



Bioventus Enters into Settlement Agreement to Preserve Maximum Optionality – Up To \$350mm of Potential Liability Reduction and a Release of Future Claims related to the CartiHeal Acquisition

February 28, 2023

DURHAM, N.C., Feb. 28, 2023 (GLOBE NEWSWIRE) -- [Bioventus Inc.](#) (Nasdaq: BVS) ("Bioventus" or the "Company"), a global leader in innovations for active healing, announced today that it has entered into a Settlement Agreement (the "Settlement Agreement") with the former CartiHeal shareholders (the "CartiHeal Sellers") regarding the Company's obligations under the amended Option and Equity Purchase Agreement for its prior acquisition of CartiHeal (the "Amended Acquisition Agreement").

The Settlement Agreement provides the Company with the option to eliminate the entirety of \$350 million of deferred purchase price obligations plus accrued interest under the Amended Acquisition Agreement (which is comprised of \$215 million of Post-Closing Tranches and a \$135 million Sales Milestone payment, if applicable, each as defined in the Amended Acquisition Agreement, plus any applicable interest). The Settlement Agreement also releases the Company from any and all future claims or obligations by or to the CartiHeal Sellers that may have arisen under the Amended Acquisition Agreement.

The Company has been granted a 30-day period in which it may evaluate options to fund the remaining obligations under the Amended Acquisition Agreement in order to retain CartiHeal. Funding options will only be pursued by the Company on an opportunistic basis, on terms that the Company believes would be favorable to its stakeholders. If the Company does not obtain funding sufficient to satisfy the \$215 million of Post-Closing Tranche obligations, plus any applicable interest, under the Amended Purchase Agreement by the expiration of the 30-day period, the Company has agreed to transfer ownership of CartiHeal to the CartiHeal Sellers. In addition, during the 30-day period, the CartiHeal shares have been transferred to a trust for the benefit of the CartiHeal Sellers.

In exchange for the release of the Company's obligations and the 30-day period, the Company agreed to pay the CartiHeal Sellers \$10,000,000 in cash as well as \$150,000 in a non-refundable expense reimbursement payment. The Company will also have the option to exercise up to two extension periods of 15 days each in exchange for an additional \$5,000,000 payment per extension.

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 Treatments, 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.

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, expectations as to future payment obligations to the CartiHeal Sellers and any plans to obtain funding sufficient to satisfy the \$215 million of Post-Closing Tranche obligations, plus any applicable interest, during the 30-day period. 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 the Company's actual results to differ materially from those contemplated in this press release include, but are not limited to, the Company's ability to secure additional funding, if needed, on reasonable terms or at all; risks related to its debt and future capital needs; its ability to meet certain of its debt covenants under its Credit Agreement and the potential accelerated obligation to repay indebtedness; its ability to complete acquisitions or successfully integrate new businesses in a cost-effective and non-disruptive manner; its ability to continue to fund operations for at least the next twelve months as a going concern; and the other risks identified in the Risk Factors section of the Company's public filings with the Securities and Exchange Commission (SEC), including Bioventus' Annual Report on Form 10-K for the year ended December 31, 2021, as updated by Bioventus' subsequent Quarterly Report on Form 10-Q for the quarter ended October 1, 2022 and as may be further updated from time to time in Bioventus' other filings with the SEC, which are accessible on the SEC's website at www.sec.gov and the Investor Relations page of Bioventus' website at <https://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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