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

FORM 8-K/A
(Amendment No. 1)

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

Date of Report (Date of earliest event reported): **June 4, 2019**

OrthoPediatrics Corp.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-38242	**26-1761833**
(Commission File Number)	(I.R.S. Employer Identification Number)
2850 Frontier Drive **Warsaw, Indiana**	**46582**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(574) 268-6379**

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

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

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.00025 par value per share	KIDS	The NASDAQ Stock Market LLC

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under the Exchange Act (17 CFR 240.12b-2).

Emerging growth company [X]

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

EXPLANATORY NOTE

On June 5, 2019, OrthoPediatrics Corp. (the "Company") filed a Current Report on Form 8-K (the "Original 8-K") disclosing, among other things, that the Company had acquired (the "Acquisition"), on June 4, 2019, all of the issued and outstanding shares of stock of Vilex in Tennessee, Inc., a Tennessee corporation ("Vilex"), and all of the issued and outstanding units of membership interests in Orthex, LLC, a Florida limited liability company ("Orthex").

This Amendment No. 1 to the Original 8-K (this "Amendment No. 1") is being filed for the purpose of satisfying the Company's undertaking to file the financial statements and pro forma financial information relating to the Acquisition, as required by Item 9.01 of Form 8-K. Any information required to be set forth in the Original 8-K which is not being amended or supplemented pursuant to this Amendment No. 1 is hereby incorporated by reference. Except as set forth herein, no modifications have been made to the information contained in the Original 8-K and the Company has not updated any information contained therein to reflect the events that have occurred since the date of the Original 8-K. Accordingly, this Amendment No. 1 should be read in conjunction with the Original 8-K.

Item 1.01. Entry into a Material Definitive Agreement.

Planned Divestiture

As reported in the Original 8-K, Orthex and Vilex (together, the "Vilex Companies") are primarily manufacturers of foot and ankle surgical implants, including cannulated screws, fusion devices, surgical staples and bone plates, as well as Orthex Hexapod technology which is used to treat pediatric congenital deformities and limb length discrepancies. Because the current product line of the Vilex Companies also includes adult offerings that are not core to the Company's pediatrics business, the Company is taking the steps necessary to divest those non-core product lines of the Vilex Companies. Most recently, the Company engaged an investment bank to assist it in identifying and soliciting bids from potential buyers. The Company anticipates completing the divestiture by the end of 2019 and has presented the portion of the business being divested as discontinued operations in the pro forma financial information filed with this Amendment No. 1.

Item 2.01. Completion of Acquisition or Disposition of Assets.

As reported in the Original 8-K, the Company completed the Acquisition on June 4, 2019. The information disclosed in response to Item 1.01 is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The financial statements of the Vilex Companies required by this Item 9.01(a) are filed as Exhibit 99.1 and Exhibit 99.2 to this Amendment No. 1 and are incorporated by reference herein.

(b) Pro Forma Financial Information.

The pro forma financial information required by this Item 9.01(b) is filed as Exhibit 99.3 to this Amendment No. 1 and is incorporated by reference herein.

(d) Exhibits.

Exhibit No.	Description
23.1	Consents of Wipfli LLP relating to its audit of the financial statements included as Exhibit 99.1 and its review of the financial statements included as Exhibit 99.2.
99.1	Audited combined financial statements of the Vilex Companies as of and for each of the fiscal years ended December 31, 2018 and 2017.
99.2	Interim unaudited combined financial statements of the Vilex Companies as of March 31, 2019 and for the three months ended March 31, 2019 and 2018.
99.3	Unaudited pro forma condensed combined financial statements of the Company and the Vilex Companies (a) for the year ended December 31, 2018, and (b) for the six months ended June 30, 2019.

Cautionary Note on Forward-Looking Statements

This Current Report contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and other federal securities laws. Any statements contained herein that do not describe historical facts, including but not limited to statements related to the planned divestiture of the non-core product lines of the Vilex Companies and the timing and impact of such divestiture are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those discussed in such forward-looking statements. Such risks and uncertainties include, among others, the risks related to the Company's ability to successfully manage the divestiture process and to complete the divestiture in order to realize the anticipated benefits, and such other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission (the "SEC"), including those described under "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, and in subsequent filings with the SEC. Any of these risks and uncertainties could materially and adversely affect the Company's results of operations. The Company cautions you not to place undue reliance on any forward-looking statements, which speak only as of the date they are made. The Company undertakes no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date they were made or to reflect the occurrence of unanticipated events.

* * * * *

SIGNATURE

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

OrthoPediatrics Corp.

Date: August 20, 2019	By:	/s/ Daniel J. Gerritzen
		Daniel J. Gerritzen, General Counsel and Secretary

WIPFLi LLP

Consent of Independent Auditors

We consent to the incorporation by reference in Registration Statement No. 333-220973 on Form S-8 and in Registration Statement No. 333-228103 on Form S-3 of OrthoPediatrics, Corp. of our report dated July 30, 2019, relating to our audit of the combined financial statements of Vilex in Tennessee Inc. and Affiliate as of December 31, 2018 and 2017, and for the years then ended, included in this Current Report on Form 8-K/A.

Wipfli LLP

Wipfli LLP
July 30, 2019
Lincolnshire, Illinois

WIPFLi LLP

Consent of Independent Auditors

We consent to the incorporation by reference in Registration Statement No. 333-220973 on Form S-8 and in Registration Statement No. 333-228103 on Form S-3 of OrthoPediatrics, Corp. of our report dated July 30, 2019, relating to our review of the combined financial statements of Vilex in Tennessee Inc. and Affiliate as of March 31, 2019, and for the period then ended, included in this Current Report on Form 8-K/A.

Wipfli LLP

Wipfli LLP

July 30, 2019
Lincolnshire, Illinois

Vilex in Tennessee, Inc. and Affiliate

Combined Financial Statements

Years Ended December 31, 2018 and 2017

VILEX

WIPFLi LLP
CPAs and Consultants

WIPFLi LLP

Independent Auditor's Report

Board of Directors
Vilex in Tennessee, Inc. and Affiliate
McMinnville, Tennessee

Report on the Combined Financial Statements
We have audited the accompanying combined financial statements of Vilex in Tennessee, Inc. and Affiliate, which comprise the combined balance sheets as of December 31, 2018 and 2017, and the related combined statements of income, stockholders' equity and members' deficit, and cash flows for the years then ended and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements
Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the combined financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the combined financial statements referred to above presents fairly, in all material respects, the financial position of Vilex in Tennessee, Inc. and Affiliate as of December 31, 2018 and 2017, and the combined results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

Wipfli LLP
July 30, 2019
Lincolnshire, Illinois

Vilex in Tennessee, Inc. and Affiliate
Combined Balance Sheets

As of December 31,	2018	2017
Current assets:		
Cash	$ 3,056,468	$ 3,199,262
Accounts receivable - Net	2,074,191	1,638,548
Inventories - Net	7,073,042	6,388,811
Prepaid expenses	24,583	16,928
Total current assets	12,228,284	11,243,549
Instruments, software, and equipment:		
Furniture and machinery	275,546	272,158
Instruments	4,080,738	3,341,848
Software	284,752	154,804
Vehicles	96,757	96,757
Totals	4,737,793	3,865,567
Less - Accumulated depreciation and amortization	3,410,782	2,812,449
Net instruments, software, and equipment	1,327,011	1,053,118
Other asset:		
Goodwill	4,740,000	4,740,000
Intangibles, net of accumulated amortization	277,917	326,250
Deposits	4,597	4,597
Total other assets	5,022,514	5,070,847
TOTAL ASSETS	$ 18,577,809	$ 17,367,514

Vilex in Tennessee, Inc. and Affiliate

Combined Balance Sheets (Continued)

As of December 31,	2018	2017
Current liabilities:		
Current portion of notes payable - related parties	$ 1,876	$ 1,777
Accounts payable	331,930	323,724
Accrued expenses	414,872	463,935
Total current liabilities	748,678	789,436
Long-term liabilities:		
Notes payable, less current maturities - related parties	5,898,111	5,764,516
Total stockholders' equity and members' deficit	11,931,020	10,813,562
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY AND MEMBERS' DEFICIT	$ 18,577,809	$ 17,367,514

See accompanying notes to combined financial statements.

