



# Fourth Quarter 2024 Financial Results

March 11, 2025

# Agenda and Speakers



**Rob Claypoole**  
President and  
Chief Executive Officer

**Update on Business  
Outline 2025 Priorities**



**Mark Singleton**  
Senior Vice-President  
and Chief Financial Officer

**Q4 2024 Results  
2025 Financial Guidance**

# Forward Looking Statements and Use of Estimates

## Forward-Looking Statements

This presentation 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 presentation that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements concerning our future financial results and liquidity; the impact of our recently divested Advanced Rehabilitation Business on our financial condition and operations; our business strategy, position and operations; and expected sales trends, opportunities, market position and growth. 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. Important factors that may cause actual results to differ materially from current expectations include, among other things: we might not realize some or all of the benefits expected to result from the recently completed divestiture of our Advanced Rehabilitation Business; if we fail to properly manage growth or scale our business processes, systems, or data management, our business could suffer; our ability to maintain our competitive position depends on our ability to attract, retain and motivate our senior management team and other highly qualified personnel necessary to execute our strategic plans; we may face issues with respect to the supply of our products or their components due to product quality and regulatory compliance issues, including increased costs, disruptions of supply, shortages, contamination or mislabeling; we might not meet certain of our debt covenants under our Credit and Guaranty Agreement and might be required to repay our indebtedness on an accelerated basis; there are restrictions on operations and other costs associated with our indebtedness; we might require additional capital to fund our current financial obligations and support business growth; failure to establish and maintain effective financial controls could adversely affect our business and stock price; we might not be able to complete acquisitions or successfully integrate new businesses, products or technologies in a cost-effective and non-disruptive manner; our cash is maintained at financial institutions, often in balance that exceed federally insured limits; we have been subject to securities class action litigation and may be subject to similar or other litigation, including shareholder litigation, in the future, which will require significant management time and attention, result in significant legal expenses or costs not covered by our insurers, and may result in unfavorable outcomes; we are highly dependent on a limited number of products; our long-term growth may be limited by our inability to develop, acquire and commercialize new products, line extensions or expanded indications; demand for our existing portfolio of products and any new products, line extensions or expanded indications depends on the continued and future acceptance of our products by physicians, patients, third-party payers and others in the medical community; the proposed down classification of non-invasive bone growth stimulators, including our EXOGEN system, by the U.S. Food and Drug Administration (“FDA”) could increase future competition for bone growth stimulators and otherwise adversely affect the Company’s sales of EXOGEN; failure to achieve and maintain adequate levels of coverage and/or reimbursement for our products or future products; pricing pressure and other competitive factors; we may be unable to successfully commercialize newly developed or acquired products or therapies in the United States; governments outside the United States might not provide coverage or reimbursement of our products; we compete and may compete in the future against other companies, some of which have longer operating histories, more established products or greater resources than we do; if our HA products are reclassified from medical devices to drugs in the United States by the FDA, it could negatively impact our ability to market these products and may require that we conduct costly additional clinical studies to support current or future indications for use of those products; our failure to properly manage our growth or scale our business processes, systems, or data management; risks related to product liability claims; fluctuations in demand for our products; issues relating to the supply of our products or their components due to product quality and regulatory compliance issues, including increased costs, disruptions of supply, shortages, contamination or mislabeling; our reliance on a limited number of third-party manufacturers to manufacture certain of our products; security breaches, unauthorized access to or disclosure of information, cyberattacks, or other incidents or the perception that confidential information in our or our vendors’ or service providers’ possession or control is not secure; failure of key information technology and communications systems, process or sites; economic, political (including international tariffs), regulatory and other risks related to international sales, manufacturing and operations; unstable political or economic conditions; failure to maintain contractual relationships; failure to comply with extensive governmental regulation relevant to us and our products; we may be subject to enforcement action if we engage in improper claims submission practices and resulting audits or denials of our claims by government agencies could reduce our net sales or profits; the FDA regulatory process is expensive, time-consuming and uncertain, and the failure to obtain and maintain required regulatory clearances and approvals could prevent us from commercializing our products; if clinical studies of our future product candidates do not produce results necessary to support regulatory clearance or approval in the United States or elsewhere, we will be unable to expand the indications for or commercialize these products; legislative or regulatory reforms; if our facilities are damaged or become inoperable, we will be unable to continue to research, develop and manufacture certain of our products; risks related to intellectual property matters; the dilution of our Class A common stockholders upon an exchange of the outstanding common membership interests in Bioventus LLC could adversely affect the market price of our Class A common stock and the resale of such shares could cause the market price of our Class A common stock to fall; and other the other risks identified in our Annual Report on Form 10-K for the year ended December 31, 2024, as such factors may be updated from time to time in Bioventus’ other filings with the SEC which are accessible on the SEC’s website at [www.sec.gov](http://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.

