as supplemented by that certain Guaranty Supplement, dated as of January 8, 2020 and as further amended, restated, amended and restated, supplemented or otherwise modified), the obligations of the Borrower under the Prepetition First Lien Credit Agreement are guaranteed by Holdings and Debtor XpandOrtho, Inc. (in such capacities, the "Prepetition First Lien Guarantors").

The obligations of the Borrower under the Prepetition First Lien Credit Agreement are secured by substantially all of the assets of the Borrower and the equity interests in the Borrower and the Prepetition First Lien Guarantors and certain of its affiliates pursuant to that certain Pledge and Security Agreement, dated as of February 14, 2018 (as supplemented by that certain Joinder Agreement, dated as of January 8, 2020 and as further amended, restated, amended and restated, supplemented or otherwise modified), by and among the Borrower, the Prepetition First Lien Guarantors, and the Prepetition First Lien Agent.

7. Prepetition Sidecar Credit Facility

On September 19, 2023, Debtor Exactech entered into that certain Credit Agreement dated as of September 19, 2023 (as amended, restated, supplemented, amended and restated, or otherwise modified from time to time prior to the Petition Date, the "Prepetition Sidecar Credit Agreement"), among the Borrower, Holdings, and TPG VII Osteon Holdings, LP, as administrative agent and collateral agent (in such capacities, the "Prepetition Sidecar Agent"), and as the sole lender (in such capacity, the "Prepetition Sidecar

Lender"), pursuant to which the Prepetition Sidecar Lender agreed to provide the Borrower with $15,000,000 of term loans (the "Original Sidecar Term Loans").

The Original Sidecar Term Loans had a maturity date of September 18, 2024 and bore interest at (i) 12.00% per annum for any interest accrued on or prior to March 18, 2024 (of which (x) 2.00% per annum was paid cash and (y) 10.00% per annum was paid in kind), and (ii) 18.00% per annum for any interest accrued after March 18, 2024 (of which (x) 2.00% per annum was paid in cash and (y) 16.00% per annum was paid in kind).

The Prepetition Sidecar Lender may assert that it is entitled to payment of the Exit Fee and the Applicable Premium (each as defined in the Prepetition Sidecar Credit Agreement). Pursuant to the DIP Orders and the Exit Fee/MOIC ROR, the Debtors, the Prepetition First Lien Parties, and the Committee reserve their rights to object to the extent, allowability, validity, and enforceability of the Exit Fee and the Applicable Premium.

8. Amendment No. 1 to the Prepetition Sidecar Credit Agreement

On April 23, 2024 (the "First Amendment Effective Date"), the Borrower entered into that certain Amendment No. 1 to the Credit Agreement pursuant to which the Prepetition Sidecar Lender agreed to provide the Borrower multi-draw incremental term loans in the aggregate principal amount of $20,000,000 (the "Incremental Sidecar Term Loans" and, together with the Original Sidecar Term Loans, the "Prepetition Sidecar Term Loans", and outstanding claims thereunder, the "Prepetition Sidecar Claims"), of which $5,000,000 was funded to the Debtors on the First Amendment Effective Date. On May 22, 2024, an additional $5,000,000 under the Incremental Sidecar Term Loans was funded to the Company and $10,000,000 remains undrawn. The Incremental Sidecar Term Loans have a maturity date of February 14, 2025.

9. Guaranty and Security Under the Prepetition Sidecar Credit Agreement

Pursuant to that certain Guaranty dated September 19, 2023, (as amended, restated, amended and restated, supplemented or otherwise modified), the obligations of the Borrower under the Prepetition Sidecar Credit Agreement are guaranteed by Holdings and Debtor XpandOrtho, Inc. (in such capacities, the "Prepetition Sidecar Guarantors").

The obligations of the Borrower under the Prepetition Sidecar Credit Agreement are secured by substantially all of the assets of the Borrower and the Prepetition Sidecar Guarantors and the equity interests in the Borrower and certain of its affiliates pursuant to that certain Pledge and Security Agreement, dated as of September 19, 2023, by and among the Borrower, the Prepetition Sidecar Guarantors and the Prepetition Sidecar Agent. The liens and security interests securing the Prepetition Sidecar Credit Agreement are *pari passu* with those securing the Prepetition First Lien Credit Agreement (other than the 2024 Incremental Term Loans).

10. Trade Claims and Other Unsecured Debt

In the ordinary course of business, the Debtors incur obligations to vendors, suppliers, and trade counterparties. As of the Petition Date, the Debtors estimate they have approximately $39 million in accounts payable outstanding before application of any setoffs, credits, or deductions that may be available to the Debtors. The Debtors' largest unsecured debts are

unliquidated and disputed claims arising from certain (i) ~~qui tam actions~~False Claims Act (FCA) matters, including those pending in the United States District Court for the Northern District of Alabama in a case captioned as *US ex rel. Wallace v. Exactech, Inc.,* No. 2:18-cv-1010-LSC (N.D. Ala. March 2, 2020) (~~the~~ "*Qui Tam* Claims") and the separate investigation initiated in 2023 (the "FCA Investigation" and, collectively, the "FCA Matters") and (ii) actions arising out of, or in any way related to the design, manufacture, production, marketing, distribution, sale, purchase, use, exposure to, or recall of any products or component thereof, including but not limited to any allegations of defects in design, manufacturing, or labeling, failure to warn, breach of warranty, negligence, strict liability, misrepresentation, fraud, or any other theory of liability, whether under state, federal, or foreign law, including, without limitation, the *Exactech Master Case* (Case No. 01-2022-CA-002670) pending in the Eighth Judicial Circuit of Florida, Alachua County (the "Products Liability Claims").

~~**ARTICLE IV**~~

ARTICLE IV

EVENTS LEADING TO THE CHAPTER 11 FILINGS

These Chapter 11 Cases arose as a result of the overhang of the Products Liability Claims and the *Qui Tam* Claims which have burdened the Debtors with unliquidated, contingent liabilities that have ultimately hampered the Debtors' efforts to refinance their prepetition obligations out of court.

Prior to commencing these Chapter 11 Cases, the Company, with the assistance of its advisors, explored various alternatives for obtaining additional liquidity and consensually resolving the Products Liability Claims and the *Qui Tam* Claims, which created, effectively, a "three-legged stool" problem for the Company and its prospects for an out-of-court restructuring. On the one hand, the Company needed access to additional capital, both to refinance its existing indebtedness at maturity and to address litigation costs (including any consensual resolution of various litigation). On the other hand, no capital providers would invest incremental capital without a resolution of both the Products Liability Claims and the *Qui Tam* Claims. Recognizing the tripartite issue facing the Company, the Company and its advisors diligently sought consensual resolutions of the Products Liability Claims and the *Qui Tam* Claims, and incremental capital from existing stakeholders to finance the costs of any consensual resolution and refinance outstanding funded indebtedness prior to upcoming maturities.

However, it became clear that the second leg of the Company's "three-legged stool"—the Products Liability Claims—could not be solved on an out-of-court basis, despite good faith efforts by the Company and substantial support from the Company's existing equity sponsor to facilitate a solution. Accordingly, as the likelihood of an in-court process increased, the Company paused its negotiations with the DOJ regarding a consensual resolution of the *Qui Tam* Claims and pivoted its focus towards obtaining additional liquidity and preparing for an in-court restructuring. After months of negotiations, the Company was able to secure the support of the Ad Hoc Group to finance a value-maximizing sale process that is supported by (i) the Restructuring Support Agreement and Stalking Horse Bid, [23] (ii) approximately $85 million in

[23] As set forth more fully in the Stalking Horse APA, the Stalking Horse Purchaser is (i) credit bidding all of the DIP Obligations existing as of the Closing Date, and, subject to parties' rights to file a Challenge in accordance

DIP financing, and (iii) a commitment by the Ad Hoc Group to support a chapter 11 plan, including an agreed wind down amount sufficient to ensure the responsible winddown of the Debtors' estates and a reserve fund for distribution to general unsecured creditors.

The Company determined that, under these circumstances, commencement of the Chapter 11 Cases was in the best interests of the Debtors, their Estates, and their stakeholders. Accordingly, on October 29, 2024, the Debtors' boards of directors authorized the filing of these Chapter 11 Cases.

A. Product Liability Claims

Beginning in June 2021, the Company commenced a recall of its hip product—Connexion GXL Hip Liners—and later expanded its recall to all hip liners, knee, and ankle implants (the "Initial Recalls"). Later, in early 2024, the Company voluntarily recalled its shoulder replacement devices and knee patellar components as well (the "Shoulder Recall," and "Patella Recall," together with the Initial Recalls, the "Recalls").

The Initial Recalls covered the vast majority of the conventional and moderately crosslinked polyethylene hip liners, polyethylene knee tibial inserts, and polyethylene ankle inserts manufactured by Exactech between 2004 and August 2021. The Shoulder Recall and the Patella Recall cover most polyethylene shoulder devices and polyethylene patellar components manufactured by the Company between 2004 and 2024.

The Recalls were voluntarily initiated due to Exactech Inc.'s vendor supplying non-conforming bags used to package the Company's affected products. The non-conforming bags were determined to be missing one of the oxygen barrier layers that was designed to protect the medical devices from oxidation, a chemical reaction with oxygen that could potentially degrade plastic components over time. Oxidation, if it reaches a certain threshold, may lead to faster device wear or failure, which could potentially lead to revision surgeries.[2024]

Following the Recalls, approximately 2,600 patients—1.7% of patients across the United States who were potentially affected by a recalled device—filed lawsuits against certain of the Debtors in the United States. On October 7, 2022, the federal lawsuits against certain Debtors were consolidated into a multidistrict litigation before the United States District Court for the Eastern District of New York (the "MDL"). As of the Petition Date, there are approximately 1,840 lawsuits pending in the MDL.

DIP Obligations existing as of the Closing Date, and, subject to parties' rights to file a Challenge in accordance with the DIP Order, all of the Prepetition First Lien Obligations existing as of the Closing Date (as each term is defined in the Interim DIP Order), pursuant to 11 U.S.C. § 363(k), (ii) assuming certain liabilities and certain executory contracts and unexpired leases of the Debtors, and (iii) satisfying cure costs (collectively (i), (ii), and (iii), the "Stalking Horse Bid").

[2024] For the avoidance of doubt, although the Company initiated Recalls out of an abundance of caution, it has consistently maintained that the non-conforming bags have not, in fact, led to overall higher rates of revision surgeries beyond industry averages (5-10 percent at 10 years of follow up), and believes that the scientific and clinical data supports the Company's position.

In addition to the MDL, various lawsuits have also been filed against certain Debtors in the state of Florida. These cases have been consolidated before Judge Donna M. Keim in the Circuit Court of the Eighth Judicial Circuit in and for Alachua County, Florida. On November 14, 2022, these Debtors sought to dismiss the cases based on *forum non conveniens* but the request was denied. As of the Petition Date, there are over 740 lawsuits pending in the Florida state courts.

The Company has defended its alleged liability and engaged in settlement negotiations with counsel to the Plaintiff Representatives.[~~21~~25] In mid-July 2024, the Company made its most recent settlement offer to the Plaintiff Representatives to resolve the MDL litigation out of court. After further good-faith settlement discussions, the Plaintiff Representatives and the Company were ultimately unable to reach a consensual resolution.

B. Debtors' Insurance Coverage

The Debtors and their non-Debtor Affiliates have one products liability insurance tower policy which covers certain claims related to the Recalls (including the 2024 Recall). All claims related to the Recalls are covered under a single policy year, 2021–2022. The Debtors' applicable 2021-2022 products liability insurance tower includes a primary policy issued by Chubb Custom Insurance Company in the amount of $10 million (the "Primary Chubb Policy"), a first excess policy issued by Travelers Excess and Surplus Lined Company in the amount of $5 million (the "Travelers Excess Policy"), a second excess policy issued by Euclid Life Science Specialty, LLC in the amount of $5 million (the "Euclid Excess Policy"), and a third excess policy issued by Noetic Specialty Insurance Company in the amount of $5 million (the "Noetic Excess Policy" and together with the Primary Chubb Policy, the Travelers Excess Policy and the Euclid Excess Policy, the "Product Liability Policy"), for a total of $25 million in coverage under the Product Liability Policy. Prior to the Petition Date, the Company fully used all proceeds available under the Primary Chubb Policy and the Travelers Excess Policy, as well as all but approximately $1,200,000 of the Euclid Excess Policy. The proceeds of the Product Liability Policy used to date have primarily been used to fund defense costs related to the thousands of pending litigations against the Company, including the MDL, as well as paying small settlements by the Debtors and Debtors' non-debtor foreign subsidiaries. The Debtors and their non-Debtor Affiliates have approximately $6.2 million remaining on the Product Liability Policy and anticipate further utilization prior to confirmation of the Plan. All rights under or arising out of the Debtors' insurance policies, excluding its D&O Insurance (as defined below), are to be acquired by the Stalking Horse Purchaser under the Stalking Horse APA. As such, if the Sale Transaction to the Stalking Horse Purchaser is approved, insurance proceeds from the Product Liability Policy will not be a potential source of recovery to any claimholders in these Chapter 11 Cases.

The Debtors maintain insurance coverage for their Directors and Officers in the amount of $15 million (the "D&O Insurance"). The D&O Insurance is a "claims made" policy, meaning it covers any claims made while the policy is in effect regardless of when the conduct giving rise to the claim occurred. The D&O Insurance is available to pay for Directors' and Officers' defense

[~~21~~25] The "Plaintiff Representatives" include those representatives the Company negotiated with over the course of several months to resolve the products liability claims.

costs in the event they are sued in an individual capacity for various claims related to actions in their capacity as Directors and Officers, as well for any liability resulting therefrom. The D&O Insurance includes an exclusion for product liability claims and does not provide coverage for claims arising out of products issues.

C. ~~B.~~ *Qui Tam* Claims

In 2018, a *qui tam* lawsuit was filed against Exactech, Inc., in the United States District Court for the Northern District of Alabama by one former employee and two former sales representatives on behalf of themselves (collectively, the "Relators"), the United States of America, and various States. The Relators brought various claims under the False Claims Act alleging, among other things, that Exactech, Inc. allegedly caused false claims to be submitted for reimbursement from the federal government by selling allegedly misbranded knee devices and allegedly defective knee devices that were not medically reasonable and necessary. In August 2019, the DOJ declined to pursue the *Qui Tam* Claims, but the Relators proceeded with the case. The Company expended considerable resources defending the case while also engaging in several attempts to settle the dispute,[~~22~~26] including engagement with the DOJ in settlement negotiations beginning in late-October 2023 and throughout mid-2024. The Debtors and their advisors ~~intend to continue working~~have continued to work diligently during these Chapter 11 Cases to achieve, if possible, a full, fair, and consensual resolution to the *Qui Tam* Claims. However, in the event the Debtors are not able to consensually resolve the *Qui Tam* Claims, the *Qui Tam* Claims will be treated as General Unsecured Claims pursuant to the Plan.

D. ~~C.~~ Engagement of Restructuring Professionals and Governance Changes

In July 2023, the Company retained Centerview as its investment banker and continued to work with Ropes & Gray LLP ("Ropes") as its legal counsel to assist with, among other things, proactively evaluating the Company's capital-structure alternatives and exploring potential strategic options. On April 25, 2024, the Company also engaged Riveron RTS, LLC to assist Ropes and Centerview with prepetition initiatives and engagement with the Company's capital structure. On August 27, 2024, the Company engaged Young Conaway Stargatt & Taylor, LLP to assist the Company as co-counsel to Ropes. The Company and its advisors have worked tirelessly for over a year to closely monitor the Company's liquidity and to strategize and implement various strategic initiatives to address liquidity concerns.

In addition to engaging restructuring professionals as the Company's advisors, the Company appointed M. Elizabeth Abrams in November 2023 to the governing bodies of Debtors Osteon Intermediate Holdings II, Inc. and Exactech as an independent director to assist the Company with its restructuring efforts.

On July 24, 2024, the Company furthered its efforts to consider strategic alternatives by (i) establishing the Special Committee with the general authority to review and approve entry into restructuring transactions, (ii) adding Timothy Pohl as the independent director to the boards of directors of Exactech Inc., Osteon Intermediate Holdings II, Inc. and XpandOrtho, Inc., and

[~~22~~26] During the pendency of this litigation, in early 2023, the Company also received a Civil Investigative Demand from the DOJ inquiring into a different generation of the Company's knee device.

adding Elizabeth Abrams to the board of XpandOrtho, Inc., and (iii) appointing Elizabeth Abrams and Timothy Pohl to the Special Committee. The Special Committee was empowered, to the extent the Special Committee determined that a Conflict Matter (defined below) existed, to review, develop, evaluate, and recommend to the board of directors strategic and/or financial alternatives in light of the Company's cash flow, liquidity, and general financial condition, including the possibility of seeking additional financing or undertaking a sale, recapitalization transaction, or other reorganization or restructuring. Additionally, the Special Committee has been delegated certain authority to negotiate, approve, or decline restructuring transactions including the entry into the definitive agreements, and to take any other actions as the Special Committee deems necessary to discharge its duties.

On August 12, 2024, the Special Committee retained White & Case LLP ("White & Case") as independent counsel to advise the Special Committee on all matters for which the Special Committee has been delegated authority. Specifically, the Special Committee engaged White & Case to render independent services on behalf of and at the direction of the Special Committee as it relates to matters in which a conflict of interest or potential conflict of interest exists between the Selling Debtors, on the one hand, and the Sponsor, on the other hand (such matters, the "Conflict Matters"). Prior to the Petition Date, the Special Committee began an extensive independent assessment of any and all potential conflicts of interests between the Selling Debtors, on the one hand, and the Sponsor, on the other hand (the "Independent Investigation"). ~~The Independent Investigation remains ongoing.~~

E. ~~1.~~ Restructuring Initiatives

1. ~~(a)~~ Sponsor Discussions

In September 2023, amidst the ongoing settlement discussions with the Plaintiff Representatives related to the Products Liability Claims, the Sponsor agreed to provide the Company with up to $15 million of incremental term loans under the Prepetition Sidecar Credit Agreement, to support the Company's operational liquidity and provide near-term financial flexibility as settlement negotiations continued. In April 2024, the Sponsor agreed to amend the Prepetition Sidecar Credit Agreement to provide up to $20 million of additional funding thereunder to provide additional runway for settlement discussions to continue.

As the possibility of an in-court restructuring became more likely, in mid-June, 2024, the Sponsor delivered a restructuring proposal to the Company and the Ad Hoc Group that contemplated, among other things, debtor-in-possession funding provided by the Sponsor and an equitization of certain prepetition secured debt. Ultimately, the negotiations between the Company, the Sponsor, and the Ad Hoc Group failed to produce an actionable alternative, and the Company then continued to focus on developing an alternative baseline transaction.

2. ~~(b)~~ Ad Hoc Group Restructuring Negotiations and Forbearance

Following initial Sponsor negotiations, the Company also actively engaged with the Ad Hoc Group to seek a strategic alternative transaction. In mid-July 2024, the Company entered into confidentiality agreements with the Ad Hoc Group, which is represented by Milbank LLP as legal counsel and Evercore Group LLC as financial advisor. On August 16, 2024, the Ad Hoc

Group delivered a proposal which proposed, among other things, a new money DIP facility to fund the Company's Chapter 11 Cases and sale process, backed by a stalking horse credit bid to purchase substantially all of the Company's assets pursuant to sections 363 and 1123 of the Bankruptcy Code, and the Ad Hoc Group provided $6 million in new capital to provide the Company with an adequate runway to finalize negotiations and file the Chapter 11 Cases with an agreed upon restructuring support agreement.

As the Company and its advisors continued to negotiate with the Ad Hoc Group, it was faced with an approximately $6 million interest payment on the Prepetition First Lien Term Loans due August 31, 2024. To continue the positive momentum and provide the necessary runway to finalize the restructuring negotiations, the Company and the Ad Hoc Group executed a forbearance agreement with respect to the August 31, 2024 interest payment, whereby the lenders, among other things, agreed to forbear from exercising remedies on account of the default from the missed interest payment, until October 9, 2024. On October 9, 2024, the Company, the Ad Hoc Group, and the Sponsor agreed to certain additional amendments to the Debtors' prepetition debt facilities to permit the 2024 Incremental Term Loans and extend the forbearance period to October 27, 2024.

After lengthy negotiations and significant back-and-forth, the Company and the Ad Hoc Group reached an agreement on the terms of a comprehensive restructuring documented in the Restructuring Support Agreement. On October 29, 2024, the Company entered into the Restructuring Support Agreement and Stalking Horse APA with the members of the Ad Hoc Group, and filed these Chapter 11 Cases shortly thereafter.

ARTICLE V

EVENTS OF THE CHAPTER 11 CASES

A. Expected Timetable of the Chapter 11 Cases

To ensure that the Debtors' Chapter 11 Cases proceed in a structured and expeditious manner towards confirmation, the Debtors committed to certain case milestones under the DIP Credit Agreement and Restructuring Support Agreement. Subject to Court approval, the Debtors intend to solicit votes to accept or reject the Plan and proceed in accordance with the following timeline, which is consistent with those milestones.

Event	Date[~~23~~27]
~~Disclosure Statement Hearing~~Voting Record Date	~~February 4~~March 13, 2025
~~Voting Record Date~~Disclosure Statement Hearing and Sale Hearing	~~February 7~~March 27, 2025 at 10:00 a.m. (ET)

[~~23~~27] The dates contained in this table may be changed by the Bankruptcy Court or the Debtors without further notice other than by such change being announced in open court.

Event	Date[23][27]
Entry of Disclosure Statement Order and Sale Order	**~~February 5~~March 27, 2025**
~~Completion of Plan Solicitation~~	**~~February 18, 2025~~**
~~Qualifying Bid Deadline~~	**~~February 24, 2025 at 4:00 p.m. (ET)~~**
~~Auction Date (if necessary)~~	**~~March 3, 2025 at 11:00 a.m. (ET)~~**
~~Notice of Winning Bidder (if Auction)~~Deadline to Complete Solicitation	**~~March~~April 4, 2025**
Plan Voting Deadline	**~~March 18~~May 2, 2025 at 4:00 p.m. (ET)**
Deadline to Object to Confirmation ~~and Sale~~	**~~March 18~~May 2, 2025 at 4:00 p.m. (ET)**
~~Sale and~~ Confirmation Hearing	**~~March 27~~May 28, 2025 at 10:00 a.m. (ET)**
Entry of ~~Sale and~~ Confirmation Order	**~~March 27~~May 28, 2025**
~~Plan Effective Date~~	**~~April 10, 2025~~**

B. First Day Relief

On the Petition Date, along with their voluntary petitions for relief under chapter 11 of the Bankruptcy Code, the Debtors filed several motions (the "First Day Motions") designed to facilitate the administration of the Chapter 11 Cases and minimize disruption to the Debtors' operations, by, among other things, easing the strain on the Debtors' relationships with employees, vendors, and customers following the commencement of the Chapter 11 Cases. On October 31 and November 4 and 6, 2024, the Bankruptcy Court entered orders approving the First Day Motions on either an interim or final basis. On December 2, 3, and 6, 2024, the Bankruptcy Court entered orders approving certain of the First Day Motions on a final basis.

A brief description of each of the First Day Motions and the evidence in support thereof is set forth in the *Declaration of Jesse York, Chief Restructuring Officer of Exactech, Inc, in Support of Debtors' Chapter 11 Petitions and First Day Motions* [Docket No. 18] (the "First Day Declaration"), filed on October 29, 2024. The First Day Motions, the First Day Declaration, and all orders issued in the Chapter 11 Cases, can be viewed free of charge at https://restructuring.ra.kroll.com/Exactech/.

C. Appointment of Official Committee

On November 18, 2024, the U.S. Trustee filed the *Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 171], notifying parties in interest that the U.S. Trustee

appointed the Committee in the Chapter 11 Cases. The Committee is currently composed of the following members: Advanta, Inc.; Hospital for Special Surgery; Ronald Irby; Vernesa ~~Jones-Allen~~Jones-Allen; Kathryn Kramer; General Harvey Schiller; Gayle Tarloff; Karen Turner; and Dennis Ricci. The Committee has engaged Brown Rudnick LLP as its legal counsel, Hogan McDaniel as its Delaware counsel, Province, LLC as its financial advisor, and Huron Transaction Advisory LLC ("Huron").

The Debtors held a meeting of creditors pursuant to section 341 of the Bankruptcy Code (the "~~Initial~~ 341 Meeting") on December 5, 2024~~. After~~ and continued the ~~Initial~~ 341 Meeting~~, the U.S. Trustee plans to schedule a follow up 341 Meeting in January 2025~~ to a date and time to be determined.

D. Other Procedural and Administrative Motions

During the Chapter 11 Cases, the Debtors also filed several motions to further facilitate the smooth and efficient administration of the Chapter 11 Cases and reduce the administrative burdens associated therewith, including:

1. Bidding Procedures Motion. Please see Article V.I of this Disclosure Statement for discussion of the Bidding Procedures Motion.