Vilex in Tennessee, Inc. and Affiliate
Combined Statements of Income

Years Ended December 31,	2018	2017
Revenues	$ 11,794,354	$ 10,738,173
Cost of sales	2,721,765	1,729,032
Gross profit	9,072,589	9,009,141
Operating expenses	6,011,198	5,539,938
Operating income	3,061,391	3,469,203
Other income (expense):		
Interest expense	(264,888)	(264,968)
Interest income	955	702
Total other income (expense)	(263,933)	(264,266)
Net Income	$ 2,797,458	$ 3,204,937

See accompanying notes to combined financial statements.

Vilex in Tennessee, Inc. and Affiliate

Combined Statements of Stockholders' Equity and Members' Deficit

	Common Stock (1)	Member Units (2)	Members' Accumulated Deficit	Retained Earnings	Total Stockhol Equity a Membe Defici
Balances at January 1, 2017	$ 1,000	$ 10,000	$ (1,776,629)	$ 10,957,588	$ 9,191
Net income (loss)	-	-	(81,577)	3,286,514	3,204
Distributions to stockholders	-	-	-	(1,583,334)	(1,583
Balances at December 31, 2017	1,000	10,000	(1,858,206)	12,660,768	10,813
Net income	-	-	485,118	2,312,340	2,797
Distributions to stockholders	-	-	-	(1,680,000)	(1,680
Balances at December 31, 2018	$ 1,000	$ 10,000	$ (1,373,088)	$ 13,293,108	$ 11,931

(1) Vilex in Tennessee, Inc: No par value, 10,000 shares authorized, 1,000 shares issued and outstanding as of December 31, 2018 and 2017.

(2) Orthex, LLC: 100 member units authorized, issued, and outstanding as of December 31, 2018 and 2017.

See accompanying notes to combined financial statements.

Vilex in Tennessee, Inc. and Affiliate
Combined Statements of Cash Flows

Years Ended December 31,	2018	2017
Cash flows from operating activities:		
Net income	$ 2,797,458	$ 3,204,937
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for depreciation and amortization	646,667	601,949
Changes in operating assets and liabilities:		
Accounts receivable	(435,643)	205,293
Inventories	(684,231)	(1,173,159)
Prepaid expenses	(7,655)	(3,828)
Accounts payable	8,206	7,896
Accrued expenses	(49,063)	(140,445)
Total adjustments	(521,719)	(502,294)
Net cash provided by operating activities	2,275,739	2,702,643
Net cash used in investing activities:		
Acquisition of instruments, software, and equipment	(872,226)	(422,047)
Cash flows from financing activities:		
Principal payments on notes payable - related parties	(1,779)	(1,698)
Proceeds from issuance of notes payable - related parties	135,472	28,266
Distributions to stockholders	(1,680,000)	(1,583,334)
Net cash used in financing activities	(1,546,307)	(1,556,766)
Net change in cash	(142,794)	723,830
Cash, beginning of year	3,199,262	2,475,432
Cash, end of year	$ 3,056,468	$ 3,199,262
Supplemental cash flow information:		
Cash paid during the year for:		
Interest	$ 264,888	$ 264,968

See accompanying notes to combined financial statements.

Note 1: Summary of Significant Accounting Policies

Nature of Business

The combined financial statements include the accounts of the following entities, collectively referred to as the "Companies" in the combined financial statements.

Vilex in Tennessee, Inc. ("Vilex"), is a Tennessee Corporation that specializes as a high growth manufacturer of precision engineered extremity solutions for orthopedic surgery. Vilex is primarily a foot and ankle surgery company with a product portfolio targeting pediatric patients and adults. Vilex's main facility is in McMinnville, Tennessee.

Orthex, LLC ("Orthex"), is a Florida Limited Liability Company that specializes in designing and engineering external fixation and software products for use in orthopedic surgery and providing Vilex the opportunity to produce and distribute the products. Orthex operations occur in an engineering facility located in Hollywood, Florida.

Principles of Combination

The accompanying combined financial statements include the accounts of companies related under common ownership, which are operating as Vilex in Tennessee, Inc. and Affiliate, after elimination of significant intercompany accounts and transactions.

Use of Estimates in Preparation of Combined Financial Statements

The preparation of the accompanying combined financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make certain estimates and assumptions that directly affect the results of reported amounts of assets, liabilities, revenues and expenses, as of the date of the combined financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. The use of historical experience and other assumptions is the basis for the judgments and estimates. Management considers the valuation of inventories, instruments, and goodwill to be significant estimates. Actual results may differ from these estimates.

Accounts Receivable

The Companies grant trade credit to its customers located throughout the United States and internationally. Receivables are valued at management's estimate of the amount that will ultimately be collected. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and the Companies' historical collection experience.

Balances that are still outstanding after management has used reasonable collection efforts are written off through a change to the valuation allowance and a credit to accounts receivable. An allowance of $343,000 and $90,000 was established as of December 31, 2018 and 2017, respectively, for the accounts receivable management believes may be uncollectible.

Note 1: Summary of Significant Accounting Policies (Continued)

Inventories

Inventories are stated at the lower of cost or net realizable value, with cost determined using the first-in-first-out method. Inventories, which consist of implants and instruments included in deployed sets in the field or held in the Companies' warehouse, is considered finished goods and is purchased from third parties. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Instruments, Software, and Equipment

Instruments, software, and equipment are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the assets. When assets are retired or otherwise disposed of, costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in operations for the period. Maintenance and repairs that prolong or extend the useful life are capitalized, whereas standard maintenance, replacements, and repair costs are expensed as incurred.

Instruments are hand-held devices, specifically designed for use with the Companies' implants and are used by surgeons during surgery. Instruments deployed are carried at cost less accumulated depreciation and are recorded as fixed assets on the combined balance sheets.

Depreciable lives are generally as follows:

Furniture and machinery	5 to 7 years
Instruments	3 to 5 years
Software	5 years
Vehicles	5 years

Depreciation and amortization expense for the years ended December 31, 2018 and 2017 was $598,334 and $553,616, respectively.

Goodwill

Goodwill represents the excess of the purchase price paid over the fair value of the net assets acquired and liabilities assumed. The Companies test goodwill for impairment on an annual (as of December 31) basis by comparing the estimated fair value to the value recorded on the combined balance sheets. Management estimates the fair value to the carrying value by informal valuation techniques using various multiples. Management believes the fair value of the Companies exceeds its net book value, and accordingly no provision for impairment was recorded for 2018 or 2017.

