



K2M Introduces Balance ACS™: A Platform of Products, Services & Research Applying Three-Dimensional Solutions to Improve Quality Patient Outcomes for Spine Patients

Next-generation diagnostic & treatment system, coupled with expanded partnership with 3D Systems, provide solutions to help achieve total spinal balance using a comprehensive 3D anatomical approach

LEESBURG, Va., Feb. 15, 2017 (GLOBE NEWSWIRE) -- [K2M Group Holdings, Inc.](#) (NASDAQ:KTWO) (the "Company" or "K2M"), a global leader of complex spine and minimally invasive solutions focused on achieving three-dimensional Total Body Balance™, today introduced [Balance ACS™](#) (or BACS™), a comprehensive platform that applies three-dimensional solutions across the entire clinical care continuum to help drive quality outcomes for spine patients. BACS provides solutions focused on achieving balance of the spine by addressing each anatomical vertebral segment with a 360-degree approach of the axial, coronal and sagittal planes, emphasizing Total Body Balance™ as a critical component to surgical success.

"Balancing the head over the pelvis and lower extremities is the foundation of spine surgery," stated K2M Chief Medical Officer John P. Kostuik, MD. "The spine is a complex structure that provides both stability and three-dimensional motion. Each spine segment is an independent vertebrae that moves in the axial, coronal and sagittal planes. Movement of each segment is part of the complex integrated network of the comprehensive spine serving to provide balance for the entire body, which enhances energy preservation."

K2M's Balance ACS platform provides support to the full continuum of spinal care. As part of this comprehensive platform, K2M has launched the BACS System to provide the necessary services—from preauthorization tools and preoperative planning to 3D anatomical modeling and postoperative reporting—to facilitate quality outcomes and to support the intraoperative process. The Company will also use predictive analytics to aid in surgeon decision making and individualized care solutions for patients.

K2M will host physician workshops and symposiums on Balance ACS at leading spine conferences in the United States and internationally. These workshops will feature prominent spine surgeons presenting on the latest research and clinical applications of the Balance ACS platform.

"Since our inception, K2M has been a leader in developing complex spine innovations, technologies and techniques to treat the most complicated spinal pathologies," stated K2M President and CEO Eric Major. "However, we recognize that three-dimensional spinal balance, and ultimately Total Body Balance™, cannot be achieved through surgical spine implants alone; it requires a holistic approach to enable healthcare providers to manage the entire patient experience throughout the continuum of care. As a leader in three-dimensional deformity correction and 3D-printed spinal implants, we are uniquely positioned to take on this endeavor, and today, are excited to introduce our comprehensive platform for achieving Total Body Balance™: Balance ACS."

An integral part of K2M's new platform is the advancement of new capabilities to complement the Company's leadership as an innovator of spinal products. To further enhance the Balance ACS platform, the Company announced a partnership with 3D Systems Corporation (NYSE:DDD), originator of 3D printing and a shaper of future 3D solutions. K2M and 3D Systems have entered into a comprehensive development agreement that includes an exclusive software solutions partnership, as part of the BACS System, to aid in balancing the spine across all three planes. In addition, K2M entered into a separate supply agreement with 3D Systems for production capacity to support the production of its highly successful CASCADIA™ Interbody Systems featuring Lamellar 3D Titanium Technology™.

The Company has also acquired the e-Fellow™ service-based technology that provides automated solutions to surgeons and healthcare systems to effectively collect real-time data and monitor patient outcomes. The technology is an intuitive and powerful healthcare software platform assisting patients and their physicians in obtaining insurance preauthorization and quantifying patient care.

"Rapid innovation has been essential to K2M's ability to drive organic growth at above-market rates and has fueled tremendous market share growth since the Company's inception. With our Balance ACS platform, we recognized the opportunity to leverage our core competency of complex spine and minimally invasive offerings, as well as our leadership in comprehensive 3D-printed solutions, to address the full spectrum of spinal care. We are excited to announce our expanded relationship with 3D Systems—a trusted partner through the development and manufacturing of our CASCADIA Interbody Systems featuring Lamellar 3D Titanium Technology—and look forward to incorporating 3D-printed technology into future product development activities. These strategic initiatives, as well as contributions from our recent e-Fellow technology acquisition, reinforce our dedication to providing spine patients, surgeons and healthcare systems with the products, services and tools needed to achieve a complete patient experience and, ultimately, three-dimensional Total Body Balance™," Major added.

For more information about Balance ACS and K2M, visit www.BACS.com and www.K2M.com.