2. Bar Date Motion. Please see Article V.G of this Disclosure Statement for discussion of the Bar Date Motion.

3. Retention Applications. On November 13, 2024, the Debtors filed a number of applications seeking to retain certain professionals postpetition pursuant to sections 327 and 328 of the Bankruptcy Code, including:

   - *Debtors' Application for Entry of an Order Authorizing the Retention and Employment of Ropes & Gray LLP as Attorneys for the Debtors Effective as of the Petition Date* [Docket No. 157], which the Bankruptcy Court approved on December 6, 2024 [Docket No. 309];
   - *Application of Debtors for Entry of an Order Authorizing the Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Co-Counsel to the Debtors, Effective as of the Petition Date* [Docket No.158], which the Bankruptcy Court approved on December 2, 2024 [Docket No. 254];
   - *Debtors' Application for Entry of an Order (I) Authorizing the Employment and Retention of Centerview Partners LLC as Investment Banker for the Debtors Effective as of the Petition Date, (II) Approving the Terms of the Engagement Letter, (III) Waiving Certain Reporting Requirements Pursuant to Local Rule 2016-2, and (IV) Granting Related Relief* [Docket No. 155], which the Bankruptcy Court approved on December 3, 2024 [Docket No. 283];
   - *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Retain and Employ Riveron Management Services, LLC to Provide a Chief Restructuring Officer and Additional Personnel for the Debtors; (II) Designating Jesse York as Chief Restructuring Officer for the Debtors,*

Effective as of the Petition Date; and (III) Granting Related Relief [Docket No. 154], which the Bankruptcy Court approved on December 3, 2024 [Docket No. 282];

- *Debtors' Application for an Order Authorizing Employment and Retention of Kroll Restructuring Administration LLC as Administrative Advisor Effective as of the Petition Date* [Docket No. 156], which the Bankruptcy Court approved on December 4, 2024 [Docket No. 288];
- *Application of Debtors for Entry of an Order (I) Authorizing the Retention and Employment of PWC US Tax LLP as Tax Consulting Services Provider to the Debtors Effective as of October 29, 2024, (II) Waiving Certain of the Requirements of Local Rule 2016-2(d), and (III) Granting Related Relief* [Docket No. 163], which the Bankruptcy Court approved on December 4, 2024 [Docket No. 290]; and
- *Special Committee's Application for Entry of an Order Authorizing the Retention and Employment of White & Case LLP as Independent Counsel, Effective as of the Petition Date* [Docket No. 162], which the Bankruptcy Court approved on December 5, 2024 [Docket No. 296].

4. Ordinary Course Professionals Motion. On November 19, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Authorizing Debtors to Employ Professionals Utilized in the Ordinary Course of Business (II) Waiving Certain Information Requirements of Local Rule 2016-2, and (III) Granting Related Relief* [Docket No. 172] (the "OCP Motion"). The OCP Motion sought to establish procedures for the retention and compensation of certain professionals utilized by the Debtors in the ordinary course operation of their businesses. On December 4, 2024, the Bankruptcy Court entered an order granting the OCP Motion [Docket No. 255].

5. Interim Compensation Motion. On November 20, 2024, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses and Professionals and (II) Granting Related Relief* [Docket No. 175] (the "ICP Motion"). The ICP Motion sought to establish procedures for the interim compensation and reimbursement of expenses for professionals utilized by the Debtors and official committee members in connection with these Chapter 11 Cases. On December 2, 2024, the Bankruptcy Court entered an order granting the ICP Motion [Docket No. 253].

6. Rejection Motion. On November 8, 2024, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Authorizing the Rejection of Certain Executory Contracts Effective as of the Petition Date; and (II) Granting Related Relief* [Docket No. 174] (the "Rejection Motion"). The Rejection Motion sought the Court's authorization for the Debtors to reject certain executory contracts. On December 3, 2024, the Bankruptcy Court entered an order granting the Rejection Motion [Docket No. 298].

7. Foreign Representative Motion. On November 20, 2024, the Debtors filed the *Motion of the Debtors for Entry of an Order (I) Authorizing the Foreign Representative to Act for the Debtors in Foreign Proceedings and (II) Granting Related Relief* [Docket No. 173] (the "Foreign Representative Motion"). The Foreign Representative Motion sought the Court's authorization for Jesse York to act on behalf of the Debtors' estates in the Australian Proceeding. On December 6, 2024, the Bankruptcy Court entered an order granting the Foreign Representative Motion [Docket No. 306].

8. Key Employee Retention Plan Motion. On November 13, 2024, the Debtors filed the *Debtors Motion for Entry of an Order (I) Authorizing the Implementation of a Key Employee Retention Program, (II) Approving Payments to Participants in the Debtors Key Employee Retention Program, and (III) Granting Related Relief* [Docket No. 159] (the "KERP Motion"), which the Bankruptcy Court approved (subject to certain modifications) on December 23, 2024 [Docket No. 364].

9. Key Employee Incentive Program. On December 18, 2024, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Authorizing the Implementation of a Key Employee Incentive Program, (II) Approving Payments to Participants in the Debtors Key Employee Incentive Program, and (III) Granting Related Relief* [Docket No. 349] (the "KEIP Motion"). On January 27, 2025, the Bankruptcy Court entered an order granting the KEIP Motion [Docket No. 488]~~.~~ (the "KEIP Order"). As discussed in more detail below, on February 13, 2025, the Committee filed *The Official Committee of Unsecured Creditors' Motion to Reconsider in Part the January 27, 2025 Order (I) Authorizing the Implementation of a Key Incentive Program, (II) Approving Payments to Participants in the Debtors' Key Employee Incentive Program, and (III) Granting Related Relief* [Docket No. 586] (the "KEIP Reconsideration Motion"). The KEIP Reconsideration Motion asserts that information material to the Bankruptcy Court's January 27, 2025 decision to approve the KEIP Motion was not disclosed to the Committee or the Bankruptcy Court prior to the Bankruptcy Court's decision. The KEIP Reconsideration Motion is scheduled to be heard at the March 27, 2025 hearing.

10. Non-Residential Real Property Lease Extension Motion. On January 21, 2025, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Extending the Deadline for the Debtors to Assume or Reject Unexpired Leases of Nonresidential Real Property Under Which Any of the Debtors is a Lessee, and (II) Granting Related Relief* [Docket No. 453], which the Bankruptcy Court approved on January 31, 2025 [Docket No. 517].

11. Removal Extension. On January 27, 2025, the Debtors filed *Debtors' Motion for Entry of an Order (I) Extending the Time to File Notices of Removal of Related Proceedings, and (II) Granting Related Relief* [Docket No. 500] ~~(the "Removal Extension Motion")~~, which ~~is scheduled for hearing before~~ the Bankruptcy Court approved on February ~~27~~24, 2025 [Docket No. 635].

E. DIP Financing

On October 29, 2024, the Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection to the Prepetition Lenders, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* [Docket No. 16] (the "DIP Motion"), seeking approval of the DIP Credit Agreement. On October 31, 2024, the Bankruptcy Court entered the *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 100] (the "Interim DIP Order").

On December 10, 2024, the Bankruptcy Court entered the *Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief* [Docket No. 319] (the "Final DIP Order").

~~The Debtors are engaged in discussions with the DIP Lenders regarding an amendment to the DIP Credit Agreement to upsize the DIP Facility and allow the Debtors to immediately access the Reserved Amount (as defined in the DIP Credit Agreement). The Debtors currently anticipate the DIP upsize amount will be approximately $16,000,000 (the "DIP Upsize Amount"), but any DIP Upsize Amount remains subject to agreement amongst the Debtors and the DIP Lenders and will be set forth in any motion seeking approval of the DIP Upsize Amount. The Debtors anticipate filing a motion seeking this relief in time to be heard at the omnibus hearing scheduled for February 27, 2025. Further, the DIP Upsize Amount could lead, subject to the outcome of the sale marketing process, to less than all of the Prepetition Pari 1L Claims being credit bid under the Stalking Horse APA.~~

On March 6, 2025, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Amend the DIP Credit Agreement and (II) Granting Related Relief* [Docket No. 686] (the "DIP Upsize Motion") seeking entry of an order approving an amendment to the DIP Credit Agreement (the "DIP Amendment") (i) upsizing the DIP Facility by $16,000,000 (the "DIP Upsize Amount"), (ii) giving the Debtors access to $15,000,000 of the DIP Facility already approved under the Final DIP Order but not presently available to the Debtors, and (iii) modifying certain other provisions of the DIP Credit Agreement (including extensions of milestones to accommodate the Debtors' current contemplated case timeline, granting exclusivity protections following the designation of the Stalking Horse Purchaser as the Winning Bidder, and certain requirements related to the Debtors' ownership interests in their Australian subsidiary and actions taken with respect thereto). The full amount of the DIP Facility, including the DIP Upsize Amount, is being credit bid by the Stalking Horse Purchaser in the Sale Transaction. As explained in more detail below, in connection with the DIP Amendment, the Debtors also entered into a related amendment to the Stalking Horse APA. The DIP Upsize Motion is scheduled to be heard at the March 27, 2025 hearing.

F. Schedules and Statements

On November 25, 2024, the Debtors filed their Schedules of Assets and Liabilities and Statement of Financial Affairs. [Docket Nos. 193-202].

G. Establishment of a Claims Bar Date

On November 8, 2024, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Establishing Deadlines to File Proofs of Claim, Including Claims Under 11 U.S.C. § 503(b)(9), and Requests for Payment Procedures Related Thereto, (II) Establishing an Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form and Manner for Filing Proofs of Claim, (IV) Approving Form and Manner of Notice Thereof, (V) Approving the Confidentiality Protocol, and (VI) Granting Related Relief* [Docket No. 132] (the "Bar Date Motion").

On December 6, 2024, the Bankruptcy Court entered the *Order (I) Establishing Deadline to File Proofs of Claim, Including Claims Under 11 U.S.C. § 503(B)(9), and Requests for Payment Procedures Related Thereto, (II) Establishing an Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form and Manner for Filing Proofs of Claim, (IV) Approving Form and Manner of Notice Thereof, (V) Approving the Confidentiality Protocol, and (VI) Granting Related Relief* [Docket No. 311] (the "Bar Date Order"). The Bar Date Order ~~establishes~~established **February 7, 2025 at 4:00 p.m. (prevailing Eastern Time)** as the general claims bar date and **April 28, 2025 at 4:00 p.m. (prevailing Eastern Time)** as the governmental claims bar date. Under the Bar Date Order, any party required to file a proof of claim which fails to do so before the applicable bar date will not be treated as creditor with respect to such claim and will not be permitted to vote to accept or reject the Plan or receive any recovery under the Plan.

In addition to publication notice through traditional mediums, under the Bar Date Order, the Court also authorized the Debtors' multi-faceted supplemental noticing plan that is intended to reach its target audiences in a variety of ways, including (a) domestic and international publication in Canada and Australia, (b) broadcast, cable, internet streaming, and television advertising, (c) internet banner advertising and paid internet search listings, (d) informational releases, (e) social media advertising, and (f) a dedicated website and call center (the "Supplemental Noticing Plan"). The Supplemental Noticing Plan is described in the *Declaration of Jeanne C. Finegan, APR in Connection with the Bar Date Motion and the Bidding Procedures Motion* [Docket No. 191], and is designed to ensure the broadest, yet most targeted and efficient, noticing program practicable.

H. JointMedica Adversary Proceeding

On December 13, 2024, Exactech, Inc. and the Ad Hoc Group commenced an adversary proceeding, under case number 24-50297, against a non-debtor affiliate JointMedica Limited ("JointMedica") and its majority equity holder JointMedica Investment Holdings, L.P. ("JM Holdings" and, together with JointMedica, the "Defendants")[~~24~~28] captioned *Exactech, Inc., et al.,*

[~~24~~28] JM Holdings is an investment vehicle and an Affiliate of the Sponsor.

v. JointMedica Limited, et al., No. 24-12441 (the "Adversary Proceeding"). Pursuant to the Adversary Proceeding, Exactech, Inc. and the Ad Hoc Group seek entry of a declaratory judgment that:

- Exactech's shares in JointMedica (the "JointMedica Shares") can be transferred without the Defendants' consent notwithstanding provisions in JointMedica's August 24, 2023 Articles of Association and Shareholders Agreement;
- Exactech may assume and assign its August 24, 2024 Distribution Agreement without Defendants' consent;
- Exactech may assume and assign its August 23, 2023 Shareholders Agreement without Defendants' consent or, alternatively, that the acquiror of the JointMedica Shares may succeed to Exactech by executing a Deed of Adherence; and
- the JointMedica Shares can be and have been encumbered by a lien securing the DIP Facility and that GLAS Trust Company LLC (as an administrative and collateral agent) is permitted to credit bid for the JointMedica Shares.

The Defendants oppose the relief requested in the Adversary Proceeding and assert that applicable law precludes Exactech from assuming, transferring, assigning, or disposing of in any manner both the August 23, 2023 Shareholders Agreement and/or the August 24, 2023 Distribution Agreement (together, the "JM Agreements"), absent the Defendants' consent. The Defendants further assert that any assignment, transfer, assumption, pledge, encumbrance, or disposal of the JM Agreements and/or the JointMedica Shares without the Defendants' consent would be in breach of JointMedica's constitutional documentation (*i.e.*, the August 24, 2023 Articles of Association) and unenforceable under the laws of England and Wales, which govern the JM Agreements and the Articles of Association, even if approved by the Bankruptcy Court. The Debtors disagree with the Defendants' assertions and will prosecute the Adversary Proceeding.

The Adversary Proceeding is expected to be tried on an expedited timeline and decided in advance of Confirmation. On January 28, 2025, the Bankruptcy Court entered an *Agreed Scheduling Order* [Docket No. 24], which provides for, among other things, fact discovery to be completed by February 21, 2025, expert discovery to be completed by March 17, 2025, and the trial to begin on March 27, 2025.

On February 24, 2025, the Committee filed a *Motion to Intervene of the Official Committee of Unsecured Creditors* [Docket No. 629], through which the Committee requests a Court order permitting the Committee to intervene in the Adversary Proceeding and participate fully in the Adversary Proceeding.

The Special Committee understands that the Sponsor and the Ad Hoc Group have agreed in principle to resolve the JointMedica Adversary Proceeding, subject to agreement on definitive documentations. [Specifically, the Sponsor shall support (i) the transfer of all of the Debtors' interests in JointMedica Limited (including the Distribution Agreement (as defined below) and related agreements) to the Stalking Horse Purchaser, provide or obtain any consents related

thereto, and take other actions to effectuate such transfer (or cause the JointMedica entities to do so), to the extent necessary and (ii) all efforts to assign the Distribution Agreement to the Stalking Horse Purchaser and shall waive its termination rights arising thereunder from the sale of the Debtors' assets pursuant to the Sale Transaction.][29] The adversary proceeding captioned *Exactech, Inc. et al. v. JointMedica Limited et al.*, Adv. Pro. No. 24-50297 (LSS) shall be held in abeyance. If the Plan is confirmed, the adversary proceeding shall be dismissed with prejudice. If the Plan is not confirmed, the adversary proceeding shall resume according to a scheduling order, which shall be mutually agreed by the parties in good faith, and subject to approval of the Bankruptcy Court.

I. Bidding Procedures and Marketing Process

As described above, the Debtors, led by Centerview, ~~are~~ engaged in a thorough marketing process for the sale of substantially all of the Debtors' assets in accordance with the Bidding Procedures. This sale ~~may include~~includes certain potential ~~Estate~~ Causes of Action held by the Debtors or the Estates. Prior to commencing these Chapter 11 Cases, the Debtors entered into the Stalking Horse APA for the sale of the Acquired Assets, setting the floor for a competitive bidding process—where overbids could yield additional value for creditors—and providing a clear path to consummate a value-maximizing sale transaction.

The Debtors believe that the Bidding Procedures ~~will~~were designed to allow the Debtors to elicit the highest or otherwise best offer for ~~the~~ all or substantially all of the Debtors' assets, including the Acquired Assets and any potential ~~Estate~~ Causes of Action held by the Debtors or the Estates that the Winning Bidder may seek to acquire. Under the Bidding Procedures, the deadline for interested parties to submit binding bids ~~is~~was February 24, 2025 at 4:00 p.m. (prevailing Eastern Time). Qualified Bids ~~must~~were required to satisfy the general bid requirements set forth in the Bidding Procedures. ~~A hearing on approval of sale of the Acquired Assets, which the Debtors will also seek to be a hearing to consider confirmation of the Plan, is set forth March 27, 2025 at 10:00 a.m. (prevailing Eastern Time).~~ No Qualified Bids, other than the Stalking Horse Bid, were received by the Qualifying Bid Deadline.

On March 6, 2025, the Debtors filed the *Notice of Cancellation of Auction and Designation of Stalking Horse Bid as the Winning Bid* [Docket No. 684], designating the Stalking Horse Bid as the Winning Bid and cancelling the Auction.

On March 6, 2025, the Debtor and the Stalking Horse Purchaser entered into an amendment to the Stalking Horse APA (the "APA Amendment") [Docket No. 685], which APA Amendment was a condition precedent to the DIP Amendment. Among other things, the APA Amendment memorializes the agreement regarding estate causes of action made between the Ad Hoc Group and the Committee in connection with the Final DIP Order and Bidding Procedures Order, reflects modifications of certain dates and deadlines, adds additional Excluded Assets that will be left in the Debtors' Estates following the Sale Transaction, and provides that, following entry of the Sale Order, the Debtors may no longer solicit alternative transactions or terminate the

[29] Language subject to agreement between the Sponsor and Ad Hoc Group, including with respect to Ad Hoc Group support of releases in favor of TPG.

Stalking Horse APA if the governing body of the Debtors determines that proceeding with the Sale Transaction is inconsistent with the governing body's fiduciary duties.

A hearing on approval of sale of the Acquired Assets to the Stalking Horse Purchaser, is set for March 27, 2025 at 10:00 a.m. (prevailing Eastern Time).

J. Other Material Filings

1. Committee's Motion to Terminate Exclusivity

On January 16, 2025, the Committee filed the *Motion of the Official Committee of Unsecured Creditors to (I) Compel Discovery and (II) Terminate the Debtors' Exclusive Period* [Docket No. 439] (the "Motion to Terminate Exclusivity") seeking to terminate the Debtors' exclusivity period, pursuant to section 1121(d) of the Bankruptcy Code, to allow the Committee to propose a chapter 11 plan. The Motion to Terminate Exclusivity is currently set for hearing on March 27, 2025. The Debtors disagree with the assertions in the Motion to Terminate Exclusivity and intend to file a formal objection to the Motion to Terminate Exclusivity in advance of the March 20, 2025 objection deadline.

2. MDL Plaintiffs' Executive Committee's Motion for Relief from Stay

On January 31, 2025, the Plaintiffs' Executive Committee ("PEC") in the MDL filed the *Motion of the Plaintiffs' Executive Committee for Relief from Automatic Stay and Related Relief* [Docket No. 525] seeking (i) a determination that the automatic stay does not bar the PEC from filing a motion in the Eastern District of New York seeking to preserve certain arguments against the Sponsor available under the Federal Rules of Civil Procedure that may otherwise be waived if not timely filed by March 7, 2025 (the "Rule 60 Motion"), or alternatively (ii) relief from the automatic stay for the purpose of allowing the PEC to file the Rule 60 Motion, or (iii) if the Court determines that the stay applies and is not included to grant relief from the automatic stay, confirmation that the Federal Rule of Civil Procedure 60(c)'s time limit for filing a reconsideration motion is also stayed. The Bankruptcy Court approved the requested relief from the automatic stay, solely for the purpose of allowing the PEC to file the Rule 60 Motion, on February 24, 2025 [Docket No. 634]. On March 6, 2025, the plaintiffs filed the Rule 60 Motion under seal in the MDL, seeking leave to amend their complaint to address pleading deficiencies identified by the MDL court in its order dismissing the Causes of Action against the Sponsor.

3. Committee's Motion for Leave and Standing to Prosecute Certain Debtor Causes of Action Against the Sponsor

On February 1, 2025 the Committee filed the *Motion of the Official Committee of Unsecured Creditors for (I) Leave, Standing and Authority to Commence and Prosecute Certain Claims and Causes of Action on Behalf of the Debtors' Estates and (II) Exclusive Settlement Authority* [Docket No. 533] (the "Committee's Standing Motion") seeking permission and authority to prosecute certain claims on behalf of the Debtors' estates against TPG VII Osteon Holdings, L.P. The Committee alleges that the Sponsor engaged in insider dealings to preserve its equity investment in the Debtors at the expense of the Debtors' creditors and seeks standing to pursue certain legal remedies with respect to the Prepetition Sidecar Term Loans for the benefit of the Debtors' estates and unsecured creditors. The Debtors disagree with the assertions in the

Committee's Standing Motion and intend to file a formal objection to the Committee's Standing Motion in advance of the March 20, 2025 objection deadline.

4. DOJ's Motion to Extend the Deadline to File a Complaint to Determine Dischargeability

On February 3, 2025, the DOJ filed the *Motion of United States for an Order Extending Time to File a Complaint to Determine Dischargeability of a Debt Pursuant to 11 U.S.C. § 523(c)* [Docket No. 549] seeking to extend the deadline by which the United States may file a complaint in these chapter 11 cases to determine the dischargeability of any debt arising from *U.S. et al. ex rel. Wallace v. Exactech, Inc.*, No. 2:18-cv-1010-LSC (N.D. Ala) and certain DOJ subpoenas and investigations related to the Debtors' businesses. The Bankruptcy Court approved this motion on February 24, 2025 [Docket No. 633].

5. Relators Adversary Proceeding

On February 3, 2025, Brooks Wallace, Robert Farley, and Manuel Fuentes (the "Relators"), on behalf of themselves, the United States of America, ex rel. filed the *Complaint to Determine Dischargeability* [Docket No. 550] (the "Relators' Complaint") initiating an adversary proceeding to determine the dischargeability of debts arising pursuant to certain *qui tam* causes of action against Exactech, Inc. based on allegations of fraud and alleged violations of the False Claims Act (31 U.S.C. §§ 3729 *et seq.*), litigation on which is currently pending in *U.S. et al. ex rel. Wallace v. Exactech, Inc.*, No. 2:18-cv-1010-LSC (N.D. Ala). On March 3, 2025, the Debtors and the Relators filed a stipulation which set April 22, 2025 as the Debtors' deadline to answer the Relators' Complaint.

6. Debtors' First Amended Disclosure Statement and Plan

On February 3, 2024, the Debtors filed the *First Amended Disclosure Statement Relating to the First Amended Joint Chapter 11 Plan of Exactech, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 535] (the "First Amended Disclosure Statement") and the *First Amended Joint Chapter 11 Plan of Exactech, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 534] along with the *Debtors' Omnibus Reply to Objections to Disclosure Statement and Disclosure Statement Motion* [Docket No. 536].

7. Debtors' Motion to Extend Exclusivity

On February 25, 2025, the Debtors filed the *Debtors' Motion for Entry of an Order, Pursuant to Section 1121(d) of the Bankruptcy Code, Extending the Exclusive Periods within Which the Debtors May File a Chapter 11 Plan and Solicit Acceptances Thereof* [Docket No. [644]] (the "Exclusivity Extension Motion") seeking an extension of (i) the Debtors' exclusive period to file a chapter 11 plan to May 27, 2025 and (ii) the Debtors' exclusive period to solicit acceptances of and confirm a chapter 11 plan to July 28, 2025. The Exclusivity Extension Motion is scheduled to be heard at the March 27, 2025 hearing.

K. KEIP Investigation

On February 7, 2025, the Debtors' counsel became aware of certain communications between a KEIP Participant and a member of the Ad Hoc Group regarding sale-related matters and were provided with a copy of email correspondence in this regard (the "Correspondence").[30] On Sunday, February 9, 2025, the Special Committee convened to consider the Correspondence and related matters, including potential next steps. At the Special Committee's direction, Debtors' counsel promptly scheduled calls with counsel to the Committee, the U.S. Trustee, and the Ad Hoc Group to update on these matters. On the morning of Monday, February 10, 2025, Debtors' counsel advised the parties of the Correspondence and that the Debtors, at the direction of the Special Committee, were assessing the circumstances surrounding such Correspondence, including with respect to any implications for, among other things, the relief granted by the KEIP Order. Debtors' counsel also provided each of these parties with copies of the Correspondence immediately following these calls. On February 10, 2025, the Debtors, under the Special Committee's supervision, commenced an independent review of the Sale Incentive KEIP Participants' communications and dealings with the Ad Hoc Group, including with respect to compensation and incentive structures related to the Stalking Horse APA or otherwise (the "KEIP Investigation").

As referenced above, on February 13, 2025, the Committee filed the KEIP Reconsideration Motion, asserting that information material to the Bankruptcy Court's January 27, 2025 decision to approve the KEIP Motion was not disclosed to the Committee or the Bankruptcy Court prior to the Bankruptcy Court's decision.

The Special Committee's KEIP Investigation included interviews with certain of the Sale Incentive KEIP Participants, the member of the Ad Hoc Group involved in the communications reflected in the Correspondence, as well as the Debtors Chief Restructuring Officer and Karn Chopra, the Partner at Centerview leading the Debtors' sale process, as well as document collection from the Sale Incentive KEIP Participants and review of approximately 2,500 documents. The Special Committee's KEIP Investigation is ongoing. To date, the KEIP Investigation has not revealed evidence that Special Committee believes would be sufficient to preclude either approval of the Sale Transaction to the Stalking Horse Purchaser or a finding that the Stalking Horse Purchaser is entitled to the protections of section 363(m) of the Bankruptcy Code as a good faith purchaser of the Debtors' assets. The Special Committee presently intends to substantially complete the KEIP Investigation in advance of the Sale Hearing on March 27, 2025.

L. Mediation

On February 13, 2025, the Debtors filed the *Certification of Counsel Regarding Agreement to Mediate and Order (I) Appointing a Mediator and (II) Granting Related Relief* [Docket No. 587], seeking entry of an order authorizing the Debtors, the Special Committee, the Committee, and TPG VII Osteon Holdings, LP to participate in non-binding mediation (the "Mediation"), conducted by the Honorable Shelley C. Chapman (Ret.) as Mediator. The

[30] A copy of the Correspondence is attached to the *Declaration of Gerard T. Cicero in Support of the Motion of the Official Committee of Unsecured Creditors to Reconsider (I) in Part the January 27, 2025 Order Authorizing the Implementation of a Key Incentive Program, (II) Approving Payments to Participants in the Debtors' Key Employee Incentive Program, and (III) Granting Related Relief* as Exhibit 1.

Bankruptcy Court authorized and appointed the Honorable Shelley C. Chapman (Ret.) to serve as Mediator and conduct the Mediation on February 24, 2025 [Docket No. 632]. The Mediation is intended to address the terms of a potential consensual chapter 11 plan and the treatment of certain claims and causes of action held by the Debtors and their Estates.

Between March 10 and March 11, 2025, the Debtors, the Special Committee, the Committee, and the Sponsor participated in in-person mediation sessions regarding, among other things, the Plan's proposed release provisions. The Mediation is ongoing as of the date herein.

As set forth below, the Special Committee has reached an agreement in principle with the Sponsor on the terms of a settlement pursuant to which the Special Committee would consent to providing a release of Estate Claims and Causes of Action against the Sponsor and its Related Parties (including Sponsor Related Parties that previously served as officers or directors of the Debtors).