Note 1: Summary of Significant Accounting Policies (Continued)

Intangible Assets

Intangible assets are made up of intellectual property that is amortized on a straight-line basis over the term of the asset which is 15 years. Amortization expense on intangible assets was $48,333 in both 2018 and 2017. Amortization expense for each of the next five years is $48,333.

Long-Lived Assets

The Companies review their long-lived assets periodically to determine potential impairment by comparing the carrying value of those assets with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future undiscounted cash flows be less than the carrying value, the Companies would recognize an impairment loss at that time. No impairment loss was recognized in 2018 or 2017.

Revenue Recognition

The Companies generate revenue primarily from the sale of their implants and instruments. The Companies primarily consign their implants and instrument sets to independent sales agencies, who in turn deliver them to hospitals for use in procedures. The Companies then supply these independent sales agencies with products to replace the consigned inventory as it is used in surgeries. The Companies primarily recognize revenue when the products are used by the hospital for surgeries on a case by case basis. On rare occasions, hospitals purchase products for their own inventory. In these situations, revenue is recognized when the products are shipped and the title and risk of loss passes to the hospital customer.

Advertising

Advertising is expensed as incurred. Advertising expense was $22,658 and $38,137 in 2018 and 2017, respectively.

Research and Development

Research and development costs are expensed as incurred. The Company considers that regulatory and other uncertainties inherent in the research and development of new products preclude it from capitalizing such costs. Research and development expenses totaled $261,428 and $205,431 in 2018 and 2017, respectively.

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes

Vilex has elected to be taxed under the provisions of Subchapter S and Orthex has elected to be taxed as a partnership of the Internal Revenue Code and comparable state regulations. Under these provisions, neither Company pays federal or state corporate income taxes on its taxable income (nor is it allowed a net operating loss carryback or carryover as a deduction). Instead, the stockholders or members report on their personal income tax returns their proportionate share of the Company's taxable income (or loss) and tax credits. As a result of these elections, no income taxes have been recognized in the accompanying combined financial statements. The Companies have committed to making distributions sufficient to meet the stockholders' or members' income tax liabilities generated by the income of the Companies.

The Companies assess the potential impact of uncertain tax positions. The Companies' policy for interest and penalties related to income tax exposures is to recognize interest and penalties as other income (expense) in the combined statements of income. As of December 31, 2018 and 2017, management believed the Companies had no material uncertain tax positions requiring recognition or measurement. The federal and state income tax returns remain open to examination by taxing authorities through their statutory periods.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, *Revenue Recognition*, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic companies for annual periods beginning after December 15, 2018. The Companies are currently evaluating the impact of the provisions of ASC 606.

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases (Topic 842). This ASU modifies lease accounting to increase transparency and comparability by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing information. The most significant change for lessees will be the recognition of both a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term for those leases classified as operating leases under current GAAP. Certain accounting policy elections are permitted for leases with terms of 12 months or less. FASB Accounting Standards Codification (ASC) Topic 842, Leases ("ASC 842"), supersedes current lease requirements in FASB ASC Topic 840, Leases. When adopted, the amendments in the ASU must be applied using a modified retrospective approach, with certain practical expedients available. The new standard is effective for nonpublic companies for annual periods beginning after December 15, 2019. The Companies are currently evaluating the impact of the provisions of ASC 842.

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Companies have evaluated subsequent events through July 30, 2019, which is the date the combined financial statements were available to be issued. See Note 9 for disclosure of subsequent events.

Note 2: Inventories

Inventories consisted of the following at December 31:

Years Ended December 31	2018	2017
Inventory - Implants	$ 4,374,917	$ 4,620,003
Inventory - Implants obsolescence	(796,544)	(865,722)
Inventory - Consignment	4,210,444	3,174,133
Inventory - Consignment obsolescence	(715,775)	(539,603)
Total	$ 7,073,042	$ 6,388,811

The Companies evaluate the carrying value of the inventory in relation to the estimated forecast of product demand, which takes into consideration the life cycle of the product. A significant decrease in demand could result in an increase in the amount of excess inventory on hand, which could lead to additional charges for excess and obsolete inventory.

The need to maintain substantial levels of inventory impacts the estimates for excess and obsolete inventory. Each of the implant systems are designed to include implantable products that come in different sizes and shapes to accommodate the surgeon's needs. Typically, a small number of the set components are used in each surgical procedure. Certain components within each set may become obsolete before other components based on the usage patterns. The Companies adjust inventory values, as needed, to reflect these usage patterns and life cycle.

In addition, the Companies continue to introduce new products, which may require additional charges for excess and obsolete inventory in the future.

Note 3: Notes Payable - Related Party

Notes payable at December 31, 2018 and 2017 are as follows:

	2018	2017
5% promissory note to stockholder with monthly interest payments only other than a small principal payment made; due November 1, 2020.	$ 2,383,496	$ 2,384,296
5% promissory note to stockholder with monthly interest payments only other than a small principal payment made; due November 1, 2020	2,383,496	2,384,296
5% promissory note to stockholder with monthly interest payments only other than a small principal payment made; due November 1, 2020	529,665	529,843
0% promissory note to stockholder; due January 1, 2020	603,330	467,858
Total	5,899,987	5,766,293
Less - current maturities	1,876	1,777
Long-term portion	$ 5,898,111	$ 5,764,516

The promissory notes are unsecured. For the years ended December 31, 2018 and 2017, the Companies recognized interest expense of $264,888 and $264,968, respectively, related to the promissory notes.

Maturities of notes payable are as follows:

Years Ending December 31,	Amount
2019	$ 1,876
2020	5,898,111
Total	$ 5,899,987

Note 4: Leases

The Companies lease office space in McMinnville, Tennessee under an operating lease requiring monthly base rental payments of $6,825 per month that expires on December 31, 2022.

The Companies also lease office space in Hollywood, Florida under an operating lease requiring monthly base rental payments ranging from $3,534 to $3,799 that expires on October 31, 2022. The lease requires the Companies to pay taxes, operating expenses, and parking.

Rent expense during the years ended December 31, 2018 and 2017 was $118,839 and $114,540, respectively.

Approximate future minimum rental commitments for noncancellable operating leases are as follows:

2019	$	125,000
2020		125,000
2021		126,000
2022		119,000
Total	$	495,000

Note 5: Related-Party Transactions

Vilex of Tennessee, Inc ("Vilex") and Orthex, LLC ("Orthex") entered into a service agreement in 2012 where Vilex can utilize Orthex's designs and improvements to products. The initial agreement was effective for five years with an automatic renewal of two years. The agreement granted Vilex an exclusive authority, with respect to the products and the knowhow related to Orthex, to manufacture, sell to customers, market, and distribute Orthex products. Vilex also has a 5% ownership interest in Orthex. As of December 31, 2018 and 2017, Vilex had a note receivable from Orthex in the amount of $885,493 and $1,404,100, respectively, and Orthex had a corresponding note payable to Vilex for the same amounts. All amounts have been eliminated in the combined financial statements.

Note 6: Retirement Plan

The Companies have a 401(k) profit sharing plan covering substantially all employees who meet certain requirements of age, length of service and hours worked per year. The Companies are required to contribute a matching contribution equal to the employee's salary deferral up to a maximum of 4% of the employee's compensation for the calendar year, which is immediately vested. The Companies' contributions to the Plan were $28,767 and $31,946 for the years ended December 31, 2018 and 2017, respectively.