## Use of Estimates

Unless otherwise indicated, information contained in this presentation concerning our industry, competitive position and the markets in which Bioventus operates is based on information from independent industry and research organizations, other third-party sources and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from our internal research, and are based on assumptions made by the Company upon reviewing such data, and the Company’s experience in, and knowledge of, such industry and markets, which the Company believes to be reasonable. In addition, projections, assumptions and estimates of the future performance of the industry in which the Company operates and its future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in the estimates made by independent parties and by the Company.

# Well Positioned to Build on Positive Momentum in 2025

- Made meaningful progress in 2024 to position Bioventus for continued success
- Completed comprehensive strategic review and aligned organization
  - Developed roadmap for organic and inorganic opportunities, commercial and operational improvements and ROI investments
- Strengthened team and enhanced culture
  - Developed new capabilities
  - Recruited new talent
  - Improved culture and increased employee engagement
- Enhanced execution across organization
  - Delivered strong financial performance in 2024
  - Optimized portfolio with Advanced Rehabilitation divestiture
  - Aligned commercial and operational strategies
  - Elevated visibility and ownership of execution

# Strong Execution – Revenue, Profitability and Liquidity

- Fourth quarter 14% revenue growth and 14% organic growth\* for the year
- Generated double-digit revenue growth in Surgical Solutions
  - Surpassed internal expectations
  - Saw the highest year-over-year growth for Ultrasonics for 2024
- Achieved double-digit revenue growth in Pain Treatments
  - Beat internal expectations for HA driven by Durolane
- In Restorative Therapies, Exogen grew in the fourth quarter and accelerated growth to 7% for 2024
- Delivered \$28 million of Adjusted EBITDA\* in fourth quarter, an improvement of 28%
- Paid down nearly \$50 million of debt and reduced net leverage ratio to slightly above 3 turns



# 2025 Financial Priorities – Driving Above Market Revenue Growth

- Strive to grow revenue at a higher rate than market rate of low to mid-single digits
- In Surgical Solutions, penetrating estimated \$1 billion opportunity in Ultrasonics with differentiated technology and strategic investments
- Also in Surgical Solutions, Bone Graft Substitutes expected to continue to grow above market as it delivers savings for hospitals
- Pain Treatment growth driven by Durolane’s clinical differentiation, dedicated commercial team and private payer expansion
- Restorative Therapies focused on capitalizing on momentum of Exogen



# 2025 Financial Priorities – Improving Profitability and Accelerating Cash Flow

- 2024 was an example of the powerful combination of peer-leading gross margin and above-market growth
- Focus this year on supply chain improvements to maintain gross margin
- Goal to deliver 100 bps of incremental Adjusted EBITDA\* margin improvement in 2025
- Moved from negative cash flow to generating positive cash flow over last three years
- Believe further acceleration is possible
  - Increasing EBITDA
  - Reducing one-time cash costs
  - Managing inventory more effectively
  - Lowering interest expense

# Fourth Quarter Results

**Mark Singleton**

Senior Vice-President and Chief Financial Officer

# Fourth Quarter Performance

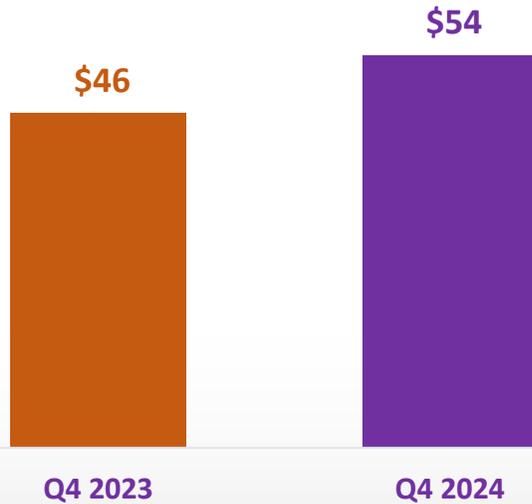
- Encouraged by results to date and progress to continuously improve our business
- Revenue of \$154 million increased 14% compared to the prior year quarter
- Maintained strong momentum with double-digit growth in both Pain Treatments and Surgical Solutions
- Generated Adjusted EBITDA\* of \$28 million, increased \$6 million or 28% compared to the prior year quarter

\* See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on slides 16 -19 of this presentation.