M. ~~J.~~ Postpetition Product Recall

On December 31, 2024, out of an abundance of caution, the Debtors commenced a voluntary recall of their XLE hip liners manufactured from 2018 through August 2021 marketed as Exactech AcuMatch, Novation, and Alteon XLE (the "2024 Recall" and the products subject to the 2024 Recall the "2024 Recalled Products"). In addition to potentially affected patients, the notice of recall was reported to the FDA and all other competent authorities and regulatory authorities. Information about the products affected by the 2024 Recall can be found at the Debtors' website by visiting https://www.exac.com/recall-information/.

As with the Recalls, the 2024 Recall was due to Exactech Inc.'s vendor supplying non-conforming bags used to package the Company's affected products. As detailed above, the non-conforming bags were determined to be missing one of the oxygen barrier layers that was designed to protect the medical devices from oxidation, a chemical reaction with oxygen that could potentially degrade plastic components over time. Oxidation, if it reaches a certain threshold, may lead to faster device wear or failure, which could potentially lead to revision surgeries.[~~25~~31] The 2024 Recalled Products were not subject to the prior Recalls because the 2024 Recalled Products are made from polyethylene infused with antioxidant Vitamin E. This design feature provides an additional layer of protection, helping to mitigate risks associated with oxidation. Nevertheless, out of an abundance of caution to ensure all of the Company's devices in the field meet their intended packaging requirements, the Debtors initialed the 2024 Recall.

N. Foreign Subsidiaries

As referenced above, the Debtors have twelve foreign non-debtor subsidiaries. Pursuant to the Stalking Horse APA, the Stalking Horse Purchaser will acquire the equity of the foreign non-debtor subsidiaries in the Sale Transaction. As detailed in ARTICLE VIC.2 below, the

[~~25~~31] For the avoidance of doubt, as stated above, although the Company initiated Recalls, including the 2024 Recall, out of an abundance of caution, it has consistently maintained that the non-conforming bags have not, in fact, led to overall higher rates of revision surgeries beyond industry averages (5-10 percent at 10 years of follow up), and believes that the scientific and clinical data supports the Company's position.

Debtors have obligations under the Restructuring Support Agreement and the DIP Credit Agreement Documents to take certain actions with respect to certain of their foreign non-debtor subsidiaries, specifically the Debtors' indirect Australian subsidiary, Exactech Australia Pty Ltd, and indirect United Kingdom subsidiary, Exactech UK Limited.

O. ~~K.~~ Special Committee Investigation and the Plan's Releases

Prior to the Petition Date, the Special Committee commenced the Independent Investigation of the Conflict Matters~~, which remains ongoing~~. The Independent Investigation ~~has~~ focused on examining potential ~~Estate~~ Claims, Causes of Action, or theories of liability that the Debtors may hold or otherwise be able to assert against insiders, affiliated entities, and other parties (collectively, "**Estate Claims**") primarily in connection with:

(1) the Prepetition Sidecar Credit Agreement, including the Incremental Sidecar Term Loans extended pursuant to that April 23, 2024 amendment to the Prepetition Sidecar Credit agreement (such loans, the "Upsize");

(2) the August 2023 JointMedica transaction (the "JointMedica Transaction");

(3) the series of transactions between October 2017 and February 2018 pursuant to which the Sponsor acquired all outstanding shares in the Debtors (the "2018 Take Private Transaction");

(4) ~~(3)~~ the ~~two~~ pending ~~Qui Tam Actions~~FCA Matters as well as other prepetition litigation regarding product recalls; and

(5) ~~(4)~~ certain prepetition transfers between the Debtors, from the Debtors to the Sponsor or its affiliates, and to other insiders.

Specifically, as part of the Independent Investigation, counsel to the Special Committee ~~has taken~~took various steps to analyze potential Estate Claims or theories including, but not limited to, avoidance of fraudulent conveyances and preferential transfers, unlawful dividends, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, negligent undertaking, negligent supervision, unjust enrichment, alter ego, veil-piercing, successor liability, recharacterization, disallowance, equitable subordination, breach of contract, tortious interference with contract, deepening insolvency, fraud, contribution, liability under the False Claims Act, corporate waste, and indemnification.

In furtherance of the Independent Investigation, the Special Committee issued document and information requests and received documents from: (1) Riveron Management Services, LLC, Exactech's financial advisor; (2) Centerview Partners, Exactech's investment banker; (3) Ropes & Gray LLP, Exactech's legal advisor; (4) Karen Golz, in her role as the sole member of the JM Special Committee; (5) Hogan Lovells LLP, Exactech's legal advisor in the FCA Matters; (6) Faegre Drinker Biddle & Reath LLP, Exactech's legal advisor in the MDL pending in New York and Florida relating to certain products liability claims; (7) the Sponsor; and (8) Milbank LLP, counsel to the Ad Hoc Group.

Collectively, the Special Committee, working with White & Case, issued document requests and received documents and communications in response to such requests totaling approximately 457,000. These include, among other things, corporate documents, budget forecasts, email correspondences, transaction and debt documents, board minutes, compensation policies and plans, invoices, and deposition transcripts. In addition, between September 2024 and February 2025, the Special Committee interviewed 20 current and former members of the Company's management, directors, board members, and other representatives.[32]

The Special Committee ~~is investigating~~investigated the Released Parties and their Related Parties, including the Sponsor and its Related Parties and the HoldCo Debtors[~~26~~33] and their Related Parties. Such individuals and entities include, but are not limited to, TPG, Inc., TPG Capital, L.P., JointMedica Limited, JointMedica Investment Holdings, L.P., TPG VII Osteon Holdings, LP, TPG Partners VII, L.P., TPG Genpar VII, L.P., TPG Genpar VII Advisors, LLC, Osteon Merger Sub, Inc., TPG Global, LLC. The Special Committee ~~is~~ also ~~analyzing~~analyzed other potential Estate Claims, including against any current or former directors, officers, and employees of the Debtors. ~~This includes assisting the Committee and the Stalking Horse Purchaser with the process for evaluating potential Claims against~~

With respect to individual directors, officers and employees included as Debtor Related Parties, the Special Committee investigated potential Estate Claims the Debtors may hold against certain persons (such individuals, the "Current D&Os") arising out of (1) transfers made to these parties within the one-year period preceding the Petition Date; (2) transfers made to these parties in connection with the 2018 Take Private Transaction; (3) transfers made to David Petty under that certain transition agreement between Mr. Petty, Osteon Holdings Inc., and Exactech, Inc. dated December 31, 2019 (the "Transition Agreement"); and (4) breaches of fiduciary duty in connection with the Prepetition Sidecar Credit Agreement, the JointMedica Transaction, and the recalls initiated by the Debtors.

The Special Committee's investigation into the above-referenced Directors, Officers, and Current Employees (as defined in the Bidding Procedures Order) was also conducted in connection with the Special Committee's assistance to the Committee and the Stalking Horse Purchaser in the investigation of plausible causes of action against these parties as set forth in Paragraph E of the Bidding Procedures Order.

[32] Specifically, the Special Committee interviewed the following individuals: (1) Karn Chopra, Centerview Partners; (2) Karen Golz, Independent Director; (3) Tony Collins, Chief Financial Officer; (4) Donna Edwards, General Counsel and Secretary; (5) Dale Wolf, Chief Operating Officer; (6) Jessica Livingston, Deputy General Counsel; (7) Laurent Angibaud, Vice President of Development; (8) Adam Hayden, Chief Marketing Officer; (9) Jeff Binder, Board Member and Former CEO and Chairman; (10) Andrew Zeltwanger, Vice President Regulatory and Clinical; (11) Brian Danahy, Chief Compliance Officer; (12) Kendall Garrison, Board Member and Partner at TPG Partners; (13) Chris Roche, Senior Vice President of Extremities; (14) Stacey Fedorka, Chief Technology Officer: (15) Mike Tepatti, TPG Partners (Principal); (16) Michael Crader, Vice President Regulatory and Clinical (Former); (17) Matt Collins, Vice President Quality Assurance; (18) Darin Johnson, CEO; (19) Cassy Morgan, Vice President Human Resources; (20) Matthew Brzozowrski, VP Sales US.

[~~26~~33] "HoldCo Debtors" mean Osteon Holdings, Inc., Osteon Intermediate Holdings I, Inc., and Osteon Intermediate Holdings II, Inc.

~~The Independent Investigation remains ongoing. To date, as~~As a part of the Independent Investigation, counsel to the Special Committee ~~has taken~~took various steps, including, but not limited to:

Prepetition Sidecar Credit Agreement	• Reviewed the collateral securing the obligations of the parties under the Prepetition Sidecar Credit Agreement and related loan documents, including (i) the Pledge and Security Agreement, dated as of September 19, 2023, (ii) the Perfection Certificate, dated October 19, 2023, (iii) UCC searches, (iv) judgment and tax lien searches, (v) litigation searches, and (vi) USPTO searches. • Reviewed diligence materials, board materials, governance documents, financial information, draft agreements, and presentations and analyses. • Reviewed term sheets and communications exchanged between Exactech and the Sponsor or their respective representatives regarding the negotiation of the terms of proposed financing. • Conducted interviews of Tony Collins (Exactech CFO), Karen Golz (Independent and Disinterested Member of the Board of Directors of Osteon Holdings, Inc.), and Karn Chopra (Partner at Centerview).
JointMedica Transaction	• Reviewed governing documents executed in connection with or otherwise related to the JointMedica Transaction, including, but not limited to, the Subscription and Shareholders' Agreement, the 2021 Exclusive Distribution Agreement, the Amended Distribution Agreement, the Articles of Association of JointMedica, the Amended Articles of Association of JointMedica, and related documents. • Reviewed documents surrounding the negotiation of the JointMedica Transaction, including, but not limited to, board materials, communications between the special committee established by the Board of Directors of Osteon Holdings, Inc. in connection with the transaction (the "JM Special Committee") and other parties, and term sheets exchanged between the Sponsor and the JM Special Committee. • Interviewed Karen Golz (in her role as the sole member of the JM Special Committee) and conferred with Exactech

	and its advisors on related matters.
~~*Qui Tam Actions*~~*FCA Matters*	• Conducted research on whether Exactech can seek contribution or indemnification from the Sponsor for liability under the False Claims Act (FCA), as well as potential recovery on common law claims based on related facts, including breach of fiduciary duty, aiding and abetting fiduciary duty, fraud, negligent undertaking, and negligent supervision. • Convened with Exactech's *qui tam* counsel, Hogan Lovells LLP ("Hogan"), regarding background of the DOJ's investigation, the relator's allegations, Exactech's response to the Civil Investigative Demand, and Hogan's assessment of the evidence, including associated documentation such as a white paper and presentation produced by Hogan. • Reviewed and heard a presentation from Sidley Austin LLP (counsel to the Sponsor ~~in the Qui Tam Actions) on the Sponsor's defense of the relator's FCA allegations and response to civil investigative demand.~~). ~~• Reviewed documents produced to the DOJ, with a focus on documents reflecting the Sponsor's role in Exactech's discovery and investigation of poly failures based on key dates and Hogan Lovells LLP's notes on key documents.~~ • Conferred with Faegre Drinker Biddle & Reath LLP (counsel to Exactech in the MDL) on Exactech's defense in the MDL. • Conferred further with Hogan Lovells LLP and Sidley Austin LLP on the status of the ~~Qui Tam Actions~~FCA Matters. ~~• Reviewed all pleadings, opinions, and other documents filed in connection with the Qui Tam Actions.~~ • Reviewed the motion to dismiss and ~~all~~ subsequent briefing filed by the Sponsor in the MDL. ~~• Reviewed all presentations given to the DOJ by Exactech and the Sponsor, as well as a white paper prepared by Exactech in relation to its presentation.~~ • Reviewed board minutes, presentations, and resolutions related to the products subject to recall.

	• Reviewed documents identified by the Plaintiffs' Executive Committee described as illustrative of the Sponsor's purported control over Exactech.
Intercompany Claims	• Reviewed and analyzed transfers made by the Debtors prior to the Petition Date, with particular focus on transfers from the Debtors to the Sponsor or its affiliates, including transfers by the Selling Debtors to the HoldCo Debtors.
Claims Against Insiders	• Examined potential Estate Claims and Causes of Action against current and former insiders and affiliates of the Debtors, including in connection with the settlement between the Committee and the Ad Hoc Group under the Bidding Procedures Order, as set forth in Paragraph E thereof.

~~The Special Committee has not concluded at this time whether any potential Estate Claims subject to the Independent Investigation exist and are viable against any defendants except as set forth in the complaint filed in the Adversary Proceeding. The Special Committee does not contend at this time that any particular measure of loss or quantum of damages has or has not been established with respect to any potential Estate Causes of Action, other than the Debtors have determined to pursue the relief sought in the Adversary Proceeding. Potential damages could range significantly and may or may not be recoverable. The cost of pursuing Estate Claims could also be significant and could exceed recoveries, and the timeline for realizing any recoveries is likewise uncertain and could be lengthy. There may also be various defenses to the potential Estate Claims, Causes of Action, or theories of liability subject to the Independent Investigation, which could potentially include substantive defenses on the merits, inability to overcome applicable standards such as the business judgment rule, statutory defenses like ordinary course of business and new value, and other procedural or equitable defenses such as statutes of limitations, collateral estoppel, res judicata, *in pari delicto*, consent, waiver, laches, estoppel, setoff, ratification, unjust enrichment, and that a particular Claim or theory is a direct Cause of Action held by a third party, not Estate, Claim or theory.~~

~~Subject to finalization of the Independent Investigation (which the Special Committee is targeting to substantially complete by February 14, and as soon as practicable thereafter (and prior to the Voting Deadline), the Special Committee will file on the Court's docket a summary of its report and recommendation) and any conclusions drawn by the Special Committee regarding the propriety of releases, the Debtors plan to seek to cause the Estates to release the Released Parties under the Plan as set forth in Article VIII.B. of the Plan but subject to the limitations in the Plan. The Special Committee may also conclude that settlements, preservation, or other disposition of potential Estate Claims and Causes of Action is appropriate under the Plan.~~

~~The Committee believes there are several potentially significant Causes of Action and theories of liability and is also conducting its own investigation into potential Estate Claims and may disagree with the conclusions reached by the Special Committee. The Committee or other parties in interest may decide to object to any releases, settlement, or other disposition of Estate~~

~~Claims and Causes of Action under the Plan. The Debtors disagree with the Committee's assertions regarding the value of the Estate Claims and Causes of Action.~~

~~**L. Committee's Motion to Terminate Exclusivity**~~

~~On January 16, the Committee filed the *Motion of the Official Committee of Unsecured Creditors to (I) Compel Discovery and (II) Terminate the Debtors' Exclusive Period* [Docket No. 439] (the "Motion to Terminate Exclusivity") seeking to terminate the Debtors' exclusivity period, pursuant to section 1121(d) of the Bankruptcy Code, to allow the Committee to file and prosecute a chapter 11 plan. To date, the Committee has not provided, and has actively refused to provide, any evidence to the Debtors supporting the Committee's heavy burden to terminate the Debtors' statutory right to exclusivity. The Debtors vehemently disagree with the unsubstantiated assertions in the Motion to Terminate Exclusivity and intend to file a formal objection to the Motion to Terminate Exclusivity in advance of the February 20, 2025 objection deadline.~~

The Special Committee and White & Case held weekly, and often more frequent, in-person and virtual meetings to discuss the progress of the Independent Investigation. These meetings facilitated ongoing oversight, updates on workstreams, and deliberation on findings. Additionally, White & Case engaged in extensive discussions with advisors to interested parties, including counsel to the Debtors, the Sponsor, the Ad Hoc Group, and the Committee, ensuring active participation and transparency throughout the process.

Between February 18, 2025 and March 3, 2025, the Special Committee presented its findings to the Mediator, the Committee, counsel to the Sponsor, the Ad Hoc Group, and the Debtors. In its meetings with each of these constituencies, White & Case outlined its factual findings and conclusions, answered questions, and made clear the Special Committee was interested in receiving feedback from the parties-in-interest regarding the Independent Investigation as it considered its recommendation. Between March 10 through March 11, 2025, the Debtors, the Special Committee, the Committee, and the Sponsor participated in in-person mediation sessions regarding, among other things, the Plan's proposed Releases. The Mediation is ongoing as of the date hereof.

On March 19, 2025, the Special Committee filed on the Court's docket a summary report of the Special Committee's principal findings and summary conclusions regarding the results of the Independent Investigation and the propriety of releases. Through its independent decision-making process, the Special Committee has determined that only a limited number of viable claims against the Sponsor and certain other parties may be asserted.

1. The Prepetition Sidecar Credit Agreement and Upsize

Avoidance and Recovery of Actual Fraudulent Transfers. The Independent Investigation revealed that there likely is not a viable claim of actual fraudulent transfer related to the Prepetition Sidecar Credit Agreement. The evidence did not show fraudulent intent in connection with the Company's entry into the Prepetition Sidecar Credit Agreement or the Upsize.

Avoidance and Recovery of Constructively Fraudulent Transfers. Similarly, the Independent Investigation revealed that there likely is not a viable claim for constructive fraudulent transfer with respect to the Prepetition Sidecar Credit Agreement and Upsize generally.

The evidence shows that the Company received significant value in connection with the incurrence of the Prepetition Sidecar Credit Agreement and Upsize.

Avoidance of Interest Payments as Preferences. The Independent Investigation revealed that there likely also is not a viable claim to avoid interest payments paid to the Sponsor under the Prepetition Sidecar Credit Agreement as preferences. During the one-year period prior to the Petition Date, the Company paid the Sponsor interest totaling approximately $277,000. Although there may be disputed facts with respect to certain elements of a preference claim, even if those elements could be established, the Sponsor may have strong defenses including ordinary course of business, and the costs of pursuing this claim would likely outweigh the benefits.

Equitable Subordination and Recharacterization. The Independent Investigation revealed that there are likely not viable claims for equitable subordination or recharacterization related to the Prepetition Sidecar Credit Agreement and Upsize.

Challenges to Exit Fee, MOIC, and Guarantees. The Independent Investigation revealed that there potentially could be viable claims related to the Exit Fee, MOIC, an up-front fee paid in connection with the Upsize (the "Second Up-Front Fee") (totaling approximately $5.46 million), and/or the guarantees provided by Debtor entities in connection with the Prepetition Sidecar Credit Agreement. However, various defenses may be available. This includes, for example, that the Exit Fee became due and payable before the bankruptcy filing, meaning the obligations were not "unmatured" as of the Petition Date and section 502(b)(2) is no longer applicable. Additionally, the Sponsor may assert that the fees referenced above were "reasonable" under the circumstances, as make-wholes are disallowed under applicable state law if they are an unreasonable penalty.

2. The JointMedica Transaction

Avoidance and Recovery of Actual Fraudulent Transfers. The Independent Investigation revealed that there is likely not a viable claim of actual fraudulent transfer in connection with the JointMedica Transaction. The evidence did not show fraudulent intent in connection with the Company's entry into the transaction.

Avoidance and Recovery of Constructive Fraudulent Transfers. The Independent Investigation revealed that there potentially could be viable claims for constructive fraudulent conveyance in connection with the JointMedica Transaction. Although there may be disputed issues concerning solvency and whether Exactech received reasonably equivalent value, the evidence shows that Exactech received benefits from the transaction, including the ability to distribute the product and reap the benefits of the Distribution Agreement. The likelihood of success on these claims is also uncertain, the cost of pursuing them could be significant, and any damages would be highly speculative.

3. The 2018 Take Private Transaction

Avoidance and Recovery of Actual or Constructive Fraudulent Transfers. The Independent Investigation revealed that there is likely no viable claim that the 2018 Take Private Transaction may be challenged as a fraudulent transfer. The evidence likely does not support a viable claim that the 2018 Take Private Transaction constituted a transfer of property of the

Company at a time when it was insolvent or for less than reasonably equivalent value (based on, among other reasons, that the transaction was approved by a public company's stockholders following applicable law). Additionally, the Sponsor might raise multiple defenses, including regarding the applicable look-back period and potential safe-harbor protections, which could be costly to litigate.

4. Intercompany Claims

Inter-Debtor Transfers. The evidence does not support a viable claim arising from inter-Debtor transfers involving Osteon Holdings, Inc. and Osteon Holdings Intermediate I, Inc. between the 2018 Take Private Transaction and the Petition Date. These transfers include intercompany transactions arising out of a pooled cash account held by Osteon Holdings, Inc. (the "Account"). As of the Petition Date, the Account held approximately $5,500.

Constructive Fraudulent Transfers to Avoid Payments Under the MSA or Consulting Agreement. The evidence suggests that there may be potentially viable claim for constructive fraudulent transfers to avoid certain payments made from Osteon Holdings, Inc., Osteon Intermediate Holdings I Inc., Osteon Intermediate Holdings II, Inc., and Exactech, Inc. (the "MSA Parties") to the Sponsor pursuant to that certain Management Services Agreement dated February 14, 2018 (the "MSA"). Additionally, there may also be potentially viable claims for constructive fraudulent transfers to avoid certain payments made from Exactech to the Sponsor under that certain Consultant Agreement dated February 14, 2018 (the "Consultant Agreement"). Pursuant to the MSA, the MSA Parties agreed to pay the Sponsor and has since paid the following fees and expenses: (1) $5,909,935 in closing costs incurred for out-of-pocket expenses and fees related to the MSA Parties; (2) payments totaling $4,877,778 related to an annual fee required by the MSA and payable as a retainer for access to services; and (3) $645,046 in expenses relating to the services or enforcement of the MSA. Pursuant to the Consulting Agreement, the Sponsor agreed to provide the Company with access to one or more consultants under engagement with the Sponsor for services required by the Company, as more fully set forth in statements of work to be entered into with respect to requested services, in exchange for the reimbursement of fees and expenses. Between the closing of the 2018 Take-Private Transaction and the Petition Date, the Company has paid the Sponsor $1,420,557 in fees relating to the Consulting Agreement.

As set forth above, there may be potentially viable claims relating to the avoidance of these payments. These claims, however, may not ultimately succeed including based on the Company's solvency and/or the presence of reasonably equivalent value, and it is uncertain whether the cost of pursuing those claims may outweigh the benefits.

Actual Fraudulent Transfers to avoid Payments Under the MSA or Consulting Agreement. The evidence does not support viable claims for actual fraudulent transfer arising from the Company's incurrence of obligations or payments made under the MSA or the Consultant Agreement.

Avoidance of Payments under the MSA or Consulting Agreement as a Preference. The evidence does not show any payments made to the Sponsor under the MSA or the Consultant Agreement during the one-year preference period.

5. The False Claims Act

Contribution and Indemnification for FCA Claims. It is well-established that, as a matter of law, an FCA defendant cannot seek indemnification or contribution from an FCA co-defendant, including any legal claim that has as an element offsetting the defendant's FCA liability.

Alter Ego/Veil-Piercing and Successor Liability. The Independent Investigation revealed that there are likely no viable claims for alter ego, veil-piercing or successor liability. Specifically, there is not evidence that the Sponsor dominated and controlled the Company to such an extent that the Company's independent existence was in fact non-existent or that the corporate form was used fraudulently or for an improper purpose.

6. Claims Against Current Directors and Officers

Constructive Fraudulent Transfer and Preferences. The evidence generally does not support viable claims for constructively fraudulent transfer or preference to avoid payments made to the Current D&Os within the one-year period preceding the Petition Date.

Take-Private Consideration. The evidence generally does not support viable avoidance claims arising from the payment of take-private consideration paid to the Current D&Os.

Breach of Fiduciary Duty. The evidence generally does not support viable claims for breach of fiduciary duty against Current D&Os.

Transfers to Mr. Petty. The Independent Investigation revealed a potential exception to the above conclusions, which is that there may potentially be viable claims to avoid payments made to David Petty, although such claims may be subject to defenses and costly to litigate.

7. ~~**M. Mediation**~~Conclusions

~~The Debtors are in discussions with certain of their key stakeholders to determine if mediation (the "Mediation") may be an appropriate course of action to reach a consensual resolution of any outstanding issues and such Mediation may occur prior to the Sale and Confirmation Hearing. The Mediation, if it occurs, may or may not result in resolution of certain outstanding issues amongst the Debtors and their various stakeholders. If a resolution(s) is reached, certain modifications or amendments of the Plan may occur.~~

Based on the analysis set forth above, the Special Committee has concluded that a limited number of potentially viable claims could exist against the Sponsor and its Related Parties. Given the nature of the claims and available defenses, including the amounts at issue and the speculative nature of damages, the chance of significant recovery on account of these claims is highly unlikely. However, the Special Committee concluded that Estate Claims against the Sponsor and its Related Parties (including Sponsor Related Parties that previously served as officers or directors of the Debtors) should not be released unless the Sponsor agreed to provide adequate consideration.

Additionally, the Special Committee has concluded that potentially viable claims may exist against David Petty, and thus any proposed releases of Estate Claims should not include at this time the release of any Claims potentially held against David Petty.

Finally, given the scope of the Independent Investigation, the Special Committee has also concluded that any proposed releases of Estate Claims should not include at this time the release of any Claims potentially held against former officers and directors.

All rights to object to the releases will remain fully preserved for the Committee and other parties at the Confirmation Hearing.

Other than the Independent Investigation with respect to the Sponsor and its Related Parties, which Independent Investigation is completed, the Special Committee's conclusions with respect to its investigation into potential Estate Claims against the above-referenced Released Parties are based on the facts and circumstances as identified and known by the Special Committee as of the date hereof. The Special Committee will remain responsive to any potential claims that are identified and will undertake appropriate investigation to ensure that valuable estate causes of action are not released for inadequate consideration. Accordingly, other than with respect to the Sponsor and its Related Parties as provided herein, to the extent the Independent Investigation uncovers Estate Claims or Causes of Action worthy of pursuit prior to Confirmation, the Special Committee may recommend that the Debtors amend and narrow the scope of the proposed released parties or remove such Claim or Cause of Action entirely in order to allow such Estate Claims or Causes of Action to be preserved.