Note 7: Major Customers

In 2018 and 2017, one major customer accounted for 18% of revenues in each year. At December 31, 2018 and 2017, amounts due from the customer, included in accounts receivable were approximately $111,000 and $102,000, respectively.

Note 8: Concentration of Credit Risk

The Companies have cash accounts with balances held by one financial institution that at times exceed the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the financial institution with which they do business has a strong credit rating and that the credit risk related to the Companies' deposits is minimal.

The Companies grant credit to their customers without collateral in the normal course of business. During the years ended December 31, 2018 and 2017, the Companies had net write-offs of approximately $98,000 and $63,000, respectively.

Note 9: Subsequent Event

Effective June 4, 2019, the Companies were acquired by OrthoPediatrics, a company focused exclusively on advancing the field of pediatric orthopedics. The acquisition included its Orthex Hexapod circular fixation technology and proprietary CORA-based x-ray planning software. The acquisition was for a total of $60,000,000, consisting of $50,000,000 in cash and $10,000,000 in OrthoPediatrics stock.

Vilex in Tennessee, Inc. and Affiliate

Combined Financial Statement

Period Ended March 31, 2019

VILEX

WIPFLi LLP
CPAs and Consultants

WIPFLi LLP

Independent Accountant's Review Report

Board of Directors
Vilex in Tennessee, Inc. and Affiliate
McMinnville, Tennessee

We have reviewed the accompanying combined financial statements of Vilex in Tennessee, Inc. and Affiliate, which comprise the combined balance sheet as of March 31, 2019, and the related combined statements of income, stockholders' equity and members' deficit and cash flows for the period then ended and the related notes to the combined financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the combined financial statement as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Combined Financial Statements
Management is responsible for the preparation and fair presentation of these combined financial statement in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility
Our responsibility is to conduct the review engagements in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the combined financial statements for them to be in accordance with accounting principles generally accepted in the United States. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion
Based on our reviews, we are not aware of any material modifications that should be made to the accompanying combined financial statements in order for them to be in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

Wipfli LLP

July 30, 2019
Lincolnshire, Illinois

Vilex in Tennessee, Inc. and Affiliate
Combined Balance Sheet

As of March 31,	2019
Current assets:	
Cash	$ 3,197,324
Accounts receivable, Net	1,572,985
Inventories, Net	7,333,049
Prepaid expenses	13,483
Total current assets	12,116,841
Instruments, software, and equipment:	
Furniture and machinery	278,424
Instruments	4,371,255
Software	315,896
Vehicles	96,757
Totals	5,062,332
Less - Accumulated depreciation and amortization	3,550,588
Net instruments, software, and equipment	1,511,744
Other asset:	
Goodwill	4,740,000
Intangibles, Net of accumulated amortization	265,833
Deposits	1,277
Total other assets	5,007,110
TOTAL ASSETS	$ 18,635,695

Vilex in Tennessee, Inc. and Affiliate

Combined Balance Sheet (Continued)

As of March 31,	2019
Current liabilities:	
Current portion of notes payable - Related parties	$ 1,901
Accounts payable	284,001
Accrued expenses	411,134
Total current liabilities	697,036
Long-term liabilities:	
Notes payable, less current maturities - Related parties	5,897,756
Total stockholders' equity and members' deficit	12,040,903
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY AND MEMBERS' DEFICIT	$ 18,635,695

See accompanying notes to combined financial statements.

Vilex in Tennessee, Inc. and Affiliate
Combined Statement of Income

Period Ended March 31,		2019
Revenues	$	2,760,685
Cost of sales		696,081
Gross profit		2,064,604
Operating expenses		1,468,754
Operating income		595,850
Other income (expense):		
Interest expense		(66,198)
Interest income		231
Total other income (expense)		(65,967)
Net Income	$	529,883

See accompanying notes to combined financial statements.

Vilex in Tennessee, Inc. and Affiliate
Combined Statement of Stockholders' Equity and Members' Deficit

Period Ended March 31, 2019	Common Stock (1)	Member Units (2)	Members' Accumulated Deficit	Retained Earnings	Total Stockholders' Equity and Members' Deficit
Balances at December 31, 2018	$ 1,000	$ 10,000	$ (1,373,088)	$ 13,293,108	$ 11,931,020
Net income (loss)	-	-	(87,521)	617,404	529,883
Distributions to stockholders	-	-	-	(420,000)	(420,000
Balances at March 31, 2019	$ 1,000	$ 10,000	$ (1,460,609)	$ 13,490,512	$ 12,040,903

(1) Vilex in Tennessee, Inc: No par value, 10,000 shares authorized, 1,000 shares issued and outstanding as of March 31, 2019.

(2) Orthex, LLC: 100 member units authorized, issued, and outstanding as of March 31, 2019.

See accompanying notes to combined financial statements.

Vilex in Tennessee, Inc. and Affiliate
Combined Statement of Cash Flows

Period Ended March 31,		2019
Cash flows from operating activities:		
Net income	$	529,883
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for depreciation and amortization		151,890
Changes in operating assets and liabilities:		
Accounts receivable		501,206
Inventories		(260,007)
Prepaid expenses and other assets		14,420
Accounts payable		(47,929)
Accrued expenses		(3,738)
Total adjustments		355,842
Net cash provided by operating activities		885,725
Net cash used in investing activities:		
Acquisition of instruments, software, and equipment		(324,539)
Cash flows from financing activities:		
Principal payments on notes payable - Related party		(330)
Distributions to stockholders		(420,000)
Net cash used in financing activities		(420,330)
Net change in cash		140,856
Cash, beginning of year		3,056,468
Cash, end of year	$	3,197,324
Supplemental cash flow information:		
Cash paid during the year for:		
Interest	$	66,198

See accompanying notes to combined financial statements.

Note 1: Summary of Significant Accounting Policies

Nature of Business

The combined financial statements include the accounts of the following entities, collectively referred to as the "Companies" in the combined financial statements.

Vilex in Tennessee, Inc. ("Vilex"), is a Tennessee Corporation that specializes as a high growth manufacturer of precision engineered extremity solutions for orthopedic surgery. Vilex is primarily a foot and ankle surgery company with a product portfolio targeting pediatric patients and adults. Vilex's main facility is in McMinnville, Tennessee.

Orthex, LLC ("Orthex"), is a Florida Limited Liability Company that specializes in designing and engineering external fixation and software products for use in orthopedic surgery and providing Vilex the opportunity to produce and distribute the products. Orthex operations occur in an engineering facility located in Hollywood, Florida.

Principles of Combination

The accompanying combined financial statement include the accounts of companies related under common ownership, which are operating as Vilex in Tennessee, Inc. and Affiliate, after elimination of significant intercompany accounts and transactions.

Use of Estimates in Preparation of Combined Financial Statements

The preparation of the accompanying combined financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make certain estimates and assumptions that directly affect the results of reported amounts of assets, liabilities, revenues and expenses, as of the date of the combined financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. The use of historical experience and other assumptions is the basis for the judgments and estimates. Management considers the valuation of inventories, instruments, and goodwill to be significant estimates. Actual results may differ from these estimates.

Accounts Receivable

The Companies grant trade credit to its customers located throughout the United States and internationally. Receivables are valued at management's estimate of the amount that will ultimately be collected. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and the Companies' historical collection experience.