# Fourth Quarter Performance

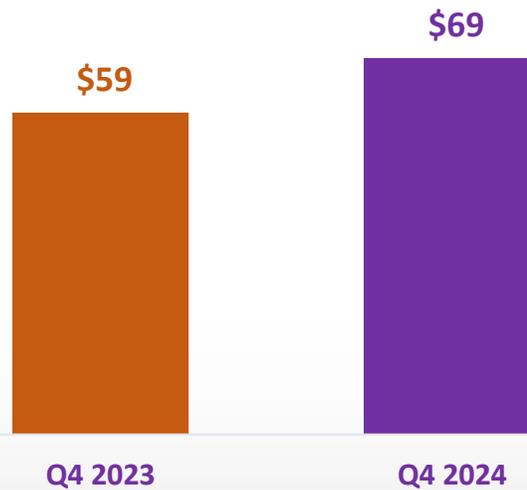
## Surgical Solutions Revenue

Millions



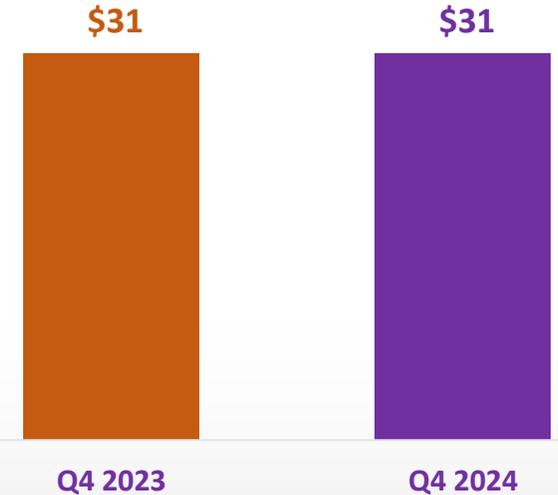
## Pain Treatments Revenue

Millions



## Restorative Therapies Revenue

Millions

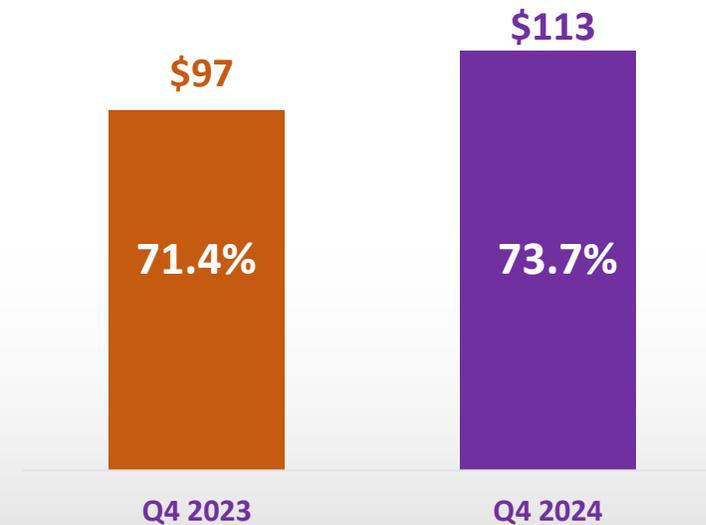


- Surgical Solutions increased 18% compared to prior year quarter
  - Ultrasonics grew more than 20%
  - Expect to return Bone Graft Substitutes to double-digit growth in the second half of 2025
- Pain Treatments increased 17% compared to prior year quarter
  - Double-digit volume growth driven by Durolane
  - Revenue benefited a few million dollars due to above normal distributor orders
  - Experiencing lower distributor orders in first quarter of 2025
- Restorative Therapies sales were flat compared to prior year quarter
  - Growth driven by Exogen through improved sales force execution offset by weakness in divested Advanced Rehabilitation business

# Fourth Quarter Performance

- Adjusted Gross Margin\* increased 230 basis points
- Experienced transitory inventory write-offs in the prior year

## Adjusted Gross Profit\* Millions Adjusted Gross Margin\*



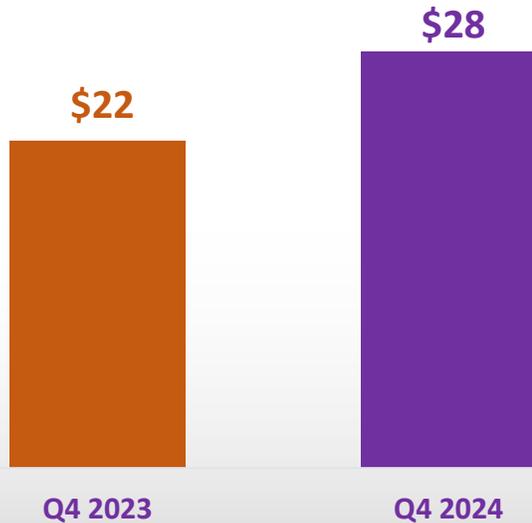
\* See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on Slides 16 – 19 of this presentation.

