Bioventus Proceeds with Option Structure Agreement with CartiHeal

August 30, 2021

DURHAM, N.C., Aug. 30, 2021 (GLOBE NEWSWIRE) -- Bioventus Inc. (Nasdaq: BVS) ("Bioventus" or the "Company"), a global leader in innovations for active healing, has elected to make a $50 million escrow payment pursuant to its Option and Equity Purchase Agreement with CartiHeal Ltd., signaling its intent to move forward with an acquisition of CartiHeal. The Company's decision came following its review of a statistical analysis report of the pivotal clinical trial of the Agili ™-C implant, reimbursement coding analysis and significant market diligence including surgeon interviews with respect to Agili-C's commercialization opportunity and ultimate market potential.

The Company's obligation to consummate the Potential Transaction is subject to the exercise by the Company of the call option provided under the Option Agreement, or the exercise by CartiHeal of its put option provided under the Option Agreement. The put option may only be exercised following premarket approval (PMA) by the Food and Drug Administration (FDA) of the Agili-C implant, which was granted Breakthrough Device Designation by the FDA last year, and the satisfaction of certain other conditions pursuant to the Option Agreement. Following the exercise of such option rights, the closing of the Potential Transaction is subject to certain customary conditions to closing. CartiHeal plans to submit the clinical module of their PMA later this year.

Agili-C is indicated for the treatment of a cartilage and osteochondral defects (defined as ICRS grade III or above) in the knee joint, in patients without severe osteoarthritis (Kellgren-Lawrence (KOOS) grade 0-3). The implant is designed to provide a cost effective solution in patients indicated for Agili-C.

"The robust data generated from the pivotal clinical trial, a randomized controlled trial with Agili-C, demonstrated superiority over surgical standard of care, microfracture and debridement, in KOOS overall compared to baseline. We believe this product could be a strong alternative for the approximately 650,000 US patients annually receiving microfracture or debridement along with other cartilage treatment options," said Alessandra Pavesio, Senior Vice President and Chief Science Officer, Bioventus. "In combination with our HA products, Agili-C represents an exciting potential new offering for our portfolio designed to address the spectrum of osteoarthritis disease."

In the next several quarters, Bioventus plans to continue to work closely with the CartiHeal team in advance of potential FDA approval to be ready to execute on commercialization and reimbursement activities should the Potential Transaction be consummated.

About Bioventus
Bioventus delivers clinically proven, cost-effective products that help people heal quickly and safely. Its mission is to make a difference by helping patients resume and enjoy active lives. The Innovations for Active Healing from Bioventus include offerings for pain treatment & joint preservation, restorative therapies and bone graft substitutes. Built on a commitment to high quality standards, evidence-based medicine and strong ethical behavior, Bioventus is a trusted partner for physicians worldwide. For more information, visit www.bioventus.com, and follow the Company on LinkedIn and Twitter.

Legal Notice Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, the expected timing of submission of a PMA for Agili-C and potential FDA approval, the Company's potential acquisition of CartiHeal and related conditions to closing, and the benefits of an acquisition of CartiHeal. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Factors that could cause actual results to differ materially from those contemplated in this press release include, but are not limited to, our ability to recognize the benefits of the investment in CartiHeal; the adverse impacts on our business as a result of the COVID-19 pandemic; our dependence on a limited number of products; our ability to develop, acquire and commercialize new products, line extensions or expanded indications; the continued and future acceptance of our existing portfolio of products and any new products, line extensions or expanded indications by physicians, patients, third-party payers and others in the medical community; our ability to achieve and maintain adequate levels of coverage and/or reimbursement for our products, the procedures using our products, or any future products we may seek to commercialize, including any potential changes by Centers for Medicare and Medicaid Services in the manner in which our HA viscosupplementation products are reimbursed; our ability to complete acquisitions or successfully integrate new businesses, products or technologies in a cost-effective and non-disruptive manner; including the potential CartiHeal acquisition; competition against other companies; and the other risks identified in the Risk Factors section of the Company's public filings with the Securities and Exchange Commission (SEC), including the Company's Annual Report on Form 10-K for the year ended December 31, 2020, as updated by the Company's Quarterly Report on Form 10-Q for the quarter ended July 3, 2021 and as such factors may be further updated from time to time in the Company's other filings with the SEC, which are accessible on the SEC's website at www.sec.gov and the Investor Relations page of the Company's website at ir.bioventus.com. Except to the extent required by law, the Company undertakes no obligation to update or review any estimate, projection, or forward-looking statement. Actual results may differ materially from those set forth in the forward-looking statements.

Media Contact:

Thomas Hill
Bioventus
919-474-6715
thomas.hill@bioventus.com

Investor Inquiries:
Dave Crawford
Bioventus
919-474-6787
dave.crawford@bioventus.com