Balances that are still outstanding after management has used reasonable collection efforts are written off through a change to the valuation allowance and a credit to accounts receivable. An allowance of $365,000 was established as of March 31, 2019, for the accounts receivable management believes may be uncollectible.

Note 1: Summary of Significant Accounting Policies (Continued)

Inventories

Inventories are stated at the lower of cost or net realizable value, with cost determined using the first-in-first-out method. Inventories, which consist of implants and instruments included in deployed sets in the field or held in the Companies' warehouse, is considered finished goods and is purchased from third parties. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Instruments, Software, and Equipment

Instruments, software, and equipment are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the assets. When assets are retired or otherwise disposed of, costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in operations for the period. Maintenance and repairs that prolong or extend the useful life are capitalized, whereas standard maintenance, replacements, and repair costs are expensed as incurred.

Instruments are hand-held devices, specifically designed for use with the Companies' implants and are used by surgeons during surgery. Instruments deployed are carried at cost less accumulated depreciation and are recorded as fixed assets on the combined balance sheet.

Depreciable lives are generally as follows:

Furniture and machinery	5 to 7 years
Instruments	3 to 5 years
Software	5 years
Vehicles	5 years

Depreciation and amortization expense for the period ended March 31, 2019 was $139,806.

Goodwill

Goodwill represents the excess of the purchase price paid over the fair value of the net assets acquired and liabilities assumed. The Companies test goodwill for impairment on an annual (as of December 31) basis by comparing the estimated fair value to the value recorded on the combined balance sheets. Management estimates the fair value to the carrying value by informal valuation techniques using various multiples. Management believes the fair value of the Companies exceeds its net book value, and accordingly no provision for impairment was recorded during 2019.

Note 1: Summary of Significant Accounting Policies (Continued)

Intangible Assets

Intangible assets are made up of intellectual property that is amortized on a straight-line basis over the term of the asset which is 15 years. Amortization expense on intangible assets was $12,084 for the period ended March 31, 2019. Amortization expense for each of the next five years is $48,333.

Long-Lived Assets

The Companies review their long-lived assets periodically to determine potential impairment by comparing the carrying value of those assets with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future undiscounted cash flows be less than the carrying value, the Companies would recognize an impairment loss at that time. No impairment loss was recognized for the perod ended March 31, 2019.

Revenue Recognition

The Companies generate revenue primarily from the sale of their implants and instruments. The Companies primarily consign their implants and instrument sets to independent sales agencies, who in turn deliver them to hospitals for use in procedures. The Companies then supply these independent sales agencies with products to replace the consigned inventory as it is used in surgeries. The Companies primarily recognize revenue when the products are used by the hospital for surgeries on a case by case basis. On rare occasions, hospitals purchase products for their own inventory. In these situations, revenue is recognized when the products are shipped and the title and risk of loss passes to the hospital customer.

Advertising

Advertising is expensed as incurred. Advertising expense was $9,741 for the period ended March 31, 2019.

Income Taxes

Vilex has elected to be taxed under the provisions of Subchapter S and Orthex has elected to be taxed as a partnership of the Internal Revenue Code and comparable state regulations. Under these provisions, neither Company pays federal or state corporate income taxes on its taxable income (nor is it allowed a net operating loss carryback or carryover as a deduction). Instead, the stockholders or members report on their personal income tax returns their proportionate share of the Company's taxable income (or loss) and tax credits. As a result of these elections, no income taxes have been recognized in the accompanying combined financial statements. The Companies have committed to making distributions sufficient to meet the stockholders' or members' income tax liabilities generated by the income of the Companies.

The Companies assess the potential impact of uncertain tax positions. The Companies' policy for interest and penalties related to income tax exposures is to recognize interest and penalties as other income (expense) in the combined statements of income. As of March 31, 2019, management believed the Companies had no material uncertain tax positions requiring recognition or measurement. The federal and state income tax returns remain

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

open to examination by taxing authorities through their statutory periods.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, *Revenue Recognition*, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic companies for annual periods beginning after December 15, 2018. The Companies are currently evaluating the impact of the provisions of ASC 606.

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases (Topic 842). This ASU modifies lease accounting to increase transparency and comparability by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing information. The most significant change for lessees will be the recognition of both a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term for those leases classified as operating leases under current GAAP. Certain accounting policy elections are permitted for leases with terms of 12 months or less. FASB Accounting Standards Codification (ASC) Topic 842, Leases ("ASC 842"), supersedes current lease requirements in FASB ASC Topic 840, Leases. When adopted, the amendments in the ASU must be applied using a modified retrospective approach, with certain practical expedients available. The new standard is effective for nonpublic companies for annual periods beginning after December 15, 2019. The Companies are currently evaluating the impact of the provisions of ASC 842.

Subsequent Events

The Companies have evaluated subsequent events through July 30, 2019, which is the date the combined financial statements were available to be issued. See Note 9 for disclosure of subsequent events.

Note 2: Inventories

Inventories consisted of the following at March 31:

Period Ended March 31, 2019	2019
Inventory - Implants	$ 4,495,461
Inventory - Implants obsolescence	(778,593)
Inventory - Consignment	4,356,845
Inventory - Consignment obsolescence	(740,664)
Total	$ 7,333,049

The Companies evaluate the carrying value of the inventory in relation to the estimated forecast of product demand, which takes into consideration the life cycle of the product. A significant decrease in demand could result in an increase in the amount of excess inventory on hand, which could lead to additional charges for excess and obsolete inventory.

The need to maintain substantial levels of inventory impacts the estimates for excess and obsolete inventory. Each of the implant systems are designed to include implantable products that come in different sizes and shapes to accommodate the surgeon's needs. Typically, a small number of the set components are used in each surgical procedure. Certain components within each set may become obsolete before other components based on the usage patterns. The Companies adjust inventory values, as needed, to reflect these usage patterns and life cycle.

In addition, the Companies continue to introduce new products, which may require additional charges for excess and obsolete inventory in the future.

Note 3: Notes Payable - Related Party

Notes payable at March 31, 2019 are as follows:

	2019
5% promissory note to stockholder with monthly interest payments only other than a small principal payment made; due November 1, 2020.	$ 2,383,285
5% promissory note to stockholder with monthly interest payments only other than a small principal payment made; due November 1, 2020	2,383,285
5% promissory note to stockholder with monthly interest payments only other than a small principal payment made; due November 1, 2020	529,618
0% promissory note to stockholder; due January 1, 2020.	603,469
Total	5,899,657
Less - Current maturities	1,901
Long-term portion	$ 5,897,756

The promissory notes are unsecured. For the period ended March 31, 2019, the Companies recognized interest expense of $66,198, related to the promissory notes.

Maturities of notes payable are as follows:

Periods Ending March 31,	Amount
2020	$ 1,901
2021	5,897,756
Total	$ 5,899,657

Note 4: Leases

The Companies lease office space in McMinnville, Tennessee under an operating lease requiring monthly base rental payments of $6,825 per month that expires on December 31, 2022.

The Companies also lease office space in Hollywood, Florida under an operating lease requiring monthly base rental payments ranging from $3,534 to $3,799 that expires on October 31, 2022. The lease requires the Companies to pay taxes, operating expenses, and parking.

Rent expense during the period ended March 31, 2019 was $34,917.