# Fourth Quarter Performance

## \$0.15 Adjusted Earnings Per Share\*

### Adjusted EBITDA\*

Millions



- 28% Adjusted EBITDA\* growth
- Adjusted operating expenses increased in line with expectations from a return to normalized spending and increased investments

### Adjusted Operating Income\*

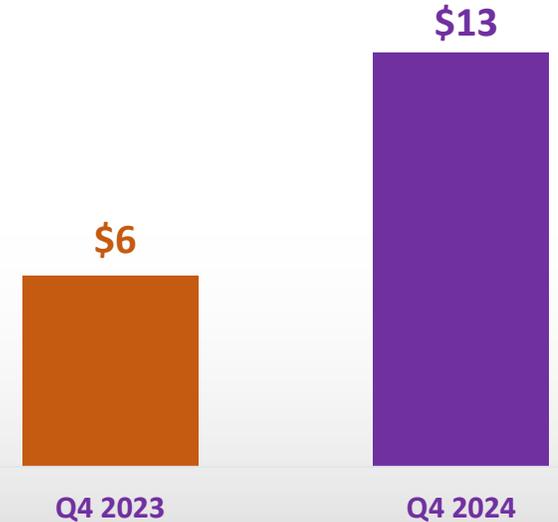
Millions



- 34% increase in Adjusted Operating Income\*
- Adjusted Operating Margin\* of 17% increased 260 basis points from prior year

### Adjusted Net Income\*

Millions



- Adjusted Net Income\* more than doubled compared to the prior year

\* See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on Slides 16 – 19 of this presentation.

# Fourth Quarter Performance: Balance Sheet and Cash Flow

- Ended fourth quarter with \$42 million of cash and \$336 million of debt outstanding
- Repaid \$48 million of debt during the fourth quarter from free cash flow and divestiture proceeds
- No amount drawn on revolving credit facility at year-end
- Cash from operations of \$19 million was 86% higher than prior year quarter
- Further reduced net leverage\* in the fourth quarter to just above 3 times net debt to Adjusted EBITDA\*
- Expect to reduce net leverage to below 2.5 times by the end of 2025

\* See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on slides 16 – 19 of this presentation.

# 2025 Financial Guidance

- 2025 net sales to be in the range of \$560 million to \$570 million representing organic\* growth of 6% to 8%
- Adjusted EBITDA\* to be in the range of \$112 million to \$116 million
- 2025 Adjusted Earnings Per Share\* to be in the range of \$0.64 to \$0.68
- Additional comments
  - Similar to prior years, first quarter revenue and Adjusted EBITDA\* to be the lowest for the year
  - First quarter revenue growth is expected to be impacted by 2 fewer selling days and lower HA volume associated with distributors
  - Organic revenue growth expected to be higher in the second half of 2025 than the first half of 2025
  - First half Adjusted EBITDA\* to be less than prior year but strong growth expected in the second half of 2025

\* The Company does not provide U.S. GAAP financial measures, other than net sales, on a forward-looking basis, because the Company is unable to predict with reasonable certainty the impact and timing of acquisition and divestiture related expenses, accounting fair-value adjustments, and certain other reconciling items without unreasonable efforts. These items of uncertainty depend on various factors and could be material to the Company's results calculated in accordance with U.S. GAAP.