About K2M

K2M Group Holdings, Inc. is a global leader of complex spine and minimally invasive solutions focused on achieving three-dimensional Total Body Balance™. Since its inception, K2M has designed, developed and commercialized innovative complex spine and minimally invasive spine technologies and techniques used by spine surgeons to treat some of the most complicated spinal pathologies. K2M has leveraged these core competencies into Balance ACS, a platform of products, services, and research to help surgeons achieve three-dimensional spinal balance across the axial, coronal and sagittal planes, with the goal of supporting the full continuum of care to facilitate quality patient outcomes. The Balance ACS platform, in combination with the Company's technologies, techniques and leadership in the 3D-printing of spinal devices, enable K2M to compete favorably in the global spinal surgery market. For more information, visit www.K2M.com and connect with us on [Facebook](#), [Twitter](#), [Instagram](#), [LinkedIn](#), and [YouTube](#).

Forward-Looking Statements

This press release contains forward-looking statements that reflect current views with respect to, among other things, operations and financial performance. Forward-looking statements include all statements that are not historical facts such as our statements about our expected financial results and guidance and our expectations for future business prospects, including with respect to our international distribution partners in Australia and Japan. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "guidance," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties including, among other things: our ability to achieve or sustain profitability; our ability to successfully demonstrate the merits of our technologies and techniques; pricing pressure from our competitors, hospitals and changes in third-party coverage and reimbursement; competition and our ability to develop and commercialize new products; the greater resources available to some of our competitors; aggregation of hospital purchasing from collaboration and consolidation; hospitals and other healthcare providers may be unable to obtain adequate coverage and reimbursement for procedures performed using our products; the safety and efficacy of our products is not yet supported by long-term clinical data; our dependence on a limited number of third-party suppliers; our ability to maintain and expand our network of direct sales employees, independent sales agencies and international distributors and their level of sales or distribution activity with respect our products; the proliferation of physician-owned distributorships; concentration of sales from a limited number of spinal systems or products that incorporate these technologies; loss of the services of key members of our senior management, consultants or personnel; ability to enhance our product offerings through our research and development efforts; failure to properly manage our anticipated growth; acquisitions of or investments in new or complementary businesses, products or technologies; ability to train surgeons on the safe and appropriate use of our products; requirements to maintain high levels of inventory; impairment of our goodwill or intangible assets; disruptions in our information technology systems; any disruption or delays in operations at our facilities, including our new headquarters facility; our ability to ship a sufficient number of our products to meet demand; ability to strengthen our brand; fluctuations in insurance cost and availability; extensive governmental regulation including by the FDA; in the United States and foreign jurisdictions; failure to obtain or maintain regulatory approvals and FDA clearances; requirements for new 510(k) clearances, premarket approvals or new or amended CE Certificates of Conformity; medical device reporting regulations in the United States and foreign jurisdictions; voluntary corrective actions by us or our distribution or other business partners or agency enforcement actions; a recall of our products; withdrawal or restrictions on our products or the discovery of serious safety issues with our products; possible enforcement action if we engage in improper marketing or promotion of our products; the misuse or off-label use of our products; delays or failures in any future clinical trials; our reliance on the performance of third parties who assist us in clinical trials and pre-clinical development; the results of clinical trials; procurement and use of allograft bone tissue;

environmental laws and regulations; compliance by us or our sales representatives with FDA regulations or fraud and abuse laws; U.S. legislative or regulatory healthcare reforms; medical device tax provisions in the healthcare reform laws; our need to generate significant sales to become profitable; potential fluctuations in sales volumes and our results of operations over the course of the year; uncertainty in our future capital needs; failure to comply with restrictions in our revolving credit facility; continuing worldwide economic instability; our inability to protect our intellectual property rights; our reliance on patent rights that we either license from others or have obtained through assignments; our patent litigation; the outcome of potential claims that we, our employees, our independent sales agencies or our distributors have wrongfully used or disclosed alleged trade secrets or are in breach of non-competition or non-solicitation agreements with our competitors; potential product liability lawsuits; operating risks relating to our international operations; foreign currency fluctuations; our ability to comply with the Foreign Corrupt Practices Act and similar laws associated with our activities outside the United States; possible conflicts of interest with our large shareholders; increased costs and additional regulations and requirements as a result of becoming a public company; our ability to implement and maintain effective internal control over financial reporting in the future; volatility in our common stock; our current plans not to pay dividends; potential dilution due to our issuance of common stock under our incentive plans, for acquisitions or otherwise; the amount of common stock held by our pre-IPO owners; the impact of anti-takeover provisions in our organizational documents and under Delaware law; our status as an emerging growth company, our ability to use our net operating loss carryforwards; the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments or other strategic transactions we may make; and other risks and uncertainties, including those described under the section entitled "Risk Factors" in our most recent Annual Report on Form 10-K filed with the SEC, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and our filings with the SEC.

We operate in a very competitive and challenging environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this release. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this press release relate only to events as of the date on which the statements are made. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements.

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