Approximate future minimum rental commitments for noncancellable operating leases are as follows:

Periods Ending March 31,	Amount
2019	$ 90,000
2020	125,000
2021	126,000
2022	119,000
Total	$ 460,000

Note 5: Related-Party Transactions

Vilex of Tennessee, Inc ("Vilex") and Orthex, LLC ("Orthex") entered into a service agreement in 2012 where Vilex can utilize Orthex's designs and improvements to products. The initial agreement was effective for five years with an automatic renewal of two years. The agreement granted Vilex an exclusive authority, with respect to the products and the knowhow related to Orthex, to manufacture, sell to customers, market, and distribute Orthex products. Vilex also has a 5% ownership interest in Orthex. As of March 31, 2019, Vilex had a note receivable from Orthex in the amount of $1,091,676, and Orthex had a corresponding note payable to Vilex for the same amounts. All amounts have been eliminated in the combined financial statements.

Note 6: Retirement Plan

The Companies have a 401(k) profit sharing plan covering substantially all employees who meet certain requirements of age, length of service and hours worked per year. The Companies are required to contribute a matching contribution equal to the employee's salary deferral up to a maximum of 4% of the employee's compensation for the calendar year, which is immediately vested. The Companies' contributions to the Plan were $8,608 for the period ended March 31, 2019.

Note 7: Major Customers

In the period ended March 31, 2019, one major customer accounted for 19% of revenues. At March 31, 2019, amounts due from the customer, included in accounts receivable were approximately $230,000.

Note 8: Concentration of Credit Risk

The Companies have cash accounts with balances held by one financial institution that at times exceed the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the financial institution with which they do business has a strong credit rating and that the credit risk related to the Companies' deposits is minimal.

The Companies grant credit to their customers without collateral in the normal course of business. During the period ended March 31, 2019, the Companies had net recoveries of approximately $6,200.

Note 9: Subsequent Event

Effective June 4, 2019, the Companies were acquired by OrthoPediatrics, a company focused exclusively on advancing the field of pediatric orthopedics. The acquisition included its Orthex Hexapod circular fixation technology and proprietary CORA-based x-ray planning software. The acquisition was for a total of $60,000,000, consisting of $50,000,000 in cash and $10,000,000 in OrthoPediatrics stock.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On June 4, 2019, OrthoPediatrics Corp. (the "Company") entered into an Equity Interest Purchase Agreement (the "Purchase Agreement") with the stockholders of Vilex in Tennessee, Inc., a Tennessee Corporation ("Vilex"), and the members of Orthex, LLC, a Florida limited liability company ("Orthex"), providing for the purchase by the Company of all of the issued and outstanding shares of stock of Vilex and all of the issued and outstanding units of membership interests in Orthex (the "Acquisition") from such stockholders and members, respectively (collectively, the "Sellers"). Orthex and Vilex (together, the "Vilex Companies") are primarily manufacturers of foot and ankle surgical implants, including cannulated screws, fusion devices, surgical staples and bone plates, as well as Orthex Hexapod technology which is used to treat pediatric congenital deformities and limb length discrepancies.

Concurrently with the execution and delivery of the Purchase Agreement, on June 4, 2019, the Company completed its acquisition of the Vilex Companies by paying (a) $50 million of cash, as adjusted for estimated working capital, and (b) 245,352 shares of common stock, $0.00025 par value per share, of the Company (“Common Stock”), to the Sellers. The shares of Common Stock were valued at $40.76 per share (which amount represents the volume weighted average trading price during the thirty day trading period ending on May 30, 2019). In addition, $3 million of the cash consideration was deposited into escrow for a period of up to twenty (20) months to cover certain indemnification obligations of the Sellers and to secure certain closing adjustments.

Planned Divestiture

Because the current product line of the Vilex Companies also includes adult offerings that are not core to the Company’s pediatrics business, the Company's Board of Directors authorized the Company to take the steps necessary to divest those non-core product lines of the Vilex Companies. The Company anticipates there being significant interest in the assets to be offered for sale. As a result, the Company has disclosed Vilex as a discontinued operation within its unaudited proforma condensed combined financial statements.

Debt Financing for Acquisition

In order to finance a portion of the cash consideration for the Acquisition, the Company entered into a First Amendment (the “Amendment”) to its Fourth Amended and Restated Loan and Security Agreement (as so amended, the “Loan Agreement”), with Squadron Capital LLC (the “Lender”), the Company’s largest investor. The Loan Agreement provides for a new $30 million term loan facility (the “Term Loan B”) in addition to the existing $20 million term loan facility (the “Term Loan A”) and $15 million revolving credit facility that were established previously by the Lender. The term loan and revolving credit facilities under the Loan Agreement provide for interest only payments with interest rates equal to the greater of (a) three month LIBOR plus 8.61%, and (b) 10.00%. The maturity date for the Term Loan B is the earliest of: (i) the date on which any persons acquire (x) capital stock of the Company possessing the voting power to elect a majority of the Company’s Board of Directors (whether by merger, consolidation, reorganization, combination, sale or transfer), or (y) all or substantially all of the Company’s assets, determined on a consolidated basis; (ii) the date on which the Company sells its equity interest in, or all or substantially all of the assets of, Vilex; and (iii) May 31, 2020. The maturity date for each of the Term Loan A and the revolving credit facility is January 31, 2023. Until such time that the Term Loan B and all accrued interest thereon has been paid in full, no borrowings under the revolving loan facility are permitted.

As provided in the Amendment, Orthex became a “Borrower” under the Loan Agreement and, as such, granted to the Lender a security interest in all of its personal property as collateral for all borrowing under the Loan Agreement. In connection with the Amendment, the Company granted a security interest in (a) the units of membership interests in Orthex held by the Company, and (b) the shares of stock of Vilex held by the Company, as collateral for borrowings under the Loan Agreement. Borrowings under the Loan Agreement are secured by substantially all of the Company’s assets and are unconditionally guaranteed by each of its subsidiaries with the exception of Vilex.

The following unaudited pro forma condensed combined financial statements give effect to the Vilex Companies' acquisition on June 4, 2019 and include adjustments for the following:

- certain reclassifications to conform historical financial statement presentation of the Company and the Vilex Companies;
- the proceeds and uses of the Term Loan B and related interest expense;
- application of the acquisition method of accounting under the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, which we refer to as ASC 805, “Business Combinations,” to reflect estimated acquisition consideration of approximately $60 million (approximately $10 million in share consideration based on the

weighted average trading price during the thirty day trading period ending on May 30, 2019 and approximately $50 million of cash consideration), in exchange for 100% of all outstanding equity securities of the Vilex Companies (there are no outstanding equity securities of the Vilex Companies owned by any person other than the Company as of June 4, 2019);

- transaction costs in connection with the acquisition;
- the fair value of the identifiable intangible assets based on valuations using a combination of the income and cost approach, including trademarks/names, patents, internally developed software, customer relationships and non-competition agreements; and
- the estimated impact of divestiture of Vilex.

The following unaudited pro forma condensed combined financial statements and related notes are based on and should be read in conjunction with (i) the historical unaudited condensed consolidated financial statements of the Company as of and for the six months ended June 30, 2019 and 2018 and the related notes included in the Company's Quarterly Report on Form 10-Q for the quarterly periods ended June 30, 2019 and 2018, (ii) the historical unaudited condensed combined financial statements of the Vilex Companies as of and for the three months ended March 31, 2019 and the related notes for the quarterly period ended March 31, 2019, which financial statements are filed as Exhibit 99.2 to the Form 8-K/A to which this Exhibit 99.3 is a part, (iii) the historical audited consolidated financial statements of the Company and the related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, and (iv) the historical audited combined financial statements of the Vilex Companies and the related notes for the years ended December 31, 2018 and 2017, which financial statements are filed as Exhibit 99.1 to the Form 8-K/A to which this Exhibit 99.3 is a part.

