Bioventus Exercises Call Option to Acquire CartiHeal

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DURHAM, N.C., April 04, 2022 (GLOBE NEWSWIRE) -- Bioventus Inc. (Nasdaq: BVS) (“Bioventus” or the “Company”), a global leader in innovations for active healing, today announced that it has exercised its call option to acquire CartiHeal Ltd., excluding the ownership interest already owned by Bioventus, for approximately $315 million, with an additional approximately $135 million payable contingent upon the achievement of $100 million in trailing twelve month sales. Bioventus plans to finance the acquisition with additional debt. The Company’s decision to exercise this option follows the U.S. Food and Drug Administration’s (FDA) March 29, 2022, premarket approval (PMA) of CartiHeal’s Agili-C ™ implant.

Agili-C was granted Breakthrough Device Designation by the FDA in 2020 and is indicated for the treatment of International Cartilage Repair Society (ICRS) grade III or above knee–joint surface lesions, with a total treatable area of 1-7 cm^2 for patients without severe osteoarthritis (Kellgren-Lawrence grade 0-3). The Agili-C implant is expected to be a cost-effective solution for cartilage regeneration and bone remodeling designed to delay total knee replacement in patients with joint surface lesions of the knee.

“CartiHeal represents an important breakthrough for the treatment of osteoarthritis, and we are excited to bring this complementary product into our growing portfolio of medical devices. CartiHeal addresses an unmet need in joint preservation and cartilage regeneration for approximately 675,000 U.S. patients annually, representing an estimated $1.3 billion market opportunity for Bioventus. The CartiHeal team has done a tremendous job developing the implant, as evidenced by strong clinical data demonstrating clinical superiority over microfracture or debridement,” said Ken Reali, CEO of Bioventus. “We look forward to leveraging our strong existing commercial infrastructure to begin commercializing CartiHeal in the coming months.”

The transaction is expected to close during the second quarter subject to certain customary closing conditions, and Bioventus plans a limited market release (LMR) of CartiHeal in the U.S. during the third quarter of 2022.

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, restorative therapies and surgical solutions. 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. Bioventus and the Bioventus logo are registered trademarks of Bioventus LLC. Agili-C is a trademark of CartiHeal.

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 the closing of the Company’s acquisition of CartiHeal and related conditions to closing, the benefits of an acquisition of CartiHeal, market opportunity for CartiHeal and the Company’s expected timeline for commercialization 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 complete the CartiHeal acquisition on expected timelines or at all; 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; 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, 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.

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