# Reconciliation of Net (Loss) Income from Continuing Operations to Adjusted EBITDA (unaudited)

## Reconciliation of Net Loss from Continuing Operations to Adjusted EBITDA (unaudited)

	Three Months Ended		Years Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
(\$, thousands)				
<b>Net loss from continuing operations</b>	<b>\$ (318)</b>	<b>\$ (7,656)</b>	<b>\$ (43,833)</b>	<b>\$ (121,196)</b>
Interest expense, net	8,997	10,280	38,792	40,676
Income tax expense (benefit), net	550	(750)	(5,293)	85
Depreciation and amortization <sup>(a)</sup>	12,405	12,465	49,555	57,365
Acquisition and related costs <sup>(b)</sup>	345	1,647	1,339	5,694
Shareholder litigation costs <sup>(c)</sup>	82	—	13,802	—
Restructuring and succession charges <sup>(d)</sup>	(124)	1,420	(57)	2,331
Equity-based compensation <sup>(e)</sup>	1,731	1,775	10,058	2,722
Financial restructuring costs <sup>(f)</sup>	—	226	351	7,291
Impairment of assets <sup>(g)</sup>	2,456	—	36,357	78,615
Loss on disposal of a business <sup>(h)</sup>	292	222	292	1,539
Other items <sup>(i)</sup>	1,834	2,389	7,519	13,740
<b>Adjusted EBITDA</b>	<b>\$ 28,250</b>	<b>\$ 22,018</b>	<b>\$ 108,882</b>	<b>\$ 88,862</b>

- (a) Includes for the three months ended December 31, 2024 and December 31, 2023 and the years ended December 31, 2024 and December 31, 2023, respectively, depreciation and amortization of \$10.6 million, \$10.4 million, \$41.9 million and \$48.5 million in cost of sales and \$1.8 million, \$2.1 million, \$7.7 million and \$8.9 million in operating expenses presented in the consolidated statements of operations and comprehensive loss.
- (b) Includes acquisition and integration costs related to completed acquisitions and changes in fair value of contingent consideration.
- (c) Costs incurred as a result of certain shareholder litigation unrelated to our ongoing operations.
- (d) Costs incurred were the result of adopting restructuring plans to reduce headcount, contract termination, reorganize management structure and consolidate certain facilities.
- (e) Includes compensation expense resulting from awards granted under our equity-based compensation plans. The year ended December 31, 2024 includes increased award activity as a result of certain annual employee bonuses granted in the form of equity awards. The year ended December 31, 2023 includes the reversal of \$3.8 million in equity-based compensation expenses related to the transition of our executive leadership.
- (f) Financial restructuring costs include advisory fees and debt amendment related costs.
- (g) Activity in 2024 includes: (i) a non-cash impairment charge of \$33.9 million for intangible assets solely attributable to our Advanced Rehabilitation Business due to the decision to divest the business and (ii) a non-cash impairment charge of \$2.5 million for rented right of use assets involving exited office and warehouse spaces. Activity in 2023 relates to the non-cash impairment charge attributable to our divested Wound Business.
- (h) Represents the loss on the disposal of the Advanced Rehabilitation and Wound Businesses for the years ended December 31, 2024 and 2023, respectively.
- (i) Other items primarily include charges associated with strategic transactions, such as potential acquisitions or divestitures and a transformative project to redesign systems and information processing. Other items for the three months ended December 31, 2024 mostly consisted of divestiture costs related to the Company's Advanced Rehabilitation Business. Other items for the three months ended December 31, 2023 primarily consisted of \$1.3 million in transformative project costs and \$0.6 million in strategic transaction costs. During the year ended December 31, 2024, other items primarily consisted of the following: (i) divestiture costs related to the Company's Advanced Rehabilitation Business, including transactional fees, totaled \$4.7 million; (ii) transformative project costs of \$1.7 million; and (iii) strategic transaction costs of \$0.4 million. During the year ended December 31, 2023, other items mostly consisted of the following: (i) strategic transaction costs of \$4.8 million, including divestiture costs of \$1.1 million related to Advanced Rehabilitation; (ii) transformative project costs of \$4.5 million; (iii) transition and severance costs of \$2.8 million; and (iv) \$1.0 million in costs related to the discontinuance of MOTYS.

# Reconciliation of Other Reported GAAP Measures to Non-GAAP Measures (for Three Months Ended)

## Reconciliation of Other Reported GAAP Measures to Non-GAAP Measures

Three Months Ended December 31, 2024	Gross Profit	Operating Expenses <sup>(a)</sup>	R&D	Operating Income	Net Loss Continuing Operations	EPS from Continuing Operations <sup>(k)</sup>
	<b>Reported GAAP measure</b>	\$ 102,656	\$ 91,422	\$ 3,246	\$ 7,988	\$ (318)
<b>Reported GAAP margin</b>	66.8%			5.2%		
Depreciation and amortization <sup>(b)</sup>	10,630	1,768	7	12,405	12,405	0.15
Acquisition and related costs <sup>(c)</sup>	—	345	—	345	345	—
Shareholder litigation costs <sup>(d)</sup>	—	82	—	82	82	—
Restructuring and succession charges <sup