8. Settlement with the Sponsor

With the assistance of the Court-appointed mediator, following extensive negotiations with the Sponsor, the Special Committee has reached an agreement in principle with the Sponsor on the terms of a settlement pursuant to which the Special Committee would consent to providing a release of Estate Claims and Causes of Action against the Sponsor and its Related Parties (including Sponsor Related Parties that previously served as officers or directors of the Debtors) in exchange for contribution by the Sponsor of $10,000,000 in consideration. Specifically, the Sponsor shall contribute (i) $5,000,000 in cash and (ii) the portion of the New Takeback Debt and New Interests that the Sponsor is entitled to receive on account of the amount of the Prepetition Sidecar Claims that is attributable to the Exit Fee or the Applicable Premium arising and payable under the Prepetition Sidecar Credit Agreement (as defined therein), which the Special Committee values as $5,000,000.

The Special Committee also understands that the Sponsor and the Ad Hoc Group have agreed in principle to resolve the JointMedica Adversary Proceeding, subject to agreement on definitive documentation.

ARTICLE VI

THE DEBTORS' RESTRUCTURING SUPPORT AGREEMENT AND SUMMARY OF THE PLAN

A. Restructuring Support Agreement

On October 29, 2024, the Ad Hoc Group and Debtors entered into the Restructuring Support Agreement. Under the Restructuring Support Agreement, the Debtors have commenced a competitive, value-maximizing sale process for substantially all of their assets in accordance with the Bidding Procedures. The sale process supported by the Restructuring Support Agreement contemplates a Sale Transaction to the Winning Bidder, following an extensive postpetition marketing process. As additional support to a competitive and value-maximizing sale process, the Restructuring Support Agreement also established EI BIDCO, LLC as the Stalking Horse Bidder, and its Stalking Horse Bid includes a credit bid of all of the DIP Claims, the Prepetition First Lien Claims, and the Prepetition Sidecar Claims. The Stalking Horse Bid sets the floor for a competitive bidding process, where topping bids could yield additional value to stakeholders—and provide a clear path to consummate a transaction. The Restructuring Support Agreement also provided the framework for the Plan.

The Plan represents a significant step in the Debtors' restructuring process. The Restructuring Support Agreement will allow the Debtors to proceed expeditiously through chapter 11 to a successful resolution of these Chapter 11 Cases.

B. The Plan

As discussed in Article VI of the Plan, the Plan contemplates the sale of substantially all of the Debtors' assets, followed by the wind down of the Debtors' estates. The Plan contemplates the following key terms:

1. Sale ~~Transactions~~Transaction

As discussed in more detail in Article V.I hereof, on November 12, 2024, the Debtors filed the Bidding Procedures Motion seeking, among other things, approval of the Bidding Procedures for the sale of all or substantially all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code. On December 10, 2024, the Bankruptcy Court entered the order approving the Bidding Procedures Motion [Docket No. 321] (the "Bidding Procedures Order").

The Debtors, led by Centerview Partners LLC ("Centerview"), ~~are~~ engaged in a thorough marketing process for the sale of substantially all of the Debtors' assets in accordance with the Bidding Procedures. Prior to filing the Bidding Procedures Motion, the Debtors entered into the Stalking Horse APA for the Assets, setting the floor for a competitive bidding process—where topping bids could yield additional value to creditors—and provide a clear path to consummate a Sale Transaction. The Stalking Horse APA provides for the Stalking Horse Purchaser to purchase substantially all of the Debtors' assets, including the equity of the Debtors' non-debtor foreign

subsidiaries, in exchange for: (i) the assumption of Assumed Liabilities[34]; (ii) the Wind-Down Amount;[35] (iii) a credit bid pursuant to Section 363(k) of the Bankruptcy Code in an amount equal to (x) all of the Pre-petition Obligations, and (y) the full amount of the outstanding obligations of Sellers under the DIP Facility as of the Closing Date; (iv) the GUC Reserve[36]; and (v) the Plan Payment,[37] and (vi) the payment of Cure Costs.

The Debtors believe that the Bidding Procedures ~~will~~were designed to allow the Debtors to seek to elicit the highest or otherwise best offers for the Assets and other assets ~~being~~ marketed by Centerview. On March 6, 2025, the Debtors filed the *Notice of Cancellation of Auction and Designation of Stalking Horse Bid as the Winning Bid* [Docket No. 684], designating the Stalking Horse Bid as the Winning Bid and cancelling the Auction. A hearing on approval of sale of the Acquired Assets to the Stalking Horse Purchaser, is set for March 27, 2025 at 10:00 a.m. (prevailing Eastern Time).

The Plan serves as a request to implement the Sale Transaction pursuant to sections 363, 1123 and 1141 of the Bankruptcy Code. Entry of the ~~Confirmation and~~ Sale Order shall approve the Sale Transaction and authorize the Debtors to consummate the Sale Transaction, including the sale of the Acquired Assets free and clear of all lien, claims and interests~~.~~, subject to the conditions precedent to the consummation of the Sale Transaction, including that each of the conditions to the effective date of the Plan shall have been satisfied (or shall become effective concurrent with the closing of the Sale Transaction) or waived.

2. Recoveries to Certain Holders of Claims against Interests in the Debtors

The recoveries to Holders of Claims against and Interests in the Debtors are described in Article II.D of this Disclosure Statement, entitled "What will I receive from the Debtors if the Plan is consummated?"

3. Releases

The Plan contains certain releases, exculpations and injunction provisions, as described in Article II.L of this Disclosure Statement, entitled "Will there be releases and exculpation granted to parties in interest as part of the Plan?" The ~~release, exculpation, and injunction provisions that are contained in the Plan are subject to the Special Committee's investigation to certain potential Claims and Causes of Action held by the Debtors Estates which is ongoing. For the avoidance of doubt, Debtor Release is subject in all respects to the conclusion of the Special Committee's~~

[34] Capitalized terms used and not otherwise defined in this sentence shall have the meanings ascribed to such terms in the Stalking Horse APA.

[35] As defined in the Stalking Horse APA, means cash in an amount equal to $2,250,000.

[36] As defined in the Stalking Horse APA, means $500,000 of Cash and Cash Equivalents that shall be an Excluded Asset and reserved for distributions to general unsecured creditors in accordance with the Approved Plan

[37] As defined in the Stalking Horse APA, "Plan Payment" means an amount of Cash and Cash Equivalents that shall be an Excluded Asset and that is necessary (i) to pay any fees required to be paid with respect to the DIP Facility in accordance with the DIP Orders and (ii) for the OpCo Debtors to pay Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims and Other Secured Claims, in each case, (x) against the OpCo Debtors (each as defined in the RSA) and (y) that arise on or before the Effective Date, are Allowed (as defined in the Approved Plan) as of the Effective Date (as defined in the RSA), and are required to be paid in cash pursuant to the Approved Plan.

~~investigation and determination with respect to any potential Claims or Causes of Action, if any, identified therein, and the~~ Debtors expressly reserve the right to determine prior to Confirmation of the Plan not to release and to bring any such Claims or Causes of Action. For more detail, *see* Article VIII.B of the Plan, entitled "Releases by the Debtors," which is incorporated herein by reference.

4. Transaction Expenses

For the avoidance of doubt, Transaction Expenses means all reasonable and documented fees, costs and expenses (whether incurred at any point before or after the commencement of these Chapter 11 Cases) incurred by the Ad Hoc Group Advisors in connection with the negotiation, formulation, preparation, execution, delivery, implementation, and consummation of the Restructuring Support Agreement, this Plan, the DIP Credit Agreement Documents, or the Sale Transaction Documents, and any other Definitive Documents, and/or the transactions contemplated hereby or thereby, and/or any amendments, waivers, consents, supplements, or other modifications to any of the foregoing.

C. Means for Implementation of the Plan

1. Restructuring Transactions

On the Effective Date, the Debtors shall take all actions set forth in the Restructuring Transactions Memorandum, and enter into any transaction and take any reasonable actions as may be necessary or appropriate to effect the transactions described herein, including, as applicable: (i) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Entities agree; (iii) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; and (iv) all other actions that the Debtors, Exactech NewCo, and the Required Consenting Lenders determine to be necessary or appropriate in connection with the consummation of the Sale Transaction, including making filings or recordings that may be required by applicable law in connection with the Sale Transaction or the Plan.

The ~~Confirmation and~~ Sale Order shall and shall be deemed to, pursuant to sections ~~1123 and~~ 363 and, subject to confirmation of the Plan and satisfaction of the conditions to effectiveness of the Plan set forth therein, 1123 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, and the Restructuring Transactions, including the Sale Transaction.

2. Stalking Horse Bid

~~If~~Pursuant to the Restructuring Support Agreement, because the Stalking Horse Purchaser is the Winning Bidder, ~~pursuant to the Restructuring Support Agreement,~~ there will also be a series of transactions related to Exactech Australia Pty Ltd, Exactech UK Limited, and Exactech NewCo, as outlined below.

Pursuant to the terms of the Restructuring Support Agreement~~, by the date that is 75 days after the Petition Date~~ and the DIP Credit Agreement Documents, by no later than March 5, 2025, the Debtors shall have either (1) reached a settlement in respect of Federal Court of Australia proceedings number NSD1224/2024 and any matters the subject of those proceedings, that is acceptable to the Ad Hoc Group or (2) appointed one or more voluntary administrators to Exactech Australia Pty Ltd to pursue the potential restructuring of Exactech Australia Pty Ltd (which may include, among other things, a voluntary administration process together with a Deed of Company Arrangement or asset sale) in form and substance acceptable to the Ad Hoc Group in their reasonable discretion including without limitation, in relation to any material contracts, assets, and liabilities of Exactech Australia, and any relevant regulatory and tax considerations. If, however, at such time, the relevant governing bodies of the Debtors, Exactech International Operations AG, or Exactech Australia Pty Ltd. determine that such actions are inconsistent with their fiduciary duties based on the advice of external counsel, such milestone may be extended. The Debtors will (i) consult in good faith with, and because the Stalking Horse Purchaser is the Winning Bidder, take direction from the Ad Hoc Group and its advisors with respect to strategy and timing regarding the representative action pending against the Borrower and Exactech Australia in the Federal Court of Australia styled *Simon Harrold v. Exactech Australia Pty Ltd* (the "Australian Class Action"), including by providing updates and pertinent analysis of the opt-out process with respect thereto and (ii) provide the Ad Hoc Group and its advisors with the analysis and determination of any strategy regarding any potential claims that may be asserted by third parties with respect to the conduct underlying the Australian Class Action. While the Australian Class Action is stayed with respect to Exactech Inc., Exactech Inc. has the option to voluntarily participate in mediation to resolve the Australian Class Action. Consistent with the terms of the Restructuring Support Agreement and the Credit Agreement Documents, the Exactech Inc. and Exactech Australia Pty Ltd have been pursuing a settlement of the Australian Class Action. On December 20, 2024, Exactech Inc. and Exactech Australia Pty Ltd participated in mediation with the plaintiffs in the Australian Class Action, however no agreement was reached. Exactech Inc. and Exactech Australia Pty Ltd participated in a continued mediation with the Australian Class Action plaintiffs of March 3, 2025.

Pursuant to the terms of the Restructuring Support Agreement, the Debtors and the Ad Hoc Group shall agree on a detailed steps plan to effectuate the corporate restructuring of Exactech UK Limited, including a budget and estimate for fees, costs, taxes, and other expenses resulting from any such steps plan (the "UK Corporate Restructuring Steps Plan"). Subject to the Stalking Horse Purchaser providing the additional financing reasonably necessary to satisfy all payments required to be made in connection with effectuating the UK Corporate Restructuring Steps Plan, the Debtors will begin to effectuate the UK Corporate Restructuring Steps Plan on the date the Stalking Horse Purchaser is declared the Winning Bidder.

3. New Takeback Debt

~~If the Stalking Horse Purchaser is the Winning Bidder, on~~On the Effective Date, the holders of DIP Superpriority Claims, Prepetition First Lien Claims, and Prepetition Sidecar Claims shall receive, in accordance with the Restructuring Transactions Memorandum, in full release and discharge of their liens and claims, new indebtedness of the Stalking Horse Purchaser (or such other entity issuing such debt pursuant to the Restructuring Transactions Memorandum) under a new credit agreement providing for, among other things the following:

- Principal Amount: No more than $130 million (inclusive of all of the DIP Superpriority Claims being exchanged into New Takeback Debt plus all accrued interest thereon).
- Maturity: September 2029.
- Rate: S+600 (cash).
- Amortization: 1% p.a.

4. New Interests.

On the Effective Date, the New Interests will be distributed to holders of Prepetition Pari 1L Claims in accordance with the Plan.

5. Sources of Consideration for Plan Distributions

On and after the Effective Date, the Debtors or the Wind-Down Trust, as applicable, will fund the Debtors' distributions and obligations in accordance with Article VI.B of the Plan with (i) the Sale Proceeds, including the Wind-Down Amount, (ii) the Wind-Down ~~Distributable Consideration, (iii) the Wind-Down Trust Assets~~Trust Assets, (iii) GUC Reserve, and (iv) ~~GUC Reserve~~the Sponsor Consideration. After the Effective Date, to the extent not held in the Professional Fee Escrow Account, the cash held by the Wind-Down Trust shall be held in the Wind-Down Trust Account. For the avoidance of doubt, under no circumstances will Exactech NewCo be required to make or be responsible for making any Distributions under the Plan.

For more information regarding the mechanisms for distributions under the Plan, please refer to Article VI of the Plan.

6. Wind-Down Trustee and the Wind-Down Trust

(a) Appointment

On the Effective Date, the Wind-Down Trustee shall be appointed by the Debtors and the Required Consenting Lenders, for the purpose of conducting the Wind-Down and shall succeed to such powers as would have been applicable to the Debtors' officers, directors, and shareholders, and the Debtors, upon the conclusion of the Wind-Down, shall be dissolved by the Wind-Down Trustee. The Wind-Down Trustee shall act for the Debtors in the same fiduciary capacity as applicable to a board of directors or managers and officers, subject to the provisions hereof (and

all certificates of formation, membership agreements, articles of incorporation or by-laws, and related documents, as applicable, are deemed amended pursuant to the Plan to permit and authorize the same). From and after the Effective Date, the Wind-Down Trustee shall be the sole representative of and shall act for the post-Effective Date Debtors and their Estates, including as sole director or manager and sole officer.

Among other things, the Wind-Down Trustee shall be responsible for: (1) implementing the Wind-Down as expeditiously as reasonably possible and administering the liquidation of the post-Effective Date Debtors and their Estates and of any assets held by the Wind-Down Trust after consummation of the Sale Transaction, (2) resolving any Disputed Claims and undertaking a good faith effort to reconcile and settle Disputed Claims, (3) making distributions on account of Allowed Claims in accordance with the Plan, (4) filing appropriate tax returns, and (5) otherwise administering the Plan, in each case to the extent set forth in the Sale Transaction Documents and the Wind-Down Trust Agreement, as applicable.

All property of the Estates not distributed to the Holders of Allowed Claims on the Effective Date, or transferred pursuant to the Sale Transaction Documentation, excluding, for the avoidance of doubt, any amounts in Professional Fee Escrow Account, shall be transferred in accordance with the Restructuring Transactions Memorandum to the Wind-Down Trust and managed and distributed by the Wind-Down Trustee pursuant to the terms of the Wind-Down Trust Agreement and shall be held in the name of the Wind-Down Trust free and clear of all Claims and Interests except for rights to such distributions provided to Holders of Allowed Claims and Allowed Interests as provided in the Plan. The Wind-Down Trustee shall represent the Wind-Down Trust and shall have the right to retain the services of attorneys, accountants, and other professionals that the Wind-Down Trustee determines, in its sole discretion, are necessary to assist the Wind-Down Trustee in performing his or her duties. The Wind-Down Trustee shall pay the reasonable and documented fees and out-of-pocket expenses of such professionals upon the monthly submission of statements to the Wind-Down Trustee without further order of the Bankruptcy Court. Any and all reasonable and documented costs and expenses incurred by the Wind-Down Trustee in connection with the Wind-Down shall be paid from the Wind-Down Account subject to the terms and conditions of the Wind-Down Trust Agreement. The Wind-Down Trustee shall be compensated and reimbursed for reasonable and documented costs and out-of-pocket expenses as set forth in, and in accordance with, the Wind-Down Trust Agreement. Under no circumstances will Exactech NewCo be responsible for any related fees, costs or expenses.

(b) Authority

The Wind-Down Trustee will have the power and authority to take any reasonable action necessary to implement the Wind-Down. On and after the Effective Date, the Wind-Down Trustee shall cause the Debtors to comply with, and abide by, the terms of the Sale Transaction Document, and take such other reasonable actions as the Wind-Down Trustee may determine to be necessary or desirable to carry out the purposes of the Plan.

(c) Transfer and Vesting of Assets

On the Effective Date, the Wind-Down Trust will be formed pursuant to the Wind-Down Trust Agreement and immediately after the consummation of the Sale Transaction will receive, in accordance with the Restructuring Transactions Memorandum, all of the remaining assets of the Debtors. The Wind-Down Trust will be established for the primary purpose of liquidating the Wind-Down Trust Assets and winding down the Estates, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to and consistent with the liquidating purpose of the Wind-Down Trust. The Debtors will have no reversionary or further interest in or with respect to the Retained Assets upon the transfer of the Retained Assets as more fully set forth in the Wind-Down Trust Agreement. The Debtors have agreed to take the position that grantor trust treatment applies to the extent reasonably practicable, in which case, for all U.S. federal income tax purposes, the beneficiaries of the Wind-Down Trust would be treated as grantors and owners thereof, and it is intended, to the extent reasonably practicable, that the Wind-Down Trust be classified as a liquidating trust under section 301.7701-4 of the Treasury Regulations. Accordingly, subject to the immediately foregoing sentence, it is intended for U.S. federal income tax purposes that the beneficiaries of the Wind-Down Trust be treated as if they had received an interest in the Wind-Down Trust's assets and then contributed such interests (in accordance with the Restructuring Transactions Memorandum) to the Wind-Down Trust. As soon as possible after the transfer of the Retained Assets to the Wind-Down Trust, the Wind-Down Trustee, in consultation with any financial advisors it deems appropriate, shall make a good faith valuation of the Retained Assets. This valuation will be made available from time to time as may be relevant for tax reporting purposes. Each of the Debtors, the Wind-Down Trustee, and the Holders of Claims receiving distributions from the Wind-Down Trust shall take consistent positions with respect to the valuation of the Retained Assets, and such valuation shall be utilized for all U.S. federal income tax purposes. The Wind-Down Trust will, in an expeditious but orderly manner, liquidate and convert to Cash the Retained Assets, make timely distributions to the beneficiaries of the Wind-Down Trust pursuant to the Plan and the Confirmation ~~and Sale~~ Order, and not unduly prolong its duration.

On the Effective Date, any Estate Cash and non-Cash assets remaining after the Sale Transaction is consummated shall vest in the Wind-Down Trust for the purpose of facilitating the above tasks. Such assets shall be held free and clear of all Liens, Claims, and Interests, except as otherwise provided in the Plan. The Debtors, the Wind-Down Trustee, and the Wind-Down Trust shall be deemed to be fully bound to the terms of the Plan, the Confirmation ~~and Sale~~ Order, and the Wind-Down Trust Agreement.

(d) Tax Returns

After the Effective Date, the Wind-Down Trustee will complete and file all final or otherwise required federal, state, provincial, and local tax returns for each of the Debtors and the Wind-Down Trust, in each case, in accordance with the Restructuring Support Agreement and Stalking Horse APA ~~if the Stalking Horse Purchaser is the Winning Bidder~~.

(e) Termination of Wind-Down Trust and Wind-Down Trustee; Dissolution of Debtors

Upon a certification to be Filed with the Bankruptcy Court by the Wind-Down Trustee of all distributions having been made and completion of all its duties under the Plan and entry of a final decree closing the last of the Chapter 11 Cases, the Wind-Down Trust shall be deemed to be dissolved without any further action by the Wind-Down Trustee, including the filing of any documents with the secretary of state for the state in which the Debtors are formed or any other jurisdiction. Notwithstanding the foregoing, the Wind-Down Trustee shall retain the authority to take all necessary actions to dissolve the Debtors and their wholly-owned subsidiaries in, and withdraw the Debtors and their wholly-owned subsidiaries from, applicable states and provinces to the extent required by applicable law, without the necessity for any other or further actions to be taken by or on behalf of such dissolving Entity or its shareholder or any payments to be made in connection therewith, other than the filing of a certificate of dissolution with the appropriate governmental authorities, pursuant to Section 303 of the Delaware General Corporation Law codified at title 8 of the Delaware Code or other applicable state or international law.

7. Debtors' Boards or Governance Bodies

From and after the Effective Date, all directors, managers, and other members of existing boards or governance bodies of the Debtors, as applicable, shall cease to hold office or have any authority and be deemed to have resigned.

8. Management Incentive Plan

~~In the event the Stalking Horse Purchaser is the Winning Bidder, then no~~No later than 120 days after the Effective Date, the New Board will adopt in accordance with the RSA the Management Incentive Plan and allocate a portion of the MIP Pool (as determined by the New Board) for awards to management, with the form, size, participation, vesting, and other terms and conditions of such awards to be determined by the New Board in its discretion and in consultation with the Exactech NewCo chief executive officer.

9. Corporate Action

Upon the Effective Date, by virtue of entry of the Confirmation ~~and Sale~~ Order, all actions contemplated by the Plan (including any action to be undertaken by Exactech NewCo or the Wind-Down Trustee) and the Restructuring Transactions Memorandum shall be deemed authorized, approved, and, to the extent taken prior to the Effective Date, ratified without any requirement for further action by Holders of Claims or Interests, the Debtors, or any other Entity or Person including (a) the distribution of the New Interests, (b) the issuance of the New Takeback Debt, and (c) all other actions that the Debtors, Exactech NewCo, and the Required Consenting Lenders determine to be necessary or appropriate in connection with the consummation of the Plan and the Restructuring Transactions, and including making filings or recordings that may be required by applicable law in connection with the Plan.

All matters provided for in the Plan involving the corporate structure of the Debtors or Exactech NewCo, and any corporate action required by the Debtors in connection therewith, shall

be deemed to have occurred and shall be in effect, without any requirement of further action by the Debtors or the Debtors' Estates.

10. Effectuating Documents; Further Transactions

On and after the Effective Date, the Debtors and the Wind-Down Trustee, as applicable, is authorized to and may issue, execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, the Restructuring Transactions, the Sale Transaction, and the instruments issued pursuant to the Plan in the name of and on behalf of the Wind-Down Trust, without the need for any approvals, authorizations, or consents except for those expressly required under the Plan.

11. Exemption from Certain Taxes and Fees

To the maximum extent provided by section 1146(a) of the Bankruptcy Code, any transfer pursuant to, in contemplation of, or in connection with this Plan (including the Sale Transaction and the Wind-Down), including pursuant to: (1) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in connection with the transactions contemplated hereby; (2) the creation, modification, consolidation, termination, refinancing, release or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (3) the making, assignment, or recording of any lease or sublease; (4) the grant of collateral security for any or all of any indebtedness; or (5) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, this Plan and the transactions contemplated hereby, including any deeds, bills of sale, assignments, or other instruments of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to this Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or fee, or other similar tax, fee or governmental assessment, and the appropriate state or local government officials, recording officers or agents (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(a) of the Bankruptcy Code and shall forego collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, fee or governmental assessment.

12. Preservation of Rights of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to the Plan and the Sale Transaction Documents, the Wind-Down Trustee shall retain and may enforce all of the Debtors' rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan, other than Avoidance Actions and the Causes of Action (a) acquired by Exactech NewCo or its subsidiaries in accordance with the Sale Transaction Documents, (b) released by the Debtors

pursuant to the releases and exculpations contained in the Plan or otherwise, including in Article VIII.B of the Plan, or (c) waived or abandoned, which in the case of clause (b) shall be deemed released and waived by the Debtors and the Wind-Down Trust as of the Effective Date.

The Wind-Down Trustee may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Wind-Down Trust. The Wind-Down Trustee shall retain and may exclusively enforce any and all such Causes of Action. The Wind-Down Trustee shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Wind-Down Trustee will not pursue any and all available Causes of Action against it. Unless any such Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or assigned or otherwise transferred to the Exactech NewCo in accordance with the Sale Transaction Documents, or settled under the Plan or a Final Order, the Wind-Down Trustee expressly reserves all such Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

D. Treatment of Executory Contracts and Unexpired Leases

1. Assignment and Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided in Article V of the Plan, the Bidding Procedures Order, or the Sale Transaction Documents, as of the Effective Date, the Debtors shall be deemed to have rejected all Executory Contracts and Unexpired Leases that (1) have not been previously rejected, or assumed and assigned, including in connection with the Sale Transaction, and are not the subject of a pending motion or notice to reject or assume and assign as of the Effective Date, (2) are not identified on the Assigned Executory Contract and Unexpired Lease List, and (3) have not expired under their own terms prior to the Effective Date.

Entry of the Confirmation Order and/or the Sale Order, as applicable, shall constitute an order of the Bankruptcy Court approving the (i) assumptions and assignments of the Assigned Executory Contracts or Unexpired Leases under the Sale Transaction Documents and (ii) the rejections of the Executory Contracts and Unexpired Lease under the Plan, as applicable, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Except as otherwise specifically set forth herein, in the Bidding Procedures Order, in the Sale Transaction Documents, ~~or~~in the ~~Confirmation and~~ Sale Order, or in the Confirmation Order, assumptions or assignments and rejections of Executory Contracts and Unexpired Leases are subject to and effective as of the Effective Date. Any Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in the applicable contracting Debtor and be fully enforceable by the Wind-Down Trustee (acting on behalf of the applicable contracting Debtor) in accordance with its terms, except as such terms

may have been modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption. Any Filed motions to assume, assume and assign, or reject any Executory Contracts or Unexpired Leases (or Filed objection with respect to the proposed assumption and assignment of such contract) that is pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order but may be withdrawn, settled, or otherwise prosecuted by the Wind-Down Trustee, with any such disposition to be deemed to effect an assumption, assumption and assignment, or rejection, as applicable, as of the Effective Date.