The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2019 and the year ended December 31, 2018 combine the historical consolidated statements of operations of the Company and the combined statements of income of the Vilex Companies that are included in the applicable 2019 first quarter and second quarter financial statements, 2018 year-end financial statements and the internal books and records of the Vilex Companies prepared on a consistent basis as the Vilex Companies' audited financial information, giving effect to the acquisition as if it had been completed on January 1, 2018. A condensed consolidated balance sheet as of June 30, 2019, including the assets and liabilities of the Vilex Companies, is included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019 filed with the SEC on August 13, 2019.

The historical financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (i) directly attributable to the acquisition, (ii) factually supportable and (iii) with respect to the unaudited pro forma condensed combined statement of earnings, expected to have a continuing effect on the combined results of the Company and the Vilex Companies. The unaudited pro forma condensed combined financial statements contained herein do not reflect the costs of any integration activities or benefits that may result from the realization of future cost savings from operating efficiencies, or any other synergies that may result from the acquisition.

The unaudited pro forma condensed combined financial statements and related notes are being provided for illustrative purposes only and do not purport to represent what the combined company’s actual results of operations or financial position would have been had the acquisition been completed on the dates indicated, nor are they necessarily indicative of the combined company’s future results of operations or financial position for any future period.

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting under U.S. GAAP. The acquisition method of accounting is dependent upon certain procedures, such as valuations, appraisals, and discussions and input from the Vilex Companies management, which have to be performed to obtain the necessary information to recognize the acquired assets and liabilities at fair value.

The value of the total acquisition consideration was determined based on (i) the volume weighted average trading price during the thirty day trading period ending on May 30, 2019, and (ii) the outstanding funded indebtedness of the Vilex Companies required to be repaid as of the closing date.

As a result of the foregoing, the pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information. Differences between these preliminary estimates and the final acquisition accounting will arise, and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the combined company’s future results of operations and financial position.

Any changes in the fair values of the net assets or total purchase consideration as compared with the information shown in the unaudited pro forma condensed combined financial statements may change the amount of the total purchase consideration allocated to goodwill and other assets and liabilities and may impact the combined company's statement of operations. The final purchase consideration allocation may be materially different than the preliminary purchase consideration allocation presented in the unaudited pro forma condensed combined financial statements.

OrthoPediatrics Corp.
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Six Months Ended June 30, 2019
(In thousands, except per share amounts)

	OrthoPediatrics Corp. Historical	Vilex Companies Historical		Pro Forma	Pro Forma	Subtotal OrthoPediatrics Corp. Preliminary Pro Forma	Pro Forma Vilex Divestiture	Total OrthoPediatrics Corp. Pro Forma
	June 30, 2019	January 1 - March 31, 2019	April 1 - June 4, 2019	Financing Adjustments	Acquisition Adjustments	Combined	Adjustments	Combined
Net revenue	$ 32,856	$ 2,761	$ 1,749	$ —	$ —	$ 37,366	$ (2,574)	$ 34,792
Cost of revenue	8,582	643 [2]	672	—	—	9,897	(885)	9,012
Gross profit	24,274	2,118	1,077	—	—	27,469	(1,689)	25,780
Operating expenses:								
Sales and marketing	14,153	769	554	—	—	15,476	(982)	14,494
General and administrative	12,181	733 [2]	583	—	(956) 4(a)	12,541	(1,154)	11,387
Research and development	2,447	20 [2]	71	—	—	2,538	(24)	2,514
Total operating expenses	28,781	1,522	1,208	—	(956)	30,555	(2,160)	28,395
Operating income (loss)	(4,507)	596	(131)	—	956	(3,086)	471	(2,615)
Other expenses (income):								
Interest expense (income)	935	66	69	1,361 4(b)	(135) 4(b)	2,296	—	2,296
Other expense	37	—	—	—	—	37	—	37
Total other expenses (income)	972	66	69	1,361	(135)	2,333	—	2,333
Net income (loss) from continuing operations	$ (5,479)	$ 530	$ (200)	$ (1,361)	$ 1,091	$ (5,419)	$ 471	$ (4,948)
Net loss from discontinued operations	$ (159)	$ —	$ —	$ —	$ —	$ (159)	$ —	$ (159)
Net income (loss)	$ (5,638)	$ 530	$ (200)	$ (1,361)	$ 1,091	$ (5,578)	$ 471	$ (5,107)
Net income (loss) attributable to common stockholders	$ (5,638)	$ 530	$ (200)	$ (1,361)	$ 1,091	$ (5,578)	$ 471	$ (5,107)
Weighted average common shares - basic and diluted	14,409,752							14,655,104 4(c)
Net loss per share attributable to common stockholders - basic and diluted	$ (0.39)							$ (0.35)

See accompanying notes to unaudited pro forma condensed combined financial information.

OrthoPediatrics Corp.
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2018
(In thousands, except per share amounts)

	OrthoPediatrics Corp. Historical December 31, 2018	Vilex Companies Historical December 31, 2018		Pro Forma Financing Adjustments		Pro Forma Acquisition Adjustments		Subtotal OrthoPediatrics Corp. Preliminary Pro Forma Combined	Pro Forma Vilex Divestiture Adjustments	Total OrthoPediatrics Corp. Pro Forma Combined	
Net revenue	$ 57,559	$ 11,794		$ —		$ —		$ 69,353	$ (6,746)	$ 62,607	
Cost of revenue	14,879	2,368	2	—		—		17,247	(905)	16,342	
Gross profit	42,680	9,426		—		—		52,106	(5,841)	46,265	
Operating expenses:											
Sales and marketing	26,563	3,023		—		—		29,586	(2,108)	27,478	
General and administrative	20,938	3,080	2	—		44	4(a)	24,062	(2,204)	21,858	
Research and development	4,732	261	2	—		—		4,993	(67)	4,926	
Total operating expenses	52,233	6,364		—		44		58,641	(4,379)	54,262	
Operating income (loss)	(9,553)	3,062		—		(44)		(6,535)	(1,462)	(7,997)	
Other expenses (income):											
Interest expense (income)	2,255	264		2,971	4(b)	(265)	4(b)	5,225	—	5,225	
Other expense	217	—		—		—		217	—	217	
Total other expenses (income)	2,472	264		2,971		(265)		5,442	—	5,442	
Net income (loss)	$ (12,025)	$ 2,798		$ (2,971)		$ 221		$ (11,977)	$ (1,462)	$ (13,439)	
Weighted average common shares - basic and diluted	12,567,387									12,812,739	4(c)
Net loss per share attributable to common stockholders - basic and diluted	$ (0.96)									$ (1.05)	

See accompanying notes to unaudited pro forma condensed combined financial information.

