

## PRESS RELEASE

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### ALPHATEC HOLDINGS TO ACQUIRE EOS IMAGING

- *Agreement between the two companies whereby Alphatec Holdings is to acquire EOS imaging via a cash tender offer on a primary basis and an exchange tender offer on a subsidiary basis*
  - *Cash tender offer at EUR 2.80 per EOS imaging share*
  - *Exchange tender offer at 1 Alphatec Holdings common share for 2 EOS imaging shares*
- *23% of EOS imaging share capital already committed into the exchange tender offer, with the support of both reference shareholders Fosun and Bpifrance as well as of the company founder and the CEO*

**Paris, February 28, 2020** - EOS imaging (Euronext, FR0011191766 - EOSI - Eligible PEA - PME) ("EOS"), a leader in 2D/3D orthopedic medical imaging and software solutions for 3D anatomical modeling and surgical planning, announces that its Board of Directors has approved the execution of a tender offer agreement (the "Tender Offer Agreement") with Alphatec Holdings, Inc. (Nasdaq: ATEC) ("ATEC"), a medical device company dedicated to revolutionizing the approach to spine surgery, whereby ATEC would launch a tender offer for all the shares and the OCEANEs issued by EOS (the "Offer").

The Offer would consist in a cash tender offer on a primary basis for a price of EUR 2.80 per EOS share (the "Cash Offer") and on a subsidiary basis an exchange tender offer with an exchange ratio of 1 ATEC common share for 2 EOS shares (the "Exchange Offer").

#### ■ **Two medical technology leaders with complementary offerings to join forces**

Both companies highlight the benefits of this transaction, which would strengthen their position in the global orthopedic market. ATEC and EOS are two pioneers in their respective fields, and have contributed to revolutionizing the approach to orthopedic surgery.

"We are very enthusiastic about the opportunity to bring the complementary strengths and know-how of EOS imaging and ATEC together," said Mike Lobinsky, Chief Executive Officer of EOS imaging. "We believe our organizations have the potential to create a differentiated end-to-end offering to accelerate growth in the U.S. in the short term, while we continue to expand internationally, paving the way for the future global growth of the combined group."

ATEC has developed a high-differentiating solution, which allows the surgeon to access information in the operating room that combines the surgical approach, specific implants, nerve monitoring system and Informatix platform. EOS offers a unique, clinically recognized solution that provides the surgeon low-dose biplanar weight-bearing images, 3D biomechanical measures used to, among others, analyze the patient's sagittal balance, to plan the surgery and evaluate the post-operative result.

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“This is a monumental transaction for ATEC,” said Pat Miles, Chairman and Chief Executive Officer. “While spine’s large players are investing in enabling technologies, we are thinking differently. We created a conduit to deliver information into the operating room with AlphaInformatiX. This transaction will integrate spine imaging and anatomical modeling onto the platform to actually inform the operative experience. By pairing ATEC’s approach-based solutions with imaging founded on Nobel Prize-winning technology, we expect to significantly increase demand for ATEC hardware and EOS systems and create a formidable competitive advantage.”

The combination of the two companies' portfolios is built to improve the patient care pathway from diagnosis to post-operative control and long-term follow-up. The complementary expertise could reinforce, in a unique way, the surgical planning by integrating the specific characteristics of implants into the surgical approach. This provides the clinician critical information before and during the surgery.

Product integration will start in the US, the largest orthopedic market where ATEC has a strong track record and the combined group can significantly grow its footprint from both companies’ current networks and locations, to be progressively extended globally. In the meantime, outside the United States, EOS will continue to strengthen its deployment with its current offering.

### ▪ Key transaction terms

Under the terms of the Offer, EOS' shareholders would receive either EUR 2.80 per EOS share under the Cash Offer or 1 ATEC common share for 2 EOS shares under the Exchange Offer.

The Cash Offer price reflects a premium of 64% on EOS’ share price as of market close on February 27<sup>th</sup>, 2020 and of 43%, 26%, and 58% over the volume-weighted average share price of EOS over the last one, three and six month(s) respectively, preceding this date.

The Exchange Offer ratio reflects a premium of 67% on EOS' closing share price on February 27<sup>th</sup>, 2020 calculated using ATEC’s share price and the EUR to USD exchange rate as of market close on February 27<sup>th</sup>, 2020.

The Exchange Offer reflects a premium of 53%, 41%, and 64% calculated using the volume-weighted average share prices of EOS and ATEC over the last one, three and six month(s) respectively, and the EUR to USD exchange rate as of market close on February 27<sup>th</sup>, 2020.

Each EOS shareholder would be able to elect between the Cash Offer and the Exchange Offer. However, the Exchange Offer will be capped at a maximum number of EOS shares corresponding to 12.5 million ATEC common shares.<sup>1</sup> In the event that the number of EOS shares tendered into the Exchange Offer would result in the aforementioned threshold being exceeded, the tendering orders to the Exchange Offer will be subject to a proportional reduction mechanism, and the remaining tendering orders to the Exchange Offer will be automatically acquired at the price of the Cash Offer, *i.e.*, EUR 2.80 per EOS share.

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<sup>1</sup> The number of ATEC shares available for the exchange offer may be reduced in accordance with NASDAQ aggregation rules but will be at least equal to 10.5 million.

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It is specified that ATEC does not intend to apply for the listing of its shares on the Euronext Paris market or on any other regulated market in the European Union.

The Cash Offer would also target all outstanding OCEANEs issued by EOS. The holders of OCEANEs would receive EUR 7.01 per OCEANE under the Cash Offer.

### ▪ **EOS' Board of Directors welcomes the principle of the Offer**

During its meeting on February 28<sup>th</sup>, 2020, the Board of Directors of EOS welcomed the principle of the Offer and unanimously approved the execution of the Tender Offer Agreement.

The transaction is supported by key shareholders of EOS. On the date hereof, ATEC received commitments from Fosun Pharma and Bpifrance Investissement<sup>2</sup> to tender all their EOS' shares<sup>3</sup> into the Exchange Offer, representing 21.35% of EOS' share capital. In addition, the founder as well as the Chief Executive Officer of the Company also committed to tender their shares into the Exchange Offer.

The Offer tender commitments will lapse in the event of a competing offer made at a price higher than the Offer and cleared (*déclarée conforme*) by the AMF, unless ATEC decides to improve upon the terms of the competing offer under the conditions set forth in the AMF General Regulation.

### ▪ **Constitution of an ad-hoc committee and appointment of an independent expert by EOS**

The Board of Directors of EOS decided to set up an ad-hoc committee made up of two independent or non-conflicted members of the Board of Directors to monitor the independent expert's mission (appointed as detailed below) and to issue a recommendation to the Board of Directors on the Offer. These members are Gérard Hascoët, the non-conflicted Chairman of the Board of Directors, and Eric Beard, an independent Director. The other members of the Board of Directors have all, directly or indirectly, entered into Offer tender commitments.

On the proposal of the ad hoc committee and after reviewing several proposals, the EOS Board of Directors appointed, subject to confirmation by the AMF, in accordance with Article 261-1, I-2° and 5° of the AMF General Regulation, Accuracy (represented by Henri Philippe - 41 Rue de Villiers, 92200 Neuilly-sur-Seine, +33 1 58 75 75 10) as independent expert in order to prepare a fairness opinion regarding the financial terms of the Offer.

The Board of Directors of EOS will meet again to deliver its reasoned opinion (*avis motivé*) regarding the Offer after having reviewed the independent expert's report, the recommendation issued by the ad-hoc committee and the opinion of the employees' representative bodies.

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<sup>2</sup> Acting as the management company of FPS Bpifrance Innovation I.

<sup>3</sup> Subject to customary regulatory approval

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### ▪ Conditions and timetable of the contemplated transaction

#### *Main Conditions*

The transaction will be subject to customary closing conditions precedent. In addition, EOS has agreed to a customary non-solicitation undertaking in the Tender Offer Agreement. In accordance with the terms of the tender offer agreement, EOS shall, in certain circumstances, pay a break-up fee of EUR 2.5 million to ATEC and ATEC shall, in other circumstances, pay a reverse break-up fee of an identical amount to EOS. This indemnity will in particular be payable by EOS if the Board of Directors of EOS decides not to recommend to the shareholders to tender to the Offer.<sup>4</sup>

In addition to the 50% threshold provided for in Article 231-9, I of the AMF General Regulation, the Offer will be subject to the acceptance threshold of two thirds of the share capital and voting rights of EOS on a fully diluted basis upon the results of the Offer in accordance with Article 231-9, II of the AMF General Regulation.

ATEC intends to implement a squeeze-out following the completion of the Offer, at the price of the Cash Offer (EUR 2.80 per EOS share), should applicable conditions be met.

#### *Timeline*

It is expected that the Offer will be filed with the AMF at the end of April.

#### *Advisors*

Piper Sandler is acting as financial advisor to EOS imaging, and Gide Loyrette Nouel is serving as legal counsel. Cowen is acting as financial advisor to Alphatec, and Latham & Watkins LLP is serving as legal counsel.

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*This press release is not an offer to purchase or sell securities. The offer will be made only pursuant to the offer documentation which will contain the full terms and conditions of the offer. The offer documentation will be subject to review by the AMF and the offer will only be opened once the AMF has granted its clearance (décision de conformité). Any decision in respect of the offer should be made only on the basis of the information contained in such offer documentation.*

*This press release was prepared for informational purpose only. The dissemination of this press release, the offer and its acceptance may be subject to specific regulations or restrictions in certain countries. The offer is not made for persons subject to such restrictions, neither directly nor indirectly, and may not be accepted in any way from a country where the offer would be subject to such restrictions. Consequently, persons in possession of this press release shall inquire about potential applicable local restrictions and comply with them.*

*EOS imaging excludes all liability in the event of any breach of the applicable legal restrictions by any person.*

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<sup>4</sup> In certain circumstances, the amount of EOS' break-up fee may be increased to cover fees effectively incurred by ATEC, up to a maximum total break-up fee amount of EUR 3.5 million.

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### ABOUT EOS imaging

EOS imaging is a global medical device company that designs, develops and markets innovative, low dose 2D/3D full body and weight-bearing imaging, rapid 3D modeling of EOS patient X-ray images, web-based patient-specific surgical planning, and integration of surgical plan into the operating room that collectively bridge the entire spectrum of care from imaging to post-operative assessment capabilities for orthopedic surgery. With a primary focus on spine, hips and knees, EOS imaging is targeting a \$2 billion annual market opportunity. EOS imaging has over 350 system installations in more than 30 countries generating more than 1 million patient exams annually. EOS imaging has corporate locations in U.S., France, Canada, Germany, and Singapore, and engages more than 175 employees. For additional information, please visit [www.eos-imaging.com](http://www.eos-imaging.com)

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