If certain, but not all, of a contract counterparty's Executory Contracts and Unexpired Leases are assumed or assumed and assigned pursuant to the Plan, the Confirmation Order and/or Sale Order, as applicable, will be a determination that such counterparty's Executory Contracts and Unexpired Leases that are being rejected pursuant to the Plan are severable agreements that are not integrated with those Executory Contracts and Unexpired Leases that are being assumed or assumed and assigned pursuant to the Plan. Parties seeking to contest this finding with respect to their Executory Contracts and/or Unexpired Leases must File a timely objection by the Confirmation Objection Deadline on the grounds that their agreements are integrated and not severable.

To the maximum extent permitted by law, to the extent any provision in any Executory Contract or Unexpired Lease assumed and assigned pursuant to the Plan ~~and~~, the Confirmation Order, and/or the Sale Order, as applicable, restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, or purports to cause a modification to the Executory Contract or Unexpired Lease as a result of, the assumption and assignment of such Executory Contract or Unexpired Lease (including any "change of control" provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights or modifications with respect thereto.

For more information regarding the procedures for resolving contingent, unliquidated, and disputed claims under the Plan, please refer to Article VII of the Plan.

2. Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or the Wind-Down Trustee, as applicable, under such Executory Contract or Unexpired Lease. Without limiting the general nature of the foregoing, and notwithstanding any non-bankruptcy law to the contrary, the Debtors and Wind-Down Trustee expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the Debtors contracting from non-Debtor counterparties to any rejected Executory Contract or Unexpired Lease.

3. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by a Final Order of the Bankruptcy Court, including the Bidding Procedures Order, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to the Plan or the Confirmation ~~and Sale~~ Order, if any, must be Filed with the Bankruptcy Court on or before the latest of (i) the date set forth in an order authorizing such rejection (including the Confirmation ~~and Sale~~ Order), (ii) February 7, 2025 at 4:00 p.m. prevailing Eastern Time, and (iii) 30 days from the date the order authorizing the rejection of such contract or lease (which may be the Confirmation ~~and Sale~~ Order) was entered. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Bankruptcy Court within such time may, following an objection to the allowance of such Claim, be disallowed, forever barred from assertion, and not be enforceable against the Debtors, the Estates, the ~~Wind-Down~~Wind-Down Trust, the Wind-Down Trustee, Exactech NewCo, or the property of any of the foregoing Entities. Claims arising from the rejection of the Executory Contracts and Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.C of the Plan and may be objected to in accordance with the provisions of Article VII of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

4. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed

Unless the parties to such Executory Contracts or Unexpired Leases may otherwise agree, any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment in Cash, on the Effective Date, of the Cure Claims by the Debtors or Exactech NewCo (solely with respect to any contracts assumed and assigned in accordance with the Sale Transaction Documents), as applicable. In the event of a dispute regarding (1) the amount of any Cure Claims, (2) the ability of the Debtors or Exactech NewCo, as applicable, or the applicable assignee, if any, to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption and assignment, any such dispute shall be resolved as set forth in the Bidding Procedures Order with any related cure payments required by section 365(b)(1) of the Bankruptcy Code to be made following the entry of a Final Order resolving the dispute and approving the assumption or as otherwise resolved in accordance with the Bidding Procedures Order.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan, the Sale Transaction Documents, or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption; *provided*, *however*, that notwithstanding anything in the Plan, the Sale Transaction Documents, the Plan Supplement, or otherwise to the contrary, any non-Debtor party to any such Executory Contract or Unexpired Lease shall be entitled to receive, and nothing herein shall release or result in the satisfaction of such party's right to receive, payment in full of all Cure Claims and all amounts that have accrued or otherwise arisen between the Petition Date and the Effective Date (but are not in default as of the Effective Date) with respect to any Executory

Contract or Unexpired Lease; *provided*, *further*, that all amounts that have accrued or otherwise arisen as of the Effective Date (but are not in default as of the Effective Date) with respect to any Executory Contract or Unexpired Lease that is assumed and assigned to Exactech NewCo shall be satisfied by Exactech NewCo in accordance with the terms of such Executory Contract or Unexpired Lease.

Except as otherwise agreed by any of the Debtors and any non-Debtor counterparty to any Executory Contract or Unexpired Lease following the assumption of any such Executory Contract or Unexpired Lease, any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

5. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed or assumed and assigned shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

6. Insurance Policies

Notwithstanding anything to the contrary in the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation ~~and~~Order, or the Sale Order, any bar date notice or claim objection, or any other order of the Bankruptcy Court (including any other provision that purports to be preemptory or supervening, grants an injunction, discharge, or release): (1) on the Effective Date, the Debtors shall assume and assign to Exactech NewCo, solely to the extent set forth in the Sale Transaction Documents, and explicitly provided in the Assigned Executory Contracts and Unexpired Lease List, all of the Debtors' insurance policies issued at any time and any agreements, documents, and instruments relating thereto in their entirety, including all of the Debtors' obligations thereunder regardless of when such obligations arise, pursuant to sections 105 and 365 of the Bankruptcy Code and subject to the terms of the applicable insurance policies, any agreement, documents, or instruments relating thereto, or applicable non-bankruptcy law (which may require the express written consent of the applicable insurer); (2) nothing alters, modifies, or otherwise amends the terms and conditions of (or the coverage provided by or obligations of the Debtors or the Wind-Down Trustee, as applicable, under) such insurance policies or the duty, if any, that the insurers have to pay claims covered by such insurance policies and their right to seek payment or reimbursement from the Debtors or the Wind-Down Trustee (or the Exactech NewCo, solely to the extent assumed and assigned to Exactech NewCo under the Sale Transaction Documents and in accordance with Article VI.D of the Plan) or draw on any

collateral or security therefor; (3) nothing shall alter, modify, amend, affect, impair, or prejudice the legal, equitable, or contractual rights, obligations, and defenses of the insurers, the Debtors, or any other individual or entity, as applicable, under any of such insurance policies and related agreements, including, but not limited to, any agreement to arbitrate disputes; and (4) the insurers and third party administrators shall not need to nor be required to file or serve a cure objection or a request, application, claim, Proof of Claim, or motion for payment and shall not be subject to any claims bar date or similar deadline governing cure amounts or Claims.

7. Director and Officer Insurance Policies

From and after the Effective Date, the D&O Policies shall remain in place on terms for coverage and amounts no less favorable than the Debtors' current directors' and officers' insurance policies. The D&O Policies shall be a retained asset of the Debtors' Estates and shall be maintained for the benefit of the beneficiaries thereunder.

The Debtors and the Wind-Down Trust shall not terminate or otherwise reduce the coverage under any D&O Policies (including, without limitation, any "tail policy" and all agreements, documents, or instruments related thereto) in effect on or prior to the Effective Date, and any current and former directors, officers, managers, and employees of the Debtors and their Affiliates who served in such capacity at any time before or after the Effective Date shall be entitled to the full benefits of any such policy or policies for the full term of such policy or policies regardless of whether such directors, officers, managers, and employees remain in such positions after the Effective Date.

8. Indemnification Obligations

~~In the event the Stalking Horse Purchaser is the Winning Bidder, following~~Following the Closing (as defined in the Stalking Horse APA) and until the sixth anniversary thereof, all indemnification obligations set forth in the organizational documents of the Debtors consistent with applicable law and in place as of the Effective Date for the current and former directors and officers of the Debtors (solely in their capacity as such) (such obligations subject to the terms and conditions herein, the "Indemnification Obligations") shall be honored, or caused to be honored, by the Winning Bidder, reinstated, and otherwise remain intact, irrevocable, and shall survive the effectiveness of the Restructuring Transactions on terms no less favorable to such current and former directors and officers of the Debtors than the indemnification provisions in place prior to the Restructuring Transactions; *provided* that the Winning Bidder shall not be required to indemnify or advance any expenses in connection with any claim made against any such director or officer under any of the following circumstances: (i) arising out of or relating to any Excluded Litigation, including any Excluded Product Liability Claims (each as defined in the Stalking Horse APA) in an amount that exceeds $500,000 in the aggregate,[~~27~~38] (ii) for which payment is available under or has actually been made to or on behalf of such director or officer under any insurance policy issued to or for the benefit of the Debtors or other indemnity from the Acquired Entities, except with respect to any excess beyond the amount paid under any insurance policy issued to or for the benefit of the Debtors or other indemnity from the Acquired Entities

[~~27~~38] For the avoidance of doubt, this amount shall be inclusive of, and not in addition to, the amount set forth in Section 6.10(a)(b)(i) of the Stalking Horse APA.

(provided, however, that except as set forth herein, no Indemnified Person shall be required to pursue any other insurance or indemnity prior to seeking indemnity from the Acquired Entities), ~~or~~ (iii) to the extent any claim or suit is finally adjudicated to have arisen out of or resulted from such director or officer's fraud, gross negligence, or willful misconduct~~.~~, or (iv) if the Special Committee determines to recommend that the Debtors not provide such officer or director with a Debtor Release or the Debtors otherwise agree not to provide a Debtor Release to such officer or director, it being understood that the Special Committee's Independent Investigation into the Sponsor and its Related Parties is completed and that the Special Committee will not recommend that the Debtors not provide a director or officer that is a Related Party of the Sponsor with a Debtor Release.[39]

Notwithstanding anything to the contrary herein (but in accordance with the immediately preceding paragraph), with respect to any Indemnification Obligations to be assumed or honored for the current and former directors and officers of the Osteon Intermediate Holdings I, Inc. and Osteon Holdings, Inc., such obligations will be honored solely to the extent such obligations arise on account of actions taken by the applicable directors and officers solely in their capacity as officers and directors of such Debtors and solely to the extent relating to such Debtors' ownership and operation of Exactech Inc. (and its subsidiaries).

The Plan reflects the treatment of Indemnification Obligations agreed to with the Stalking Horse ~~Bidder. If a party other than the Stalking Horse Bidder is the Winning Bidder, the treatment of Indemnification Obligations will be in accordance with the terms of the asset purchase agreement with such Winning Bidder~~Purchaser.

E. Modifications or Amendment to the Plan

The Debtors (including through the Special Committee) are engaged with their key stakeholders (including the Committee, the DOJ on account of the ~~Qui Tam Actions~~FCA Matters, the Ad Hoc Group, and the Sponsor) in an effort to resolve various matters, including through the Mediation. Those discussions (which are ongoing and may not result in consensual resolutions with the relevant parties) may result in further settlements of certain disputed matters, including related to the Debtor release contained in Article VIII.B of the Plan. Subject to the limitations contained in the Plan (and without limiting the rights set forth in the Restructuring Support Agreement), the Debtors reserve the right to modify the Plan as necessary to include any such settlement pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019 and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan. Further, the Debtors, with the consent of the Required Consenting Lenders, may modify the Plan to provide for a reorganization of the Debtors rather than a sale of substantially all assets.

Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan (and without limiting the rights set forth in the Restructuring Support Agreement), the Debtors

[39] For the avoidance of doubt, the Winning Bidder shall not be required to honor, or cause to be honored, any Indemnification Obligations of former directors or officers of the Debtors who are not receiving a Debtor Release.

expressly reserve their rights to alter, amend, or modify materially the Plan with respect to the Debtors one or more times including after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

ARTICLE VII

RISK FACTORS

Before taking any action with respect to the Plan, Holders of Claims and Interests should read and consider carefully the risk factors set forth below, as well as other information set forth in this Disclosure Statement, the Plan, and the documents delivered together herewith, referred to, or incorporated by reference into this Disclosure Statement, including other documents filed with the Bankruptcy Court in the Chapter 11 Cases. The risk factors should not be regarded as constituting the only risks present in connection with the Debtors' businesses or the Plan and its implementation.

A. Bankruptcy Law Considerations

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to Holders of Allowed Claims under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of Holders of Claims or Interests in such Impaired Classes.

1. The Restructuring Support Agreement May be Terminated

As more fully set forth in section 8 of the Restructuring Support Agreement, the Restructuring Support Agreement may be terminated upon the occurrence of certain events, including, among others, the Debtors' failure to meet certain milestones, the Debtors' withdrawal of the Bidding Procedures, or conversion of these chapter 11 cases to a liquidation under chapter 7 of the Bankruptcy Code. In the event the Restructuring Support Agreement is terminated, the Debtors may seek a non-consensual restructuring alternative, including a potential liquidation of their assets.

2. The Stalking Horse APA May be Terminated

The Stalking Horse APA may be terminated upon the occurrence of certain events set forth in Article VIII thereof ~~and the~~. The sale process ~~may fail~~failed to yield a viable alternative ~~Sale Transaction~~to the Stalking Horse APA. If the Stalking Horse APA is terminated, the Debtors will likely need to liquidate.

3. Parties in Interest May Object to the Plan's Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the

other claims or equity interests in such class. The Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests containing only Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

4. The Conditions Precedent to the Effective Date of the Plan May Not Occur

As more fully set forth in Article IX of the Plan, the Effective Date of the Plan is subject to a number of conditions precedent. If such conditions precedent are not met or waived, the Effective Date will not take place.

5. The Debtors May Fail to Satisfy Vote Requirements

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to confirm an alternative chapter 11 plan or transaction. There can be no assurance that the terms of any such alternative chapter 11 plan or other transaction would be similar or as favorable to the Holders of Allowed Claims as those proposed in the Plan (including any overbid that may be obtained in the Sale Process) and the Debtors do not believe that any transaction exists or is likely to exist that would be more beneficial to the Estates than the Plan.

6. The Debtors May Not Be Able to Secure Confirmation of the Plan

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims or equity interests under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

Even though certain creditors have agreed pursuant to the Restructuring Support Agreement to support the Plan, there can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation are not met. If the Plan is not confirmed by the Bankruptcy Court, it is unclear whether the Debtors will be able to reorganize their business and what, if anything, Holders of Allowed Claims would ultimately receive on account of their Claims.

The Debtors, subject to the terms and conditions of the Plan and the Restructuring Support Agreement, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in less favorable treatment of any non-accepting Class of Claims, as well as any Class junior to such non-accepting Class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property with a lesser value than currently provided in the Plan or no distribution whatsoever under the Plan. Changes to the Plan may also delay the confirmation of the Plan and the Debtors' emergence from bankruptcy.

7. The Debtors May Not Be Able to Secure Nonconsensual Confirmation Over Certain Impaired Non-Accepting Class

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one impaired (as defined under section 1124 of the Bankruptcy Code) class of claims has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired class(es). The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to professional compensation.

8. Plan Exclusivity Period

The Bankruptcy Code provides the Debtors with the exclusive right to propose a plan for the first 120 days after the Petition Date (unless further extended for cause) and prohibits creditors from proposing a plan during such time. As referenced above, the Committee filed the Motion to Terminate Exclusivity, which the Debtors intend to ~~strongly~~ oppose. The Debtors have also filed a motion to extend the exclusivity period. However, if the Bankruptcy Court terminates that right, or the exclusivity period expires, it could materially adversely affect the Debtors' ability to achieve confirmation of the Plan to their stated goals.

9. The Chapter 11 Cases May Be Converted to Cases under Chapter 7 of the Bankruptcy Code

If a bankruptcy court finds that it would be in the best interest of creditors and/or the chapter 11 debtor, the bankruptcy court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets and distribute the proceeds in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions to creditors than those provided for in the Plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time, rather than reorganizing or selling the business as a going concern at a later time in a controlled manner, (b) additional administrative expenses

involved in the appointment of a chapter 7 trustee, and (c) additional Claims, some of which would be entitled to priority, that would be generated during the liquidation, including Claims resulting from the rejection of Unexpired Leases and Executory Contracts in connection with cessation of operations.

10. The Debtors May Object to the Amount or Classification of a Claim

Except as otherwise provided in the Plan, the Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied upon by any Holder of a Claim where such Claim is subject to an objection. Any Holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

11. Risk of Non-Occurrence of the Effective Date

There can be no assurance as to the timing of the Effective Date. If the conditions precedent to the Effective Date set forth in the Plan, including the conditions precedent to the Sale Transaction, have not occurred or have not been waived as set forth in Article IX.A-C of the Plan, then the Confirmation Order may be vacated, in which event no distributions would be made under the Plan, the Debtors and all holders of Claims and Interests would be restored to the status quo as of the day immediately preceding the Confirmation Date, and the Debtors' obligations with respect to Claims and Interests would remain unchanged.

12. Contingencies Could Affect Votes of Impaired Classes to Accept or Reject the Plan

The distributions available to Holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies, which could affect distributions available to Holders of Allowed Claims under the Plan, will not affect the validity of the vote cast by the members of the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

The estimated Claims and creditor recoveries set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated Claims contained in this Disclosure Statement. Moreover, the Debtors cannot determine with any certainty at this time, the number or amount of Claims that will ultimately be Allowed. Such differences may materially and adversely affect, among other things, the percentage recoveries to Holders of Allowed Claims under the Plan.

13. Releases, Injunctions, and Exculpations Provisions May Not Be Approved

Article VIII of the Plan provides for certain releases, injunctions, and exculpations. The releases, injunctions, and exculpations provided in the Plan are subject to ~~the findings of the~~

~~Special Committee and~~ objection by parties in interest and may not be approved. ~~If the releases are not approved,~~

To evaluate the propriety of a debtor release, bankruptcy courts evaluate whether the release "is a valid exercise of the debtor's business judgment, is fair, reasonable, and in the best interests of the estate." *In re Spansion, Inc.*, 426 B.R. 114, 143 (Bankr. D. Del. 2010). In addition, some bankruptcy courts examine the following list of non-exclusive and disjunctive factors:

(1) an identity of interest between the debtor and the third party, such that a suit against the non-debtor is, in essence, a suit against the debtor or will deplete assets of the estate;

(2) substantial contribution by the non-debtor of assets to the reorganization;

(3) the essential nature of the injunction to the reorganization to the extent that, without the injunction, there is little likelihood of success;

(4) an agreement by a substantial majority of creditors to support the injunction, specifically if the impacted class or classes 'overwhelmingly' votes to accept the plan; and

(5) provision in the plan for payment of all or substantially all of the claims of the class or classes affected by the injunction.

See In re Zenith Elecs. Corp., 241 B.R. 92, 110 (Bankr. D. Del. 1999) (citing *In re Master Mortg. Inv. Fund*, 168 B.R. 930, 937 (Bankr. W.D. Mo. 1994)).

Following the Supreme Court's decision in *Harrington v. Purdue Pharma,* 144 S. Ct. 2071, 2074 (2024), third-party releases in cases where creditors will not be paid in full may be approved by a bankruptcy court if they are consensual. The Supreme Court did "not express a view on what qualifies as a consensual release" and clarified that nothing in its *Purdue* "opinion should be construed to call into question consensual third-party releases offered in connection with a bankruptcy reorganization plan." Consistent with the Supreme Court's ruling, to determine whether the third-party release is appropriate, bankruptcy courts evaluate whether the proposed third-party release is consensual. Various judges of the Delaware Bankruptcy Court have approved third-party releases as consensual where the releasing parties affirmatively indicated their consent to the release on their ballots, as the Debtors have proposed here. *See, e.g.*, *In re LL Flooring, Inc.*, Case No. 24-11680 (BLS) [Docket No. 701] (Bankr. D. Del. Dec. 18, 2024) (confirming a chapter 11 plan with a third-party release "opt-in" mechanism); *In re Seaplane Debtor I, Inc.*, Case No. 24-10703 (CTG) [Docket No. 680] (Bankr. D. Del. Dec. 11, 2024) (confirming a chapter 11 plan with a third-party release that required releasing parties to affirmatively submit a ballot and not exercise the "opt-out" mechanism); *In re Basic Fun, Inc.*, Case No. 24-11432 [Docket No. 261] (Bankr. D. Del. Oct. 21, 2024) (confirming a chapter 11 plan with a third-party release "opt-in" mechanism).

Exculpation provisions may be approved by a bankruptcy court if they are limited in scope so as to only apply to actions taken by estate fiduciaries during a bankruptcy case. *See In re Indianapolis Downs, LLC*, 486 B.R. 286, 306 (Bankr. D. Del. 2013) ("The Third Circuit has held that 'a creditors' committee, its members, and estate professionals may be exculpated under a

plan for their actions in the bankruptcy case except for willful misconduct or gross negligence.'") (quoting *In re Washington Mut., Inc.*, 442 B.R. 314, 350 (Bankr. D. Del. 2011)). Exculpation provisions that are limited to claims not involving actual fraud, willful misconduct, or gross negligence, like those proposed by the Debtors here, are customary and generally approved in this district. *See, e.g.*, *In re LL Flooring, Inc.*, Case No. 24-11680 (BLS) [Docket No. 701] (Bankr. D. Del. Dec. 18, 2024) (approving an exculpation provision for estate fiduciaries in a chapter 11 plan); *In re Seaplane Debtor I, Inc.*, Case No. 24-10703 (CTG) [Docket No. 680] (Bankr. D. Del. Dec. 11, 2024) (same); *In re Basic Fun, Inc.*, Case No. 24-11432 (CTG) [Docket No. 261] (Bankr. D. Del. Oct. 21, 2024) (same).

The Debtors have proposed the injunction because they believe it is necessary to preserve and enforce the release and exculpation provisions set forth in the Plan, and the Debtors believe the injunction is appropriately tailored to achieve that purpose.

~~certain previously Released Parties may~~ The Debtors will be prepared to present evidence at the Confirmation Hearing to demonstrate the basis for and propriety of the release and exculpation provisions proposed under the Plan, however, if the Releases are not approved, certain parties could withdraw their support for the Plan.

14. Parties May be Removed as "Released Parties" and the Scope of Releases May be Limited

~~As described in Article V.K of the Disclosure Statement, the Special Committee is conducting an on-going investigation into various matters. At the conclusion of that investigation, the Special Committee may determine that the scope of the releases in the Plan needs to be revised and/or that additional settlements related to such releases pursuant to Bankruptcy Rule 9019 need to be included in the Plan. In either case, the~~The Plan may be modified prior to the Confirmation Hearing to incorporate any number of resolutions, subject in all respects to, and without limiting rights set forth in, the Restructuring Support Agreement.

Among other things, the Debtors may seek to abandon Causes of Action held by the Debtors or the Estates against Released Parties rather than releasing such claims or pursuing them, if the Debtors (including as determined by the Special Committee, where applicable) determine that the costs of pursuing them would be burdensome and outweigh the expected benefits or value to the Estates. Section 554(a) of the Bankruptcy Code allows a debtor-in-possession, after notice and a hearing, to abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate. *In re Wilton Armetale, Inc.*, 968 F.3d 273, 284 (3d Cir. 2020). "Abandonment under section 554 removes the property in question from the bankruptcy estate and causes the trustee to lose all interest, rights and control with respect to the abandoned property." *In re Grossinger's Assocs.*, 184 B.R. 429, 432 (Bankr. S.D.N.Y. 1995) (citations omitted). The abandoned property reverts to the party with a possessory interest in the property. *Wilton Armetale, Inc.*, 968 F.3d at 284 (citations omitted); *see also Miller v. Generale Bank Nederland, N.V. (In re Interpictures Inc.)*, 217 F.3d 74, 76 (2d Cir. 2000) (explaining that "[t]he rationale for this rule is that once the debtor's property is abandoned in bankruptcy, the property should be treated as though no bankruptcy proceedings had occurred and therefore revert to the party that held a pre-petition interest in it"). "Thus, if a trustee [or the debtor in possession] abandons a cause of action, the creditor's right to pursue it

spring[s] back to life." *Wilton Armetale, Inc.*, 968 F.3d at 284 (internal quotations and citations omitted)).

Thus, if the Debtors seek to abandon any Causes of Action held by the Debtors or the Estates against the Released Party it could affect the rights of third parties and modify the scope of the Release received by the Released Party against whom such abandoned Cause of Action can be asserted.

15. Amendment of Plan Before Confirmation

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan or waive any conditions if and as needed or desirable for Confirmation (without limiting the rights set forth in the Restructuring Support Agreement). The potential impact of any such amendment or waiver on holders of Claims and Interests cannot presently be foreseen but may include a change in the economic impact of the Plan on some or all of the proposed Classes or a change in the relative rights of such Classes. In addition, if the Debtors seek to modify or amend the Plan after receiving sufficient acceptances, but prior to Confirmation, re-solicitation may be required.

16. Certain Tax Implications of the Plan

Holders of Allowed Claims should carefully review Article X of this Disclosure Statement entitled "Certain United States Federal Income Tax Consequences of the Plan," to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Holders of Claims against and Interests in the Debtors.

17. Total Amount of General Unsecured Claims May be Higher Than Anticipated by the Debtors

General Unsecured Claims filed against the Debtors' Estates may be materially higher than the Debtors' estimate, including due to the inherent uncertainties associated with projecting litigation outcomes. Proofs of Claim asserting approximately $23 billion in General Unsecured Claims have been filed against the Debtors. The Debtors believe that the actual General Unsecured Claims are significantly below this asserted amount. The Debtors have not yet reviewed or analyzed all filed proofs of claim and anticipate that many of the filed proofs of claim are related to the product liability claims. The Company disputes the merits of the product liability claims and any attendant liability on account thereof.

The Claims estimates set forth herein are based on various assumptions, the realization of many of which are beyond the Debtors' control. The actual amounts of Allowed General Unsecured Claims may differ significantly from those estimates should one or more underlying assumption prove to be incorrect. Such differences may adversely affect the percentage of recovery to holders of Allowed General Unsecured Claims under the Plan.

18. Potential Objections to Plan Documents

The Debtors anticipate that certain parties in interest will raise objections to certain provisions of the Plan, relating to, among other things the treatment of holders of Product Liability Claims and *Qui Tam* Claims.

19. Higher than Anticipated Administrative Expenses Claims

Any unexpected issues that arise in the Chapter 11 Cases or delay in Confirmation of the Plan or delay to the Effective Date could result in additional Administrative Expense Claims. This may result in insufficient capital to confirm the Plan, endanger ultimate effectiveness of the Plan, or result in a decreased recovery for Holders of Claims entitled to a distribution.

20. The Debtors may be Subject to Foreign Litigation.

The Debtors currently have numerous litigation claims pending against them in various foreign jurisdictions, including Australia, Spain, France, Germany, and Brazil. Among them is a ~~class action proceeding~~Australian Class Action filed on September 5, 2024, in the Federal Court of Australia (NSD1224/2024) against non-Debtor Exactech Australia Pty Ltd. and Exactech Inc. on behalf of persons in Australia who purchased and were implanted with Exactech Inc.'s joint replacement devices for knees, hips, and/or shoulders that included a certain type of polyethylene layer between January 1, 2003, and September 5, 2024. The Australian class complaint claims production and packaging defects that allegedly carry an elevated risk of earlier or more frequent revision surgeries. At this time, the size of the class or extent of potential damages associated with the Australian class action is unclear and could be material. Any litigation may be expensive, lengthy, and disruptive to the Debtors' or Exactech NewCo's normal business operations and the Plan confirmation process, and a resolution of any litigation that is unfavorable to the Debtors could have a material adverse effect on the Sale Process, Plan confirmation process, emergence from bankruptcy, or on the Debtors' or Exactech NewCo's business, results of operations, financial condition, liquidity, and cash flow.

In addition, there can be no assurance that parties in interest will not pursue litigation strategies to enforce Claims against the Debtors in non-U.S. jurisdictions that may be less likely to recognize orders of the Bankruptcy Court. Litigation is by its nature uncertain and there can be no assurance of the ultimate resolution of the litigated Claims.

B. Risks Related to the Recoveries under the Plan, Restructuring and Wind-Down Transactions

1. The Debtors Will Be Subject to Various Risks and Uncertainties Associated with the Chapter 11 Cases

For the duration of the Chapter 11 Cases, the Debtors' operations, including their ability to execute their business plan will be subject to the risks and uncertainties associated with bankruptcy. These risks and uncertainties could affect the Debtors' businesses and operations in various ways. For example, negative events associated with the Chapter 11 Cases could adversely affect the Debtors' relationship with customers, as well as with business partners, vendors, and employees, which in turn could adversely affect the Debtors' operations and

financial condition, particularly if the Chapter 11 Cases are protracted. Also, the Debtors will need the prior approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit the Debtors' ability to timely respond to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the ultimate impact of events that occur during these proceedings will have on the Debtors' business, financial condition, and results of operation cannot be accurately predicted or quantified.

2. The Wind-Down Trust May be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases

The Debtors are currently subject to or interested in certain legal proceedings, which may adversely affect the Debtors. In the future, the Wind-Down Trust may become party to litigation. In general, litigation can be expensive and time-consuming to bring or defend against. Litigation could result in settlements or judgments that could significantly affect the Wind-Down Trust's financial results. It is also possible that certain parties will commence litigation with respect to Allowance of Claims under the Plan. It is not possible to predict the potential litigation that the Wind-Down Trust may become a party to, nor the financial resolution of any such litigation. The impact of any such litigation on the Wind-Down Trust, however, could be material.

3. The Debtors May Not Consummate the Sale ~~Transactions~~Transaction

The Plan contemplates the implementation of the Sale Transaction. However, in the event the conditions necessary to close the Sale Transaction are not satisfied, or the Sale Transaction is not otherwise timely consummated, the Debtors may need to modify the Plan (with the consent of the Required Consenting Lenders) to provide for a restructuring rather than a contemporaneous sale of the Debtors' assets, or may need to pivot to a liquidation.

4. Even if the Restructuring Transactions are Implemented, the Business May Continue to Face Risks

Even if the Restructuring Transactions are implemented, the business may continue to face a number of risks, including certain risks that are beyond the business's control such as changes in economic conditions, bank instability, and changes in the industry. As a result of these risks and others, there is no guarantee that the Restructuring Transactions will achieve the Debtors' stated goals.

ARTICLE VIII

SOLICITATION AND VOTING PROCEDURES

This Disclosure Statement is being distributed to the Holders of Claims in those Classes that are entitled to vote to accept or reject the Plan. The procedures and instructions for voting and related deadlines are set forth in the exhibits annexed to the Disclosure Statement Order (the "Voting Procedures").

THE DISCLOSURE STATEMENT ORDER IS INCORPORATED HEREIN BY REFERENCE AND SHOULD BE READ IN CONJUNCTION WITH THIS DISCLOSURE

STATEMENT AND IN FORMULATING A DECISION TO VOTE TO ACCEPT OR REJECT THE PLAN.

THE DISCUSSION OF THE SOLICITATION AND VOTING PROCESS SET FORTH IN THIS DISCLOSURE STATEMENT IS ONLY A SUMMARY.

PLEASE REFER TO THE DISCLOSURE STATEMENT ORDER FOR A MORE COMPREHENSIVE DESCRIPTION OF THE SOLICITATION AND VOTING PROCESS.

A. Holders of Claims Entitled to Vote on the Plan

Under the provisions of the Bankruptcy Code, not all holders of Claims or Interests against a debtor are entitled to vote on a chapter 11 plan. The table in Article II.B of this Disclosure Statement provides a summary of the voting rights of each Class (and, therefore, of each Holder within such Class absent an objection to the Holder's Claim) under the Plan.

As shown in the table, the Debtors are soliciting votes to accept or reject the Plan only from Holders of Claims in Classes 3 and 4 (collectively, the "Voting Classes"). The Holders of Claims in the Voting Classes are Impaired under the Plan and receive a distribution under the Plan. Accordingly, Holders of Claims in the Voting Classes have the right to vote to accept or reject the Plan.

The Debtors are ***not*** soliciting votes from Holders of Claims and Interests, as applicable, in Classes 1, 2, 5, 6, 7, and 8. Additionally, the Disclosure Statement Order provides that certain Holders of Claims in the Voting Classes, such as those Holders whose Claims have been disallowed or are subject to a pending objection, are not entitled to vote to accept or reject the Plan.

B. Voting Record Date

The Voting Record Date is ~~February 7~~March 13, 2025. The Voting Record Date is the date on which it will be determined which Holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan and whether Claims have been properly assigned or transferred under Bankruptcy Rule 3001(e) such that an assignee or transferee, as applicable, can vote to accept or reject the Plan as the Holder of a Claim.

C. Voting on the Plan

The Voting Deadline is ~~March 18~~May 2, 2025, at 4:00 p.m. (prevailing Eastern Time). In order to be counted as votes to accept or reject the Plan, all Ballots must be (a) electronically submitted utilizing the online balloting portal maintained by the Claims, Noticing~~,~~ and Solicitation Agent on or before the Voting Deadline; or (b) properly executed, completed, and delivered (either by using the envelope provided, by first class mail, overnight courier, or personal delivery) so that the Ballots (or a ~~master ballot~~Law Firm Master Ballot reflecting your vote, as applicable) are ***actually received*** by the Claims, Noticing~~,~~ and Solicitation Agent on or before the Voting Deadline at the following address:

To vote, complete, sign, and date your Ballot and return it (with an original signature) ***promptly*** in the enclosed reply envelope or otherwise to ~~one of~~ the below addresses.

By first-class mail, overnight ~~mail~~courier, or hand delivery at:

~~**First-Class Mail**~~

Exactech, Inc. Ballot Processing Center
c/o Kroll Restructuring Administration LLC
850 3rd Avenue, Suite 412
Brooklyn, NY 11232

(to arrange hand delivery of your Ballot, email the Claims, Noticing~~,~~ and Solicitation Agent at ExactechBallots@ra.kroll.com (with "Exactech Ballot Delivery" in the subject line) at least 24 hours before your arrival at the Kroll address above and provide the anticipated date and time of delivery)

OR

SUBMIT AN ELECTRONIC BALLOT PER INSTRUCTIONS PROVIDED IN THE BALLOT, THROUGH THE CLAIMS, NOTICING~~,~~ AND SOLICITATION AGENT'S ONLINE ELECTRONIC BALLOT SUBMISSION PORTAL AT https://restructuring.ra.kroll.com/Exactech/

PLEASE SELECT JUST ONE OPTION TO VOTE.

IF YOU HAVE ANY QUESTIONS ABOUT THE SOLICITATION OR VOTING PROCESS, PLEASE CONTACT THE CLAIMS, NOTICING~~,~~ AND SOLICITATION AGENT AT (833) 918-0986 (U.S./CANADA, TOLL-FREE) or +1 (646) 781-8728 (INTERNATIONAL, TOLL) / +61 (2) 72-094-837 (AUSTRALIA, TOLL) OR BY EMAIL AT EXACTECHINFO@RA.KROLL.COM (WITH "EXACTECH INC. SOLICITATION INQUIRY" IN THE SUBJECT LINE). ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE OR OTHERWISE NOT IN COMPLIANCE WITH THE DISCLOSURE STATEMENT ORDER WILL NOT BE COUNTED.

D. Ballots Not Counted

No ballot will be counted toward Confirmation if, among other things: (i) it is illegible or contains insufficient information to permit the identification of the Holder of the Claim; (ii) it was transmitted by means other than as specifically set forth in the Ballots; (iii) it was cast by an entity that is not entitled to vote on the Plan; (4) it was cast for a Claim listed in the Debtors' schedules as contingent, unliquidated, or disputed for which the applicable Bar Date has passed and no Proof of Claim was timely filed and which was not temporarily allowed for voting purposes by the Bankruptcy Court; (5) it was cast for a Claim that is subject to an objection pending as of the Voting Record Date (unless temporarily allowed in accordance with the Disclosure Statement Order); (6) it was sent to the Debtors, the Debtors' agents/representatives (other than the Claims, Noticing~~,~~ and Solicitation Agent), or the Debtors' financial or legal

advisors instead of the Claims, Noticing, and Solicitation Agent; (7) it is unsigned; or (8) it is not clearly marked to either accept or reject the Plan or it is marked both to accept and reject the Plan. **Please refer to the Disclosure Statement Order for additional requirements with respect to voting to accept or reject the Plan.**

ARTICLE IX

CONFIRMATION OF THE PLAN

A. The Confirmation Hearing

Under section 1128(a) of the Bankruptcy Code, the Bankruptcy Court, after notice, may hold a hearing to confirm a chapter 11 plan. The Confirmation Hearing may, however, be continued or adjourned from time to time without further notice to parties in interest other than an adjournment announced in open court or a notice of adjournment filed with the Bankruptcy Court and served in accordance with the Bankruptcy Rules. Subject to section 1127 of the Bankruptcy Code, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

Additionally, section 1128(b) of the Bankruptcy Code provides that a party in interest may object to Confirmation. An objection to Confirmation of the Plan must be Filed with the Bankruptcy Court and served on the Debtors and certain other parties in interest in accordance with the applicable order of the Bankruptcy Court so that it is actually received on or before the deadline to file such objections as set forth therein.

B. Requirements for Confirmation of the Plan

Among the requirements for Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code are: (1) the Plan is accepted by all Impaired Classes of Claims or Interests, or if rejected by an Impaired Class, the Plan "does not discriminate unfairly" and is "fair and equitable" as to the rejecting Impaired Class; (2) the Plan is feasible; and (3) the Plan is in the "best interests" of Holders of Claims and Interests.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11 for plan confirmation; (2) the Debtors have complied, or will have complied, with all of the necessary requirements of chapter 11 for plan confirmation; and (3) the Plan has been proposed in good faith.

C. Best Interests of Creditors/Liquidation Analysis

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each impaired class, that each holder of a claim or an equity interest in such impaired class either (1) has accepted the plan or (2) will receive or retain under the plan property of a

value that is not less than the amount that the non-accepting holder would receive or retain if a debtor liquidated under chapter 7.

Attached hereto as **Exhibit E** and incorporated herein by reference is a liquidation analysis (the "Liquidation Analysis") prepared by the Debtors with the assistance of the Debtors' advisors. As reflected in the Liquidation Analysis, liquidation of the Debtors' assets under chapter 7 of the Bankruptcy Code would result in substantial diminution in the value to be realized by Holders of Allowed Claims as compared to distributions contemplated under the Plan. Consequently, the Debtors and their management believe that Confirmation of the Plan will provide a substantially greater return to Holders of Allowed Claims than would a liquidation under chapter 7 of the Bankruptcy Code. The Liquidation Analysis takes into account all intercompany liabilities on the Debtors' books and records and all Claim Holders' estimated recoveries therein reflect the collection on intercompany claims.

In a chapter 7 case, a trustee is appointed to liquidate the debtor's assets and to make distributions to creditors in accordance with the priorities established in the Bankruptcy Code. Generally, secured creditors are paid first from the proceeds of the sale of their collateral. If any assets remain in the bankruptcy estate after satisfaction of secured creditors' claims from their collateral, administrative expenses are next to be paid. Unsecured creditors are to be paid from any remaining sale proceeds, according to their respective priorities. Unsecured creditors with the same priority share in proportion to the amount of their allowed claims in relationship to the total amount of allowed claims held by all unsecured creditors with claims of the same priority. Finally, interest holders receive the balance that remains, if any after all creditors are paid in full.

All or substantially all of the assets of the Debtors will have been liquidated through the Sale Transaction and the Plan effects a wind down of the Debtors' assets not acquired in the Sale Transaction.

Liquidating the Debtors' Estates under the Plan provides Holders of Allowed Claims with a larger, more timely recovery in part because of the increased expenses that would be incurred in a chapter 7 liquidation, with the appointment of a chapter 7 trustee. A more significant issue, however, is that the value of the Debtors' assets are substantially greater as a going concern than if sold on a liquidation basis. In a chapter 7, the chapter 7 trustee would not have the ability to continue the Debtors' business as currently operated, particularly since the chapter 7 trustee will not have the technical expertise and knowledge of the Debtors' business that the Debtors had when they proposed to sell their assets pursuant to the Plan. Thus, the shut-down of the Debtors business in a chapter 7 would result in a substantial and rapid degradation of the going-concern value of the Debtors' business, including the value of goodwill and other intangibles. This fact, coupled with the delay of the chapter 7 trustee becoming familiar with the assets, could easily cause bids already obtained to be lost.

Moreover, the distributable proceeds under a chapter 7 liquidation will be lower because the chapter 7 trustee's fees and expenses. *See, e.g.*, 11 U.S.C. § 326(a) (providing for compensation of a chapter 7 trustee); 11 U.S.C. § 503(b)(2) (providing administrative expense status for compensation and expenses of a chapter 7 trustee and such trustee's professionals). Therefore, the appointment of a chapter 7 trustee would potentially delay distributions to creditors and reduce the present value of any recovery for Holders of allowed claims. Additionally, the

Debtors' Estates would continue to be obligated to pay all unpaid expenses incurred by the Debtors during the Chapter 11 Cases (such as compensation for professionals).

The conversion to chapter 7 would also require entry of a new bar date. *See* Fed. R. Bankr. P. 1019(2); 3002(c). Thus, the amount of Claims ultimately filed and Allowed against the Debtors could materially increase, thereby further reducing creditor recoveries versus those available under the Plan.

In light of the foregoing, the Debtors submit that a chapter 7 liquidation would result in reduced recoveries, increased expenses, and delayed distributions. Accordingly, the Debtors believe that the Plan provides the opportunity to bring the highest return for creditors.

D. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan of reorganization is not likely to be followed by the liquidation, or the need for further financial reorganization of the debtor, or any successor to the debtor (unless such liquidation or reorganization is proposed in such plan of reorganization). For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. Since the Plan provides for the wind-down of the Debtors, the Bankruptcy Court will find that the Plan is feasible if it determines that the Debtors will be able to satisfy the conditions precedent to the Effective Date and otherwise have sufficient funds to meet their post-Confirmation Date obligations to pay for the costs of administering and fully consummating the Plan, including sufficient funds for the Wind-Down Trustee to wind-down the Debtors' remaining assets. Accordingly, the Debtors believe the Plan satisfies the feasibility requirement imposed under section 1129(a)(11) of the Bankruptcy Code.

Moreover, Article VII hereof sets forth certain risk factors that could impact the feasibility of the Plan.

E. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, except as described in the following section, that each class of claims or equity interests impaired under a plan, accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such a class is not required.[~~28~~40]

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in a number of allowed claims in that class, counting only those claims that have *actually* voted to accept or to reject the plan. Thus, a Class of Claims will have voted to accept the Plan

[~~28~~40] A class of claims is "impaired" within the meaning of section 1124 of the Bankruptcy Code unless the plan (a) leaves unaltered the legal, equitable and contractual rights to which the claim or equity interest entitles the holder of such claim or equity interest or (b) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or equity interest entitles the holder of such claim or equity interest.

only if two-thirds in amount and a majority in number of the Allowed Claims in such Class that vote on the Plan actually cast their ballots in favor of acceptance.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired equity interests as acceptance by holders of at least two-thirds in amount of allowed interests in that class, counting only those interests that have *actually* voted to accept or to reject the plan. Thus, a Class of Interests will have voted to accept the Plan only if two-thirds in amount of the Allowed Interests in such class that vote on the Plan actually cast their ballots in favor of acceptance.

Pursuant to Article III.F of the Plan, if a Class contains Claims or Interest is eligible to vote and no Holders of Claims eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims in such Class shall be deemed to have accepted the Plan.

F. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if not all impaired classes have not accepted it; *provided that* the plan has been accepted by at least one impaired class of claims. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, the plan may be confirmed, at the plan proponent's request, in a procedure commonly known as a "cramdown" so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

If any Impaired Class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cramdown" provision of section 1129(b) of the Bankruptcy Code. To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors may request Confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right (without limiting the rights set forth in the Restructuring Support Agreement) to alter, amend, modify, revoke, or withdraw the Plan or any Plan Supplement document, including the right to amend or modify the Plan or any Plan Supplement document to satisfy the requirements of section 1129(b) of the Bankruptcy Code.

Pursuant to the Plan, holders of Class 5 (Section 510(b) Claims), Class 6 (Intercompany Claims), Class 7 (Intercompany Interests), and Class 8 (Prepetition Equity Interests) will not receive a distribution and are thereby deemed to reject the Plan. However, the Debtors submit that they satisfy the "unfair discrimination" and "fair and equitable" tests as discussed in more detail below.

1. No Unfair Discrimination

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a plan. The test does not require that the treatment be the same or equivalent, but that treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims or interests of equal rank (*e.g.*, classes of the same legal character). Bankruptcy courts will take into account a

number of factors in determining whether a plan discriminates unfairly. A plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

The Debtors believe the Plan satisfies the "unfair discrimination" test. Claims of equal priority are receiving comparable treatment and such treatment is fair under the circumstances.

2. Fair and Equitable Test

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100 percent of the amount of the allowed claims in the class. As to the dissenting class, the test sets different standards depending upon the type of claims or equity interests in the class. The Debtors believe that the Plan satisfies the "fair and equitable" test because no Class under the Plan will receive more than 100 percent of the amount of the Allowed Claims in that Class. Furthermore, under the Plan Intercompany Interests and Prepetition Equity Interests will be cancelled and holders of Intercompany Interests and Prepetition Equity Interests will neither receive or retain any property on account of such interests.

The Debtors believe that the Plan and treatment of all Classes of Claims ore Equity Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

G. Valuation of the Debtors

As described above, the Debtors conducted the postpetition marketing process in accordance with the Bidding Procedures Order. The Debtors believe that the postpetition marketing process is the best method of valuing their businesses as it allows the market to speak as to that value. The purchase prices for the Debtors' Assets, which were obtained through a robust postpetition marketing process and are the product of negotiations that were conducted in good faith and at arm's length, are the best indicators of value.

Accordingly, the Debtors determined that such a valuation obviates the need for an independent valuation analysis. *See* 11 U.S.C. § 1125(b) ("The court may approve a disclosure statement without a valuation of the debtor or an appraisal of the debtor's assets."); *In re SiO2 Medical Products, Inc.*, No. 23-10366 (JTD) (Bankr. D. Del. June 9, 2023) (ECF No. 378) (order approving disclosure statement without a valuation analysis).

ARTICLE X

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Introduction

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan to the Debtors, the Wind-Down Trust, and to certain Holders of Prepetition Pari 1L Claims or Allowed General Unsecured Claims. The following summary does not address the U.S. federal income tax consequences to Holders not entitled to vote to accept or

reject the Plan. This summary is based on the U.S. Internal Revenue Code of 1986, as amended ("IRC"), the U.S. Treasury Regulations promulgated thereunder (the "Treasury Regulations"), judicial authorities, published administrative positions of the U.S. Internal Revenue Service (the "IRS"), and other applicable authorities (collectively, "Applicable Tax Law"), all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. Changes in these rules or new interpretations of the rules with retroactive effect could significantly affect the U.S. federal income tax consequences described herein. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained and the Debtors have not requested, and do not intend to seek, a ruling or determination from the IRS as to any of the tax consequences of the Plan discussed below. The discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to certain Holders in light of their individual circumstances. This discussion also does not address tax issues with respect to such Holders that are subject to special treatment under the U.S. federal income tax laws (including, for example, accrual-method U.S. Holders (as defined below) that prepare an "applicable financial statement" (as defined in section 451 of the IRC), banks, mutual funds, governmental authorities or agencies, pass-through entities, beneficial owners of pass-through entities, subchapter S corporations, dealers and traders in securities, insurance companies, financial institutions, tax-exempt organizations, controlled foreign corporations, passive foreign investment companies, Persons whose functional currency is not the U.S. dollar, U.S. expatriates, broker-dealers, small business investment companies, Persons who are related to the Debtors within the meaning of the IRC, Persons liable for alternative minimum tax, Persons using a mark-to-market method of accounting, Persons who are themselves in bankruptcy, real estate investment companies and regulated investment companies and those holding, or who will hold, consideration received pursuant to the Plan as part of a hedge, straddle, conversion, or other integrated transaction). No aspect of state, local, non-income (including state or gift), or non-U.S. taxation or any tax arising under section 1411 of the IRC (the "Medicare" tax on certain investment income) is addressed. Furthermore, this summary assumes that a Holder holds only Claims or Interests in a single Class and holds such Claims or Interests only as "capital assets" (within the meaning of section 1221 of the IRC). This summary also assumes that the Holder has not taken a bad debt deduction with respect to a Claim (or any portion thereof) in the current or any prior year and such Claim did not become completely or partially worthless in a prior taxable year, and that various debt and other arrangements to which the Debtors and Wind-Down Trust are or will be a party will be respected for U.S. federal income tax purposes in accordance with their form, and, to the extent relevant, that the Claims constitute interests in the Debtors "solely as a creditor" for purposes of section 897 of the IRC. This summary does not discuss differences in tax consequences to Holders that act or receive consideration in a capacity other than any other Holder of a Claim or Interest of the same Class or Classes, and the tax consequences for such Holders may differ materially from that described below. The U.S. federal income tax consequences of the implementation of the Plan to the Debtors, Wind-Down Trust, and Holders of Claims against and Interests in the Debtors described below also may vary depending on the nature of any Restructuring Transactions that the Debtors and/or Wind-Down Trust engage in. This summary does not address the U.S. federal income tax consequences to

Holders (a) whose Claims are Unimpaired or otherwise entitled to payment in full under the Plan, or (b) that are deemed to reject the Plan.

For purposes of this discussion, a "U.S. Holder" is a Holder of a Claim or Interest that for U.S. federal income tax purposes is: (1) an individual who is a citizen or resident of the United States; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (a) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more "United States persons" (within the meaning of section 7701(a)(30) of the IRC) has authority to control all substantial decisions of the trust or (b) that has a valid election in effect under applicable Treasury Regulations to be treated as a "United States person" (within the meaning of section 7701(a)(30) of the IRC). For purposes of this discussion, a "Non-U.S. Holder" is any Holder that is neither a U.S. Holder nor a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a Holder, the tax treatment of a partner (or other beneficial owner) generally will depend upon the status of the partner (or other beneficial owner) and the activities of the partner (or other beneficial owner) and the entity. Partnerships (or other pass-through entities) and partners (or other beneficial owners) of partnerships (or other pass-through entities) that are Holders are urged to consult their own respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER. ALL HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

B. Certain U.S. Federal Income Tax Consequences to the Debtors

1. Characterization of the Restructuring Transactions

The tax consequences of the Restructuring Transactions will differ depending on whether the Restructuring Transactions are structured as a taxable sale of the assets of any Debtor (a "Taxable Asset Sale") or in an alternative manner, including a manner intended to qualify as a reorganization under section 368 of the IRC (a "Reorganization"). It has not yet been determined how the Restructuring Transactions will be structured. Such decision will depend on, among other things, whether assets being sold (or deemed to be sold) pursuant to a Taxable Asset Sale have an aggregate fair market value in excess of their aggregate tax basis (i.e., a "built-in gain") or an aggregate fair market value less than their aggregate tax basis (i.e., a "built-in loss"), the amount of the expected reduction in the aggregate tax basis of such assets by excluded CODI (as defined below), whether sufficient tax attributes are available to offset any such built-in gain, future tax benefits associated with a step-up (if any) in the tax basis of the Debtors' assets as a result of a

Taxable Asset Sale, whether any excess loss account or deferred intercompany transaction would be triggered, and the amount and character of any losses with respect to the stock of any applicable Debtor, in each case for U.S. federal, state, and local income tax purposes.

If the Restructuring Transactions are structured as a Taxable Asset Sale, the Debtors will realize gain or loss in an amount equal to the difference between the value of the consideration received by the Debtors (including, for this purpose, assumption of liabilities) and the Debtors' tax basis in the sold assets. Realized gains, if any, may be offset by current-year losses and other available tax attributes, which may include 163(j) Deductions (as defined below), and losses that may be available with respect to the stock of the Debtors; provided that any such gain that is ordinary in nature may not be offset by capital losses.

If the Restructuring Transactions qualify as a Reorganization, the Debtors would not be expected to recognize any taxable gain or loss as a result of the implementation of the Plan. Note, however, there can be no guarantee that the Restructuring Transactions will qualify as a Reorganization.

In each of the scenarios, the Debtors will be subject to the rules discussed below with respect to cancellation of indebtedness income ("CODI"). In the Reorganization scenario, Exactech NewCo will be subject to the limitations on net operating losses ("NOLs"), deferred interest deductions under section 163(j) of the IRC ("163(j) Deductions") and other tax attributes discussed below.

2. CODI and Reduction of Tax Attributes

In general, absent an exception, a taxpayer will realize and recognize CODI upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of CODI, in general, is the excess of (a) the "adjusted issue price" of the indebtedness satisfied over (b) the sum of (i) the "issue price" of any new indebtedness issued by the debtor, and (ii) the fair market value of any new consideration, in each case, given in satisfaction of such indebtedness at the time of the satisfaction. Unless an exception or exclusion applies, CODI constitutes U.S. federal taxable income like any other item of taxable income.

Under section 108 of the IRC, however, a taxpayer will not be required to include any amount of CODI in gross income if the taxpayer is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a taxpayer-debtor must reduce its tax attributes by the amount of CODI that it excluded from gross income pursuant to section 108 of the IRC. Such reduction in tax attributes occurs only after the taxable income (or loss) for the year in which the debt discharge occurs has been determined. In general, tax attributes will be reduced in the following order: (a) NOLs and NOL carryforwards; (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets (but not below the Asset Tax Basis Floor (as defined below)); (f) passive activity loss and credit carryovers; and (g) foreign tax credits carryovers. 163(j) Deductions are not subject to reduction under these rules.

The aggregate tax basis of the Debtors in their assets is not required to be reduced below the amount of indebtedness (determined on an entity-by-entity basis) that the relevant entity will be subject to immediately after the cancellation of debt giving rise to CODI (the "Asset Tax Basis Floor"). Generally, all of an entity's obligations that are treated as debt under general U.S. federal income tax principles (including intercompany debt treated as debt for U.S. federal income tax purposes) are taken into account in determining an entity's Asset Tax Basis Floor.

In a Taxable Asset Sale, the buyer would not succeed to any of the Debtors' tax attributes and should take tax basis in any acquired assets equal their fair market value as of the closing date of such sale. As a result, in a Taxable Asset Sale, CODI is not expected to impact Exactech NewCo. If the Restructuring Transactions are structured as a Reorganization, CODI is expected to reduce Exactech NewCo's tax attributes. In that case, the exact amount of any CODI that will be realized will not be determinable until the consummation of the Plan because the amount of CODI will depend, in part, on the fair market value of the New Interests and the "issue price" of the New Takeback Debt, which can not be known until after the Plan is consummated. Accordingly, the Debtors are currently unable to determine the precise effect that the CODI exclusion rules will have on the tax attributes of Exactech NewCo if the Restructuring Transactions are treated as a Reorganization.

3. Limitation on NOLs, Tax Credit Carryforwards, 163(j) and Other Tax Attributes

Following Restructuring Transactions treated as a Reorganization, after giving effect to the reduction in tax attributes pursuant to excluded CODI described above, Exactech NewCo's ability to use any remaining tax attributes post-emergence will be subject to certain limitations under sections 382 and 383 of the IRC.

Under sections 382 and 383 of the IRC, if the Debtors undergo an "ownership change," the amount of any remaining NOLs and NOL carryforwards, tax credit carryforwards, 163(j) Deductions, net unrealized built-in losses, and possibly certain other attributes (potentially including losses and deductions that have accrued economically but are unrecognized as of the date of the ownership change) of the Debtors allocable to periods prior to the Effective Date (collectively, the "Pre-Change Losses") that may be utilized to offset future taxable income generally are subject to an annual limitation. For this purpose, if a corporation (or consolidated group) has a net unrealized built-in loss at the time of an ownership change (taking into account most assets and items of "built-in" income and deductions), then generally built-in losses (including amortization or depreciation deductions attributable to such built-in losses) recognized during the following five years (up to the amount of the original net unrealized built- in loss) will be treated as Pre-Change Losses and similarly will be subject to the annual limitation. In general, a corporation's (or consolidated group's) net unrealized built-in loss will be deemed to be zero unless it is greater than the lesser of (a) $10.0 million, or (b) 15% of the fair market value of its assets (with certain adjustments) before the ownership change.

The rules of sections 382 and 383 of the IRC are complicated, but as a general matter, the Debtors anticipate that it is likely that receipt by Holders of the Prepetition Pari 1L Claims of interests in Exactech NewCo on account of the credit bid in accordance with the terms of the Stalking Horse APA will result in an "ownership change" of the Debtors for these purposes, in

which case the use of the Pre-Change Losses will be subject to limitation unless an exception to the general rules of section 382 of the IRC applies.

Section 382 of the IRC is not expected to be relevant in the event that the Restructuring Transactions undertaken pursuant to the Plan are structured as a Taxable Asset Sale. As a result, the remainder of the discussion relating to section 382 of the IRC does not apply to a Taxable Asset Sale.

(a) General Section 382 Annual Limitation

In general, the amount of the annual limitation to which a corporation that undergoes an "ownership change" would be subject is equal to the product of (a) the fair market value of the stock of the corporation immediately before the "ownership change" (with certain adjustments), and (b) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the 3-calendar-month period ending with the calendar month in which the ownership change occurs, currently 3.39% for January, 2025). The annual limitation may be increased to the extent that Exactech NewCo recognizes certain built-in gains in their assets during the five-year period following the ownership change, or are treated as recognizing built-in gains pursuant to the safe harbors provided in IRS Notice 2003-65, as modified by IRS Notice 2018-30, to the extent that such safe harbors continue to be available pending the finalization of proposed regulations that would curtail such safe harbors. Section 383 of the IRC applies a similar limitation to capital loss carryforwards and tax credits. Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year. As discussed below, however, special rules may apply in the case of a corporation that experiences an ownership change as the result of a bankruptcy proceeding.

Notwithstanding the rules described above, if subsequent to an ownership change, a debtor corporation and its subsidiaries do not continue the debtor corporation's historic business or use a significant portion of its historic business assets in a new business for two years after the ownership change, the annual limitation resulting from the ownership change is zero.

(b) Special Bankruptcy Exceptions

Special rules may apply in the case of a corporation that experiences an "ownership change" as a result of a bankruptcy proceeding. An exception to the foregoing annual limitation rules generally applies when shareholders and so-called "qualified creditors" of a debtor corporation in chapter 11 receive, in respect of their Claims, at least 50% of the vote and value of the stock of the debtor corporation (or a controlling corporation if also in chapter 11) as reorganized pursuant to a confirmed chapter 11 plan (the "382(l)(5) Exception"). If the requirements of the 382(l)(5) Exception are satisfied, a debtor's Pre-Change Losses would not be limited on an annual basis, but, instead, NOLs and 163(j) Deductions would be reduced by the amount of any interest deductions claimed by the debtor during the three taxable years preceding the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock pursuant to the reorganization. If the 382(l)(5) Exception applies and the reorganized company undergoes another "ownership change" within two years after the Effective Date, then

the reorganized company's Pre-Change Losses thereafter would be effectively eliminated in their entirety.

Where the 382(l)(5) Exception is not applicable to a corporation in bankruptcy (either because the debtor corporation does not qualify for it or the debtor corporation otherwise elects not to utilize the 382(l)(5) Exception), another exception will generally apply (the "382(l)(6) Exception"). Under the 382(l)(6) Exception, the annual limitation will be calculated by reference to the lesser of (a) the value of the debtor corporation's new stock (with certain adjustments) immediately after the ownership change or (b) the value of such debtor corporation's assets (determined without regard to liabilities) immediately before the ownership change. This differs from the ordinary rule that requires the fair market value of a debtor corporation that undergoes an "ownership change" to be determined before the events giving rise to the change. The 382(l)(6) Exception also differs from the 382(l)(5) Exception in that, under it, a debtor corporation is not required to reduce its NOL carryforwards by the amount of interest deductions claimed within the prior three-year period, and a debtor corporation may undergo a change of ownership within two years without automatically triggering the elimination of its Pre-Change Losses. The resulting limitation would be determined under the regular rules for ownership changes.

The availability of either the 382(l)(5) Exception or the 382(l)(6) Exception will depend on the structure of the transactions undertaken pursuant to the Plan.

C. Certain U.S. Federal Income Tax Consequences of the Plan to U.S. Holders of Allowed Claims Entitled to Vote

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan. U.S. Holders are urged to consult their own tax advisors regarding the tax consequences of the Restructuring Transactions.

1. Consequences to Holders of Prepetition Pari 1L Claims

Except to the extent that a Holder of a Prepetition Pari 1L Claim agrees to less favorable treatment, each Holder of Prepetition Pari 1L Claims shall be entitled to ~~either: (i) if the Stalking Horse Purchaser is the Winning Bidder (such scenario the "Stalking Horse Scenario"), then~~ with respect to the Prepetition Pari 1L Claims its Pro Rata share of (A) the amount of New Takeback Debt remaining after the dollar-for-dollar conversion of each DIP Claim into New Takeback Debt, and (B) 100% of the New Interests (subject to dilution by the Management Incentive Plan)~~; or (ii) if the Stalking Horse Purchaser is not the Winning Bidder (such scenario the "Alternative Scenario"), then each such Holder shall be paid in Cash in full (including prepetition and postpetition interest) on the Effective Date from the Wind-Down Distributable Consideration. Such Wind-Down Distributable Consideration (if any) will be received by such a Holder by way of distributions of Cash from the Debtors and/or Wind-Down Trust to such Holder in respect of such Holder's Claim (which interests shall be distributed on the Effective Date).~~.[41]

[41] Fractional shares will not be issued. If a distribution results in the issuance of fractional shares, such fractional shares will be rounded down to the nearest whole share.

(a) Treatment of a Holder of a Prepetition Pari 1L Claim ~~in the Stalking Horse Scenario~~

The steps that will be taken in the Stalking Horse Scenario have not yet been determined and, as a result, the potential tax treatment of U.S. Holders of Prepetition Pari 1L Claims is uncertain. In the Stalking Horse Scenario, depending on the steps taken to effect the transaction, the receipt by Holders of the Prepetition Pari 1L Claims of New Takeback Debt and New Interests may result in a sale, exchange, retirement or other disposition of the Prepetition Pari 1L Claims, and accordingly a realization event for U.S. federal income tax purposes or the transaction may, in whole or in part, qualify as a Reorganization.

(i) G Reorganization Treatment

If the Restructuring Transactions are structured in a manner that qualifies as a Reorganization, the disposition by a U.S. Holder of its Prepetition Pari 1L Claims for New Takeback Debt and New Interests generally will not result in the recognition of gain or loss, provided that a U.S. Holder will recognize gain, if any, up to the amount of any such consideration treated as "boot" for tax purposes. In addition to the potential recognition of gain with respect to any "boot," a U.S. Holder would have ordinary interest income to the extent of any consideration allocable to accrued but unpaid interest or possibly accrued original issue discount ("OID") not previously included in income. See "Character of Gain or Loss—Accrued Interest," below. For the treatment of the disposition to the extent a portion of the consideration received is allocable market discount, (which differs from the treatment described above), see "Character of Gain or Loss—Market Discount," below.

In a Reorganization, a U.S. Holder's aggregate tax basis in the New Takeback Debt and New Interests received in satisfaction of its Prepetition Pari 1L Claims would equal such U.S. Holder's aggregate adjusted tax basis in the Prepetition Pari 1L Claims exchanged therefor, increased by any gain and interest income recognized in the exchange, and decreased by any deductions claimed in respect of any previously accrued but unpaid interest. A U.S. Holder's holding period in the New Takeback Debt and New Interests received in satisfaction of its Prepetition Pari 1L Claims would include its holding period in the Prepetition Pari 1L Claims exchanged therefor, except to the extent of any consideration treated as "boot" or received in respect of accrued but unpaid interest or possibly accrued OID or treated as imputed interest income.

(ii) Taxable Asset Sale

In a Taxable Asset Sale, it is expected that the steps will be effected in a manner that is intended to result in a taxable transaction for U.S. Holders, but there can be no assurance in this regard. In the case of a taxable disposition, a U.S. Holder of a Prepetition Pari 1L Claims generally would recognize gain or loss in an amount equal to the difference, if any, between (i) the sum of the "issue price" of the New Takeback Debt and fair market value of New Interests received (other than, in each case, to the extent received in respect of a Claim for accrued but unpaid interest and possibly accrued OID), and (ii) the U.S. Holder's adjusted tax basis in the Prepetition Pari 1L Claims exchanged therefor (other than any tax basis attributable to accrued but unpaid interest and possibly accrued OID). See "Character of Gain or Loss," below with

respect to the character of such gain or loss and the treatment of any amount received in respect of a Claim for the accrued but unpaid interest and possibly accrued OID.

In the case of a taxable disposition, a U.S. Holder's tax basis in the New Takeback Debt and New Interests received would equal the "issue price" and fair market value of such New Takeback Debt and New Interests, respectively. The U.S. Holder's holding period in the New Takeback Debt and New Interests generally begins on the day following the Plan Effective Date.

~~(b) Treatment of a Holder of a Prepetition Pari 1L Claim in the Alternative Scenario~~

~~To the extent the Alternative Scenario applies and a U.S. Holder of Prepetition Pari 1L Claims receives solely Cash, such U.S. Holder should recognize gain or loss equal to (a) the sum of the amount of Cash received (other than any Cash received in respect of a Claim for accrued but unpaid interest and possibly accrued OID), *minus* (b) the Holder's adjusted tax basis in its Prepetition Pari 1L Claim. For a discussion of the character of such gain or loss, see "Character of Gain or Loss" below. The deductibility of capital losses is subject to certain limitations as discussed below. See "Limitation on Use of Capital Losses."~~

~~In general, such Holder should not recognize any amounts with respect to Cash until such Cash is distributed to such Holder.~~

~~For the treatment of the transaction to the extent a portion of the consideration received is allocable to accrued but unpaid interest, OID or market discount, (which differs from the treatment described above), see the sections entitled "Character of Gain or Loss – Accrued Interest" and "Character of Gain or Loss – Market Discount" below.~~

(b) ~~(c)~~ Consequences to U.S. Holders of the Ownership and Disposition of New Interests

The consequences to U.S. Holders of ownership and disposition of New Interests depend on the U.S. tax classification of Exactech NewCo as either a corporation or partnership, and whether U.S. Holders own New Interests directly in Exactech Newco or via one or more parent entities of Exactech Newco. The tax classification of Exactech NewCo or such parent entities has not yet been determined. U.S. Holders are urged to consult their own tax advisors concerning the ownership and disposition of New Interests.

(i) Treatment of Exactech NewCo as a Corporation for U.S. Federal Income Tax Purposes

If Exactech NewCo is classified as a corporation for U.S. federal income tax purposes, any distributions made on account of the New Interests will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Exactech NewCo as determined under U.S. federal income tax principles. "Qualified dividend income" received by an individual U.S. Holder is subject to preferential tax rates. To the extent that a U.S. Holder receives distributions that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the U.S. Holder's basis in its shares of the New Interests. Any such distributions in excess of the U.S. Holder's

basis in its shares of the New Interests (determined on a share-by-share basis) generally will be treated as capital gain.

Subject to applicable limitations, distributions treated as dividends paid to U.S. Holders that are corporations generally will be eligible for the dividends-received deduction so long as Exactech NewCo has sufficient earnings and profits and certain holding period requirements are satisfied. The length of time that a U.S. Holder has held its stock is reduced for any period during which such U.S. Holder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales, or similar transactions. In addition, to the extent that a corporation incurs indebtedness that is directly attributable to an investment in the stock on which the dividend is paid, all or a portion of the dividends- received deduction may be disallowed.

Unless a non-recognition provision applies, U.S. Holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of the New Interests. Such capital gain generally will be long-term capital gain if at the time of the sale, exchange, retirement, or other taxable disposition, the U.S. Holder has held the New Interests for more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. The deductibility of capital losses is subject to certain limitations as described below. Under the recapture rules of section 108(e)(7) of the IRC, a U.S. Holder may be required to treat gain recognized on the taxable disposition of the New Interests, as applicable as ordinary income if such U.S. Holder took a bad debt deduction with respect to its Prepetition Pari 1L Claim or recognized an ordinary loss on the exchange of its Prepetition Pari 1L Claim for New Interests.

(ii) Treatment of Exactech NewCo as a Partnership for U.S. Federal Income Tax Purposes

If Exactech NewCo is classified as a partnership for U.S. federal income tax purposes, Exactech NewCo itself will not be subject to U.S. federal income tax. Instead, Exactech NewCo will file an annual partnership information return with the IRS which will report the results of Exactech NewCo's operations. Each U.S. Holder of New Interests in Exactech NewCo if it is classified as a partnership (an "Equityholder") will be required to report on its U.S. federal income tax return, and will be subject to tax in respect of, its distributive share of each item of Exactech NewCo's income, gain, loss, deduction and credit for each taxable year of Exactech NewCo ending with or within the Equityholder's taxable year. Each item generally will have the same character as if the Equityholder had recognized the item directly. Equityholders will be required to report these items regardless of the extent to which, or whether, they receive cash distributions from Exactech NewCo for such taxable year, and thus may incur income tax liabilities in excess of any cash distributions from Exactech NewCo.

An Equityholder generally will not recognize gain or loss on the receipt of a distribution of cash or property from Exactech NewCo (provided that the Equityholder is not treated as exchanging such Equityholder's share of Exactech NewCo's "unrealized receivables" and/or certain "inventory items" (as those terms are defined in the IRC, and together "ordinary income items") for other partnership property). An Equityholder that is a U.S. Holder, however, will recognize gain on the receipt of a distribution of cash and, in some cases, marketable securities, from Exactech NewCo (including any constructive distribution of money resulting from a

reduction of Equityholder's share of Exactech NewCo's indebtedness) to the extent such distribution or the fair market value of such marketable securities distributed exceeds such Equityholder's adjusted tax basis in its Exactech NewCo partnership interests. Such distribution would be treated as gain from the sale or exchange of Exactech NewCo partnership interests, which is described below.

An Equityholder's adjusted tax basis in its Exactech NewCo partnership interests generally will be equal to such member's initial tax basis, increased by the sum of (i) any additional capital contribution such Equityholder makes to Exactech NewCo, (ii) the Equityholder's allocable share of the income of Exactech NewCo, and (iii) increases in the Equityholder's allocable share of Exactech NewCo's indebtedness, and reduced, but not below zero, by the sum of (x) the Equityholder's allocable share of Exactech NewCo's losses, and (y) the amount of money or the adjusted tax basis of property distributed to such Equityholder, including constructive distributions of Cash resulting from reductions in such Equityholder's allocable share of Exactech NewCo's indebtedness.

A sale of all or part of an Equityholder's Exactech NewCo partnership interests will result in the recognition of gain or loss in an amount equal to the difference between the amount of the sales proceeds or distribution (including any constructive distribution) and such member's adjusted tax basis for the portion of Exactech NewCo partnership interests disposed of. Any gain or loss recognized with respect to such a sale generally will be treated as capital gain or loss, and will be long-term capital gain or loss if Exactech NewCo partnership interests has been held for more than one year, except to the extent (i) that the proceeds of the sale are attributable to a member's allocable share of certain of Exactech NewCo's ordinary income items and such proceeds exceed the Equityholder's adjusted tax basis attributable to such ordinary income items and (ii) of previously allowed bad debt or ordinary loss deductions. An Equityholder's ability to deduct any loss recognized on the sale of its Exactech NewCo partnership interests will depend on the Equityholder's own circumstances and may be restricted under the IRC. In addition, to avoid U.S. federal tax withholding imposed in connection with a partnership interest, an Equityholder may be required to certify that it is a U.S. person, or that another exception to such withholding regime applies.

(c) ~~(d)~~ Consequences to U.S. Holders of the Ownership and Disposition of New Takeback Debt

(i) Issue Price

Depending on the manner in which the Restructuring Transactions are implemented, the consideration received by Holders of Prepetition Pari 1L Claims, which may include some combination of the New Interests and New Takeback Debt, collectively, may be treated as an "investment unit" issued in exchange for the Prepetition Pari 1L Claims. In such case, the "issue price" of the New Takeback Debt for purposes of the analysis herein will depend, in part, on the "issue price" of the "investment unit," and the respective fair market values of the elements of consideration that compose the "investment unit." The "issue price" of an "investment unit" is generally determined in the same manner as the "issue price" of a debt instrument. As a result, if the foregoing rules apply, the "issue price" of the "investment unit" will depend on whether the "investment unit" is considered, for U.S. federal income tax purposes and applying rules similar

to those applied to debt instruments, to be traded on an established securities market. In general, a debt instrument will be treated as traded on an established securities market if, at any time during the 31-day period ending 15 days after the issue date, (a) a "sales price" for an executed purchase of the debt instrument appears on a medium that is made available to issuers of debt instruments, persons that regularly purchase or sell debt instruments, or persons that broker purchases or sales of debt instruments, (b) a "firm" price quote for the debt instrument is available from at least one broker, dealer or pricing service for property, and the quoted price is substantially the same as the price for which the person receiving the quoted price could purchase or sell the property, or (c) there are one or more "indicative" quotes available from at least one broker, dealer or pricing service for property. Debt issues under $100.0 million are not treated as traded for these purposes.

If the "investment unit" is considered to be traded on an established market, the "issue price" of the "investment unit" would be the fair market value of the "investment unit" on the date the New Takeback Debt is issued. The law is unclear on whether an "investment unit" is treated as publicly traded if some, but not all, elements of such "investment unit" are publicly traded. If the "investment unit" is not publicly traded on an established market, but the Prepetition Pari 1L Claims are publicly traded on an established market, the "issue price" of the "investment unit" may then be determined by reference to the fair market value of the Prepetition Pari 1L Claims on the date the "investment unit" is issued. If neither the "investment unit" nor the Prepetition Pari 1L Claims are publicly traded on an established market, then the "issue price" of the New Takeback Debt would generally be determined under sections 1273(b)(4) or 1274 of the IRC, as applicable. Assuming either the "investment unit" or the Prepetition Pari 1L Claims are publicly traded, the "issue price" of an "investment unit" is allocated among the elements of consideration making up the "investment unit" based on their relative fair market values, with such allocation determining the "issue price" of the New Takeback Debt.

An issuer's application of these rules is binding on all Holders unless a Holder explicitly discloses a different allocation on a timely filed income tax return for the taxable year that includes the acquisition date of the relevant debt instrument.

(ii) Effect of Certain Contingencies

This discussion assumes that Exactech NewCo will take the position that the loans issued under the New Takeback Debt to Holders of Prepetition Pari 1L Claims in exchange for their Prepetition Pari 1L Claims are not subject to the Treasury Regulations applicable to contingent payment debt instruments. Exactech NewCo's position is binding on a U.S. Holder unless such Holder discloses its contrary position in the manner required by applicable U.S. Treasury Regulations. However, Exactech NewCo may take the position that the New Takeback Debt is a contingent payment debt instrument and, in any event, the IRS may take a position contrary to Exactech NewCo's position, which could adversely affect the amount, timing, and character of a U.S. Holder's income with respect to New Takeback Debt. If the New Takeback Debt were treated as contingent payment debt instruments, each U.S. Holder would be required to take into account interest using a constant yield method based on the issuer's "comparable yield," which generally is the rate at which the issuer could issue a fixed rate debt instrument with terms and conditions otherwise similar to the New Takeback Debt. In addition, any gain recognized by a U.S. Holder in respect of the New Takeback Debt would be treated as ordinary interest income. U.S. Holders should consult their own tax advisors regarding the potential application to the New

Takeback Debt of the contingent payment debt instrument rules and the consequences thereof. This discussion assumes that the New Takeback Debt is not treated as a contingent payment debt instrument.

(iii) Acquisition Premium and Bond Premium

If a U.S. Holder of a Prepetition Pari 1L Claims receives an initial tax basis in the New Takeback Debt that is less than or equal to the stated redemption price at maturity of such debt instrument, but greater than the "adjusted issue price" of such instrument, the U.S. Holder should be treated as acquiring such debt instruments with an "acquisition premium." Unless an election is made, the U.S. Holder generally should reduce the amount of OID otherwise includible in gross income for an accrual period by an amount equal to the amount of OID otherwise includible in gross income multiplied by a fraction, the numerator of which is the excess of the U.S. Holder's initial tax basis in its interest in such debt instrument over such debt instrument's "adjusted issue price," and the denominator of which is the excess of the sum of all amounts payable on such debt instrument over its "adjusted issue price."

If a U.S. Holder of a Prepetition Pari 1L Claims receives an initial tax basis in any New Takeback Debt that exceeds the stated redemption price at maturity of such debt instrument, such U.S. Holder should be treated as acquiring such debt instrument with "bond premium." Such U.S. Holder generally may elect to amortize the bond premium over the term of such debt instrument on a constant yield method as an offset to interest (including any OID) when includible in income under such U.S. Holder's regular accounting method. If a U.S. Holder does not elect to amortize the premium, that premium may decrease the gain or increase the loss such U.S. Holder would otherwise recognize on disposition of such debt instrument.

(iv) OID and Interest with Respect to the New Takeback Debt

Cash interest on the New Takeback Debt will be includable by a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with such Holder's regular method of accounting for U.S. federal income tax purposes.

A debt instrument is treated as issued with OID for U.S. federal income tax purposes if its "issue price" is less than its stated redemption price at maturity by more than a de minimis amount. A debt instrument's stated redemption price at maturity includes all principal and interest payable over the term of the debt instrument, other than "qualified stated interest." Stated interest payable at a fixed rate is "qualified stated interest" if it is unconditionally payable in cash at least annually. The terms of the New Takeback Debt, including the extent to which they will be issued with OID, have not yet been determined; to the extent the purchase price is less than the face amount of such debt, the New Takeback Debt may be considered to be issued with OID. If the New Takeback Debt is issued with OID, a U.S. Holder generally (i) will be required to include the OID in gross income as ordinary interest income as it accrues on a constant yield to maturity basis over the term of the New Takeback Debt, in advance of the receipt of the cash attributable to such OID and regardless of the Holder's method of accounting for U.S. federal income tax purposes, but (ii) will not be required to recognize additional income upon the receipt of any Cash payment on the New Takeback Debt that is attributable to previously accrued OID that has been included in its income. If the amount of OID on the New Takeback Debt is de minimis, rather than being

characterized as interest, any payment attributable to the de minimis OID will be treated as gain from the sale of the New Takeback Debt, and a pro rata amount of such de minimis OID must be included in income as principal payments are received on the New Takeback Debt.

If, pursuant to the rules described above, a U.S. Holder's initial tax basis in a New Takeback Debt is greater than the "issue price" of such debt but less than the stated principal amount of such debt, such New Takeback Debt will have an "acquisition premium." Under the acquisition premium rules, the amount of OID that must be included by the U.S. Holder in its gross taxable income with respect to the applicable New Takeback Debt for any taxable year will be reduced by the portion of the acquisition premium properly allocable to that year. Alternatively, if a U.S. Holder's initial tax basis in the New Takeback Debt exceeds its stated principal amount, the U.S. Holder will be considered to have acquired the New Takeback Debt with "amortizable bond premium" and will not be required to include any OID in income. A U.S. Holder may generally elect to amortize the premium over the remaining term of the New Takeback Debt on a constant yield method as an offset to stated interest when includible in income under such Holder's regular accounting method. If a U.S. Holder elects to amortize bond premium, such Holder must reduce its tax basis in the New Takeback Debt by the amount of the premium used to offset stated interest. If a U.S. Holder does not elect to amortize the premium, that premium will decrease the gain or increase the loss otherwise recognized on disposition of the New Takeback Debt. If, pursuant to the rules described above, a U.S. Holder's initial tax basis in the New Takeback Debt is less than the "issue price" of such debt, see the below section, entitled "Character of Gain or Loss—Market Discount."

(v) Sale, Exchange, Retirement or Other Disposition by a U.S. Holder

A U.S. Holder's adjusted tax basis in New Takeback Debt will depend on the steps used to effect the Restructuring Transactions as discussed above.

A U.S. Holder generally will recognize capital gain or loss on the sale, exchange, retirement or other taxable disposition of a New Takeback Debt equal to the difference, if any, between the amount realized on the sale, exchange, retirement or other disposition of the New Takeback Debt (less any amounts attributable to accrued but unpaid interest, which will be subject to tax in the manner described below under "Character of Gain or Loss—Accrued Interest" to the extent not previously so taxed), and the U.S. Holder's adjusted tax basis in the New Takeback Debt.

Any gain or loss recognized on the sale, exchange, retirement, or other disposition of a New Takeback Debt will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder has held the New Takeback Debt for more than one year as of the date of disposition. Long-term capital gain of a non-corporate U.S. Holder generally is taxed at preferential rates. The ability of a U.S. Holder to offset capital losses against ordinary income is limited.

The deductibility of capital losses is subject to certain limitations.

Prospective investors should consult their own tax advisors as to the U.S. federal income tax consequences of disposing of the New Takeback Debt.

2. Consequences to Holders of General Unsecured Claims

Except to the extent that a Holder of a General Unsecured Claim agrees to less favorable treatment, each Holder of General Unsecured Claims shall be entitled to their aggregate *pro rata* share of: (i) the ~~Wind-Down Distributable Consideration; *minus* any amount of the Wind-Down Distributable Consideration distributed to Holders of Prepetition Pari 1L Claims, and (ii) the GUC Reserve. Such Wind-Down Distributable Consideration (if any) will be received by such a Holder by way of distributions of Cash from the Debtors and/or Wind-Down Trust to such Holder in respect of such Holder's Claim (which interests shall be distributed on the Effective Date)~~GUC Reserve and (ii) the Sponsor Consideration. The U.S. Holders of General Unsecured Claims generally will recognize gain or loss on receipt of cash in satisfaction of their Claims, provided that the tax consequences to such Holders will be determined by a number of factors, including the tax status of the U.S. Holder, the nature of the Claim in such U.S. Holder's hands, whether the Claim constitutes a capital asset in the hands of the U.S. Holder, whether the Claim was purchased at a discount, and whether and to what extent the U.S. Holder has previously claimed a bad debt deduction with respect to its Claim. If recognized gain is capital gain, it generally would be long term capital gain if the U.S. Holder held its Claim for more than one year at the time of the exchange potentially subject to special rules with respect to accrued interest or accrued but unpaid OID and market discount, each as discussed further below under "Character of Gain or Loss" below. The deductibility of capital losses is subject to certain limitations as discussed below under "Limitation on Use of Capital Losses."

(a) Wind-Down Trust Treatment

Subject to any applicable law or definitive guidance from the IRS or a court of competent jurisdiction to the contrary, the Debtors expect to treat the Wind-Down Trust as a "liquidating trust" under section 301.7701-4(d) of the Treasury Regulations and a grantor trust under section 671 of the IRC, and the trustee of any Wind-Down Trust will take a position on the Wind-Down Trust's tax return accordingly. For U.S. federal income tax purposes, the transfer of assets to the Wind-Down Trust will be deemed to occur as (a) a first-step transfer of the Wind-Down Trust Assets to the Holders of the applicable Claims, and (b) a second-step transfer by such holders to the Wind-Down Trust.

No request for a ruling from the IRS is expected to be sought on the classification of the Wind-Down Trust. Accordingly, there can be no assurance that the IRS would not take a contrary position regarding the classification of the Wind-Down Trust. If the IRS were to successfully challenge the classification of the Wind-Down Trust as a grantor trust, the federal income tax consequences to the Wind-Down Trust and the Wind-Down Trust beneficiaries could vary from those discussed in the Plan (including the potential for an entity-level tax). For example, the IRS could characterize the Wind-Down Trust as a so-called "complex trust" subject to a separate entity-level tax on its earnings, except to the extent that such earnings are distributed during the taxable year.

As soon as possible after the transfer of the Wind-Down Trust Assets to the Wind-Down Trust, the trustee(s) of the Wind-Down Trust shall make a good faith valuation of the Wind-Down Trust Assets. This valuation will be made available from time to time, as relevant for tax reporting purposes. Each of the Debtors, the trustee(s) of the Wind-Down Trust, and the Holders

of Claims receiving interests in the Wind-Down Trust shall take consistent positions with respect to the valuation of the Wind-Down Trust Assets, and such valuations shall be utilized for all U.S. federal income tax purposes.

Allocations of taxable income and loss of the Wind-Down Trust among the Wind-Down Trust beneficiaries shall be determined, as closely as possible, by reference to the amount of distributions that would be received by each such beneficiary if the Wind-Down Trust had sold all of the Wind-Down Trust Assets at their tax book value and distributed the proceeds to the Wind-Down Trust beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Wind-Down Trust. The tax book value of the Wind-Down Trust Assets shall equal their fair market value on the date of the transfer of the Wind-Down Trust Assets to the Wind-Down Trust, adjusted in accordance with tax accounting principles prescribed by the IRC, applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

The Wind-Down Trust shall in no event be dissolved later than five (5) years from the creation of such Wind-Down Trust unless the Bankruptcy Court, upon motion within the six (6) month period prior to the fifth (5th) anniversary (or within the six (6) month period prior to the end of an extension period), determines that a fixed period extension (not to exceed five (5) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel satisfactory to the trustee(s) of the Wind-Down Trust that any further extension would not adversely affect the status of the trust as a Wind-Down trust for U.S. federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Wind-Down Trust Assets.

The Wind-Down Trust will file annual information tax returns with the IRS as a grantor trust pursuant to section 1.671-4(a) of the Treasury Regulations that will include information concerning certain items relating to the holding or disposition (or deemed disposition) of the Wind-Down Trust Assets (e.g., income, gain, loss, deduction, and credit). Each Wind-Down Trust beneficiary holding a beneficial interest in the Wind-Down Trust will receive a copy of the information returns and must report on its federal income tax return its share of all such items. The information provided by the Wind-Down Trust will pertain to Wind-Down Trust beneficiaries who receive their interests in the Wind-Down Trust in connection with the Plan.

3. Character of Gain or Loss

When gain or loss is recognized by a U.S. Holder, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss is determined by a number of factors, including the tax status of the U.S. Holder, whether the U.S. Holder's Claim constitutes a capital asset in the hands of the U.S. Holder and how long it has been held, whether such Claim was acquired at a market discount, and whether and to what extent the U.S. Holder previously claimed a bad debt deduction in respect of the Claim.

(a) Accrued Interest

To the extent that any amount received by a U.S. Holder of a Claim under the Plan is attributable to accrued interest or OID during its holding period on the debt instruments on such

Claim, the receipt of such amount generally should be taxable to the U.S. Holder as ordinary interest income (to the extent not already taken into income by the U.S. Holder). Conversely, a U.S. Holder of a Claim may be able to recognize a deductible loss to the extent that any accrued interest on the debt instruments constituting such Claim was previously included in the U.S. Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point.

If the fair market value of the consideration received by a U.S. Holder is not sufficient to fully satisfy all principal and interest on Claims, the extent to which such consideration will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration to be distributed to Holders of Claims in each Class will be allocated first to the principal amount of such Claims, with any excess allocated to unpaid interest that accrued on these Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, and certain case law generally indicates that a final payment on a distressed debt instrument that is insufficient to repay outstanding principal and interest will be allocated to principal, rather than interest. Certain Treasury Regulations treat payments as allocated first to any accrued but untaxed interest. The IRS could take the position that the consideration received by the U.S. Holder should be allocated in some way other than as provided in the Plan. U.S. Holders of Claims should consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

(b) Market Discount

In addition, a U.S. Holder that acquired a Claim from a prior Holder at a "market discount" may be subject to the market discount rules of the IRC. A U.S. Holder that purchased its Claim from a prior Holder would be considered to have purchased such Claim with "market discount" if the U.S. Holder's adjusted tax basis in its Claim is less than the "adjusted issue price" of such Claim by at least a statutorily defined de minimis amount. Under these rules, gain recognized on the exchange of Claims (other than in respect of a Claim for accrued but unpaid interest) generally would be treated as ordinary income to the extent of the market discount accrued (on a straight line basis or, at the election of the U.S. Holder, on a constant yield basis) during the U.S. Holder's period of ownership, unless the U.S. Holder elected to include the market discount in income as it accrued. If a U.S. Holder of Claims did not elect to include market discount in income as it accrued and, thus, under these rules, was required to defer all or a portion of any deductions for interest on debt incurred or maintained to purchase or carry its Claims, such deferred amounts would in the case of a fully taxable exchange become deductible at the time of the exchange.

4. Limitation on Use of Capital Losses

A U.S. Holder who recognizes capital losses will be subject to limits on their use of capital losses. For a non-corporate U.S. Holder, capital losses may be used to offset any capital gains (without regard to holding periods) plus ordinary income to the extent of the lesser of (a) $3,000 ($1,500 for married individuals filing separate returns) or (b) the excess of the capital losses over the capital gains. A non-corporate U.S. Holder may carry over unused capital losses and apply them to capital gains and a portion of their ordinary income for an unlimited number of

years. For corporate U.S. Holders, losses from the sale or exchange of capital assets may only be used to offset capital gains. A corporate U.S. Holder who has more capital losses than can be used in a tax year may be allowed to carry over the excess capital losses for use in succeeding tax years. Corporate U.S. Holders may only carry over unused capital losses for the five years following the capital loss year, but are allowed to carry back unused capital losses to the three years preceding the capital loss year.

5. Medicare Tax

Certain U.S. Holders that are individuals, estates, or trusts are required to pay an additional 3.8 percent tax on, among other things, interest, dividends and gains from the sale or other disposition of capital assets. U.S. Holders that are individuals, estates, or trusts should consult their own tax advisors regarding the effect, if any, of this tax provision on their ownership and disposition of any consideration to be received under the Plan.

D. Certain U.S. Federal Income Tax Consequences of the Plan to Non-U.S. Holders of Allowed Claims.

The following discussion assumes that the Debtors will undertake the Restructuring Transactions currently contemplated by the Plan and includes only certain U.S. federal income tax consequences of the Plan to Non-U.S. Holders. This discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex. Each Non-U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal, state, local, non-U.S., and non-income tax consequences of the consummation of the Plan and the Restructuring Transactions to such Non-U.S. Holder.

1. Gain Recognition

Whether a Non-U.S. Holder realizes gain or loss on the exchange and the amount of such gain or loss is determined in the same manner as set forth above in connection with U.S. Holders.

Subject to the discussion of backup withholding and FATCA (as defined below) gain, if any, recognized by a Non-U.S. Holder on the exchange of its Claim generally will not be subject to U.S. federal income taxation unless (a) the Non-U.S. Holder is an individual who was present in the United States for 183 days or more during the taxable year in which the Restructuring Transactions occur and certain other conditions are met or (b) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States). If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange if such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States in the same manner as a U.S. Holder (except that the Medicare tax would generally not apply). In order to claim an exemption from withholding tax, such

Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30 percent (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

2. U.S. Federal Income Tax Consequences to Non-U.S. Holders of Payments of Interest (Including OID and Interest Attributable to Accrued by Untaxed Interest) Under the Plan

Subject to the discussion of backup withholding and FATCA (as defined below), interest income (which, for purposes of this discussion of Non-U.S. Holders, includes OID and accrued but untaxed interest under the Plan) of a Non-U.S. Holder that is not effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder will qualify for the so-called "portfolio interest exemption" and, therefore, will not be subject to U.S. federal income tax or withholding, provided that:

- the Non-U.S. Holder does not own, actually or constructively, 10 percent or more of the total combined voting power in the issuer on a Claim within the meaning of section 871(h)(3) of the IRC and Treasury Regulations thereunder;

- the Non-U.S. Holder is not a controlled foreign corporation related to the issuer, actually or constructively through the ownership rules under section 864(d)(4) of the IRC;

- the Non-U.S. Holder is not a bank that is receiving the interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and

- the beneficial owner gives the issuer or the issuer's paying agent or other withholding agent an appropriate IRS Form W-8 (or suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed establishing its status as a non-U.S. person.

If all of these conditions are not met, interest paid to a Non-U.S. Holder pursuant to the Plan that is not effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder will generally be subject to U.S. federal income tax and withholding at a 30 percent rate, unless an applicable income tax treaty reduces or eliminates such withholding and the Non-U.S. Holder claims the benefit of that treaty by providing an appropriate IRS Form W-8 (or a suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed.

If interest paid to a Non-U.S. Holder pursuant to the Plan is effectively connected with a trade or business in the United States ("ECI") carried on by the Non-U.S. Holder, the Non-U.S. Holder will be required to pay U.S. federal income tax on that interest on a net income basis generally in the same manner as a U.S. Holder (and the 30 percent withholding tax described

above will not apply, provided the appropriate statement (generally a properly executed IRS Form W-8ECI or suitable substitute or successor form or such other form as the IRS may prescribe) is provided to the issuer or the issuer's paying agent or other withholding agent) unless an applicable income tax treaty provides otherwise. If a Non-U.S. Holder is eligible for the benefits of any income tax treaty between the United States and its country of residence, any interest income that is ECI will be subject to U.S. federal income tax in the manner specified by the treaty if the Non-U.S. Holder claims the benefit of the treaty by providing an appropriate IRS Form W-8 (or a suitable substitute or successor form or such other form as the IRS may prescribe) that has been properly completed and duly executed. In addition, a corporate Non-U.S. Holder may, under certain circumstances, be subject to an additional "branch profits tax" at a 30 percent rate, or, if applicable, a lower treaty rate, on its effectively connected earnings and profits attributable to such interest (subject to adjustments).

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and, as applicable, must be updated periodically. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

3. Consequences to Non-U.S. Holders of the Ownership and Disposition of New Interests

(a) Treatment of Exactech NewCo as a Corporation for U.S. Federal Income Tax Purposes

(i) Dividends

In a scenario where Exactech NewCo is a corporation for U.S. federal income tax purposes, any distributions made with respect to New Interests will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Exactech NewCo, as determined under U.S. federal income tax principles (and thereafter first as a return of capital which reduces basis and then, generally, capital gain). Except as described below, dividends paid with respect to New Interests held by a Non-U.S. Holder that are not ECI (or, if an applicable income tax treaty applies, are not attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) will be subject to U.S. federal withholding tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty). A Non-U.S. Holder generally will be required to satisfy certain IRS certification requirements in order to claim a reduction of or exemption from withholding under an applicable income tax treaty by filing IRS Form W-8BEN or W-8BEN-E, as applicable (or suitable substitute or successor form or such other form as the IRS may prescribe), upon which the Non-U.S. Holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower applicable income tax treaty rate or exemption from tax with respect to such payments. Dividends paid with respect to New Interests held by a Non-U.S. Holder that are ECI (and, if an applicable income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) generally will be subject to U.S.

federal income tax in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the dividends at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If Exactech NewCo is considered a "U.S. real property holding corporation" (a "USRPHC"), distributions to a Non-U.S. Holder generally will be subject to withholding by Exactech NewCo at a rate of 15 percent to the extent they are not treated as dividends. In the event the New Interests are regularly traded on an established market, withholding would not be required if the Non-U.S. Holder does not directly or indirectly own (and has not directly or indirectly owned) more than 5 percent of the aggregate fair market value of the class of equity interests that includes New Interests during a specified testing period. Exceptions to such withholding may also be available to the extent a Non-U.S. Holder furnishes a certificate qualifying such Non-U.S. Holder for a reduction or exemption of withholding pursuant to applicable Treasury Regulations.

(ii) Sale, Redemption, or Repurchase of New Interests

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to any gain realized on the sale or other taxable disposition (including a cash redemption) of New Interests unless:

- such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition;
- such gain is ECI (and, if an applicable income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States); or
- the issuer of such New Interests is or has been during a specified testing period a USRPHC (as discussed below).

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of disposition of New Interests. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to earnings and profits effectively connected with a U.S. trade or business that are attributable to such gains at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If the third exception applies, a Non-U.S. Holder of New Interests generally will be subject to U.S. federal income tax on any gain recognized on the disposition of all or a portion of its New Interests under the Foreign Investment in Real Property Tax Act and the Treasury Regulations thereunder ("FIRPTA"). Taxable gain from a Non-U.S. Holder's disposition of an

interest in a USRPHC (generally equal to the difference between the amount realized and the Non-U.S. Holder's adjusted tax basis in such interest) would constitute ECI. A non-U.S. Holder would also be subject to withholding tax equal to fifteen percent of the amount realized on the disposition and generally required to file a U.S. federal income tax return. The amount of any such withholding may be allowed as a credit against the Non-U.S. Holder's U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund if the Non-U.S. Holder properly and timely files a tax return with the IRS.

In general, a corporation would be a USRPHC with respect to a Non-U.S. Holder if the fair market value of the corporation's U.S. real property interests (as defined in the IRC and applicable Treasury Regulations) equals or exceeds fifty percent of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (applying certain look-through rules to evaluate the assets of subsidiaries) at any time within the shorter of (a) the 5-year period ending on the effective time of the applicable disposition or (b) the Non-U.S. Holder's holding period for its interests in the corporation. The Debtors do not expect that the New Interests will be treated as equity in a USRPHC.

In general, FIRPTA will not apply upon a Non-U.S. Holder's disposition of its New Interests if (x) the New Interests is treated as "regularly traded" on an established market and continue to be regularly traded on an established market and (y) the Non-U.S. Holder did not directly or indirectly own more than 5 percent of the value of the New Interests during a specified testing period.

(b) Treatment of Exactech NewCo as a Partnership for U.S. Federal Income Tax Purposes

If Exactech NewCo is classified as a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of a Non-U.S. Holder that holds interests in Exactech NewCo is complex and will vary depending upon the circumstances of the Non-U.S. Holder and the activities of Exactech NewCo. In general, the tax treatment of a Non-U.S. Holder will depend on whether Exactech NewCo is deemed to be engaged in a U.S. trade or business. If Exactech NewCo is treated as a partnership for U.S. federal income tax purposes and it owns operating assets directly or through entities treated as flow-through for U.S. federal income tax purposes, a Non-U.S. Holder that owns equity interests in Exactech NewCo will be treated as engaged in a U.S. trade or business for U.S. federal income tax purposes. If Exactech NewCo were deemed to be engaged in a U.S. trade or business, a Non-U.S. Holder may be required to file a U.S. federal income tax return annually with respect to income from Exactech NewCo, and the income allocated to a Non-U.S. Holder that is ECI would be subject to U.S. taxation at graduated rates (and certain corporate Non-U.S. Holders could be subject to an additional 30 percent "branch profits" tax). Each Non-U.S. Holder's distributive share of such income would be subject to withholding tax. In addition, if a Non-U.S. Holder sells or disposes of direct interests in Exactech NewCo, the Non-U.S. Holder would generally need to file a U.S. federal income tax return reporting gain from such sale. Further, a buyer of equity interests in Exactech NewCo may be required to withhold tax on the sale.

Regardless of whether Exactech NewCo is otherwise deemed to be engaged in a U.S. trade or business, any gain from the disposition of a "United States real property interest" held

directly or indirectly by Exactech NewCo generally would be taxable as ECI. The IRC defines "United States real property interests" broadly, and it includes interests in real property located in the U.S. as well as the stock of any corporation that holds sufficient interests in U.S. real property to be considered a "United States real property holding corporation" under the IRC. Accordingly, it is possible that a Non-U.S. Holder of Exactech NewCo will own interests in a United States real property interest. Gain realized from the disposition of such interests would be subject to U.S. taxation and withholding, and each Non-U.S. Holder would be required to file a U.S. federal income tax return reporting such income. If a Non-U.S. Holder sells or disposes of direct interests in Exactech NewCo and Exactech NewCo owns an interest in a U.S. real property interest, the Non-U.S. Holder would generally need to file a U.S. federal income tax return reporting gain from such sale, and a buyer of such interests in Exactech NewCo may be required to withhold tax on the sale.

Non-U.S. Holders that are sensitive to ECI are encouraged to consult with their tax advisors about, among other things, the possibility of investing through a non-U.S. entity that is classified as a corporation for U.S. federal income tax purposes, so that such non-U.S. entity can serve as a "filing blocker" that makes any applicable U.S. federal income tax filings (rather than the Non-U.S. Holder being required to directly make such filings).

4. Consequences to Non-U.S. Holders of the Ownership and Disposition of New Takeback Debt

(a) Interest

Subject to the discussion below concerning FATCA and backup withholding, payments of interest on the New Takeback Debt by Exactech NewCo or any paying agent to a Non-U.S. Holder will not be subject to U.S. federal income tax (collected by means of withholding), provided that, pursuant to the "portfolio interest" exception:

- such Non-U.S. Holder does not own, actually or constructively, 10% or more of the combined voting power of all classes of Exactech NewCo stock entitled to vote (within the meaning of the IRC and applicable Treasury Regulations),
- such Non-U.S. Holder is not a controlled foreign corporation (within the meaning of the IRC) that is related, directly or indirectly, actually or constructively, to Exactech NewCo,
- such Non-U.S. Holder is not a bank receiving interest on the New Takeback Debt on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of such Non-U.S. Holder's trade or business, and
- such Non-U.S. Holder satisfies certain certification requirements (generally by providing an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable form) and a portfolio exemption certificate certifying it meets the requirements described above).

Payments of interest on the New Takeback Debt that do not meet the above-described requirements will be subject to a U.S. federal income tax of 30% (or such lower rate provided by

an applicable income tax treaty if you validly and timely establish that you qualify to receive the benefits of such treaty) collected by means of withholding. To claim a reduction or exemption under a tax treaty, a Non-U.S. Holder generally must provide the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other appropriate documentation) and claim the reduction or exemption on the form.

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. A Non-U.S. Holder may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlements to benefits under any applicable income tax treaty.

(b) Sale, Exchange, Redemption or Other Taxable Disposition of the New Takeback Debt

Subject to the discussions below concerning FATCA and backup withholding, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized on the sale, exchange, redemption or other disposition of the New Takeback Debt (other than any amount representing accrued but unpaid interest on the New Takeback Debt, which is subject to the rules described above) unless such gain is ECI (and, if an applicable income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) or such Non-U.S. Holder is an individual present in the United States for at least 183 days during the year in which such Holder disposes of the New Takeback Debt, and other conditions are satisfied. Gain recognized by non-resident individuals present in the United States for such time will be subject to a U.S. federal income tax rate of 30 percent, (or such lower rate specified by an applicable tax treaty) which may be offset by U.S. capital losses of the Non-U.S. Holder, provided the Non-U.S. Holder timely files U.S. federal income tax returns with respect to such losses.

E. FATCA

Sections 1471 through 1474 of the IRC, U.S. Treasury Regulations promulgated thereunder, guidance from the IRS and intergovernmental agreements and subject to further guidance ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding at a rate of 30 percent on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S. source payments of fixed or determinable, annual or periodical income, and, subject to the paragraph immediately below, also include gross proceeds from the sale of any property of a type which can produce U.S. source interest or dividends. FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal withholding. FATCA withholding rules that would have applied to payments of gross proceeds from the sale or other disposition of property of a type that can produce U.S. source interest or dividends were previously scheduled to take effect on January 1, 2019. However, such withholding has effectively been suspended under proposed Treasury Regulations that may be relied on until final regulations become effective. Nonetheless, there can be no assurance that a

similar rule will not go into effect in the future. Each Non-U.S. Holder should consult its own tax advisor regarding the possible impact of FATCA withholding rules on such Non-U.S. Holder.

BOTH U.S. HOLDERS AND NON-U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE POSSIBLE IMPACT OF THESE RULES ON SUCH HOLDERS' EXCHANGE OF ANY OF ITS CLAIMS PURSUANT TO THE PLAN AND ON ITS OWNERSHIP OF THE NEW INTERESTS AND THE NEW TAKEBACK DEBT.

F. Information Reporting and Backup Withholding

The Debtors, Wind-Down Trust, and applicable withholding agents will withhold all amounts required by law to be withheld from payments of interest and dividends, whether in connection with distributions under the Plan or in connection with payments made on account of consideration received pursuant to the Plan, and will comply with all applicable information reporting requirements. The IRS may make the information returns reporting such interest and dividends and withholding available to the tax authorities in the country in which a Non-U.S. Holder is resident. In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a Holder may be subject to backup withholding (currently at a rate of 24 percent) with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding (generally in the form of a properly executed IRS Form W-9 for a U.S. Holder, and, for a Non-U.S. Holder, in the form of a properly executed applicable IRS Form W-8 (or otherwise establishes such Non-U.S. Holder's eligibility for an exemption)). Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided that the required information is timely provided to the IRS. In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders subject to the Plan are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR NON-U.S. TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

ARTICLE XI

RECOMMENDATION

In the opinion of the Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors' creditors than would otherwise result in any other available scenario. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan.

Dated: ~~February 3~~March 20, 2025

Exactech, Inc.
on behalf of itself and all other Debtors

/s/ Jesse York
Name: Jesse York
Title: Chief Restructuring Officer, Exactech, Inc.