ORTHOPEDIATRICS CORP
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS
(In thousands, except per share amounts)

1. Basis of pro forma presentation

The accompanying unaudited pro forma condensed combined financial statements and related notes were prepared in accordance with Article 11 of Regulation S-X. The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2019 and the year ended December 31, 2018 combine the historical consolidated statements of operations of the Company and the combined statements of income of the Vilex Companies included in the applicable 2019 first and second quarter financial statements, the 2018 year-end financial statements and the internal books and records of the Vilex Companies prepared on a basis consistent with the Vilex Companies' audited financial statements, giving effect to the acquisition as if it had been completed on January 1, 2018. Refer to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019 for the Company's condensed consolidated balance sheet at June 30, 2019, which includes the assets and liabilities of the Vilex Companies.

The Company's and the Vilex Companies' historical financial statements were prepared in accordance with U.S. GAAP and presented in U.S. dollars. As discussed in Note 2, certain reclassifications were made to align the Company's and the Vilex Companies' financial statement presentation. The Company has not identified all adjustments necessary to conform the Vilex Companies' accounting policies to the Company's accounting policies. There were no material transactions and balances between the Company and the Vilex Companies as of and for the six months ended June 30, 2019 and the year ended December 31, 2018.

The accompanying unaudited pro forma condensed combined financial statements and related notes were prepared using the acquisition method of accounting under the provisions of ASC 805, with the Company considered the acquirer of the Vilex Companies. ASC 805 requires, among other things, that the assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date. For purposes of the unaudited pro forma condensed combined balance sheet, the purchase consideration has been allocated to the assets acquired and liabilities assumed of the Vilex Companies based upon management’s preliminary estimate of their fair values as of June 30, 2019. Any differences between the fair value of the consideration transferred and the fair value of the assets acquired and liabilities assumed will be recorded as goodwill. Accordingly, the purchase price allocation and related adjustments reflected in these unaudited pro forma condensed combined financial statements are preliminary and subject to revision.

All amounts presented within these Notes to Unaudited Pro Forma Condensed Combined Financial Statements are in thousands, except per share data or as denoted otherwise.

2. Vilex and OrthoPediatrics reclassification adjustments

During the preparation of these unaudited pro forma condensed combined financial statements, management reviewed the Vilex Companies' financial information to identify differences in accounting policies as compared to those of the Company and differences in financial statement presentation as compared to the presentation of the Company. The Company reclassified $53 and $354 of expenses for the three months ended March 31, 2019 and year ended December 31, 2018, respectively, related to regulatory and research and development from cost of revenue to operating expenses in the unaudited pro forma condensed combined statements of operations to conform with the Company's presentation.

3. Preliminary purchase price allocation

Refer to the table below for the preliminary calculation of estimated value of the acquisition consideration:

(in thousands, except per share amounts)	NOTE		Amount (Rounded)
Cash consideration:			
Cash consideration paid to Vilex and Orthex stockholders pursuant to the equity interest purchase agreement			$ 40,210
Share consideration:			
OrthoPediatrics common shares issued		245,352	
Volume weighted average share price of OrthoPediatrics for the 30 days ending on May 30, 2019		$ 40.76	
Estimated value of OrthoPediatrics common shares issued to Vilex and Orthex equity holders pursuant to the equity interest purchase agreement			10,000
Estimated repayment of the Vilex Companies funded indebtedness (including accrued interest)	(i)		6,529
Estimated payment of Vilex Companies transaction related costs			261
Fund escrow and payment of related agent fees	(ii)		3,001
Working capital adjustment			275
Preliminary fair value of estimated total acquisition consideration			$ 60,276

(i) Per the equity interest purchase agreement, the Company was required to pay each person to whom either or both of the Vilex Companies owes funded indebtedness as of closing.

(ii) Per the equity interest purchase agreement, $3,000 was deposited into escrow for a period of up to twenty months to cover certain indemnification obligations of the Vilex Companies and to secure certain closing adjustments.

The preliminary estimated acquisition consideration as shown in the table above is allocated to the tangible and intangible assets acquired and liabilities assumed of the Vilex Companies based on their preliminary estimated fair values. The following table sets forth a preliminary allocation of the acquisition consideration to the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed of the Vilex Companies using the Vilex Companies' unaudited combined balance sheet as of June 4, 2019, with the excess recorded to goodwill:

Description	**Amount**
(in thousands)	
Preliminary fair value of estimated total acquisition consideration	$ 60,276
Assets	
Cash and cash equivalents	348
Trade receivables	1,849
Inventory	3,905
Prepaid expenses and other current assets	12
Property and equipment	7,541
Intangible assets	18,260
Operating lease right-of-lease asset	323
Total assets	32,238
Liabilities	
Accounts payable and accrued liabilities	564
Operating lease liabilities	323
Other long-term liabilities	68
Total liabilities	955
Less: net assets	31,283
Goodwill	$ 28,993

4. Adjustments to the unaudited pro forma condensed combined statement of operations

Refer to the items below for a reconciliation of the adjustments reflected in the unaudited pro forma condensed combined statements of operations:

(a) General and administrative operating expenses have been adjusted as follows:

Intangible asset amortization

Represents the removal of $20 and $48 of amortization expense on the historical Vilex Companies' intangible assets offset by $38 and $92 of amortization expense on the newly acquired intangible assets for the period ended June 4, 2019 and year ended December 31, 2018, respectively. The newly acquired intangible assets consist of trademarks/names, patents, internally developed software, customer relationships and non-competition agreements and are amortized on estimated useful lives ranging from 5 to 15 years. The trademarks/names have an indefinite life.

Operating lease right-of-use

Additional expenses of $37 and $89 were recorded related to the operating lease right-of-use asset amortization recorded as rent expense for the period ended June 4, 2019 and the year ended December 31, 2018, respectively.

Transaction costs

One-time transaction costs of $385 incurred by the Vilex Companies and $589 incurred by the Company related to the acquisition of the Vilex Companies were removed in the six months ended June 30, 2019. No transaction costs were incurred or adjusted during the year ended December 31, 2018.

(b) Historial interest expense has been adjusted as follows:

Interest expense on Term Loan A and B: pro forma financing adjustment

Represents the increased interest expense for the six months ended June 30, 2019 and the year ended December 31, 2018 of approximately $1,361 and $2,971, respectively. For these unaudited pro forma condensed combined financial statements, the Company assumes the Term Loan A and B has a weighted average interest rate of 10.94%. Based on the principal amounts of Term Loan B assumed to be issued, a 1/8% increase (decrease) in the annual interest rates on the debt assumed to be issued would cause the net earnings to (decrease) increase for the six months ended June 30, 2019 by ($32) and $32, respectively, and for the year ended December 31, 2018 by ($63) and $63, respectively.

Elimination of historical Vilex Companies interest expense - pro forma acquisition adjustment

Represents the elimination of interest expense on the existing Vilex Companies loans which were paid in full with the acquisition proceeds, decreasing interest expense by $135 and $265 for the six months ended June 30, 2019 and the year ended December 31, 2018, respectively.

(c) The pro forma basic and diluted earnings per share calculations are based on the basic and diluted weighted average shares of the Company plus shares issued as part of the acquisition. The pro forma basic and diluted weighted average shares outstanding are a combination of historical weighted average shares of the Company's common stock and the share impact of the acquisition.

Pro forma basic weighed average shares	**Six Months Ended June 30, 3019**	**Year Ended December 31, 2018**
Historical OrthoPediatrics weighted average shares outstanding - basic and diluted	14,409,752	12,567,387
Shares of OrthoPediatrics common stock issued to Vilex Companies equity holders pursuant to the acquisition	245,352	245,352
Pro forma weighted average shares - basic and diluted	14,655,104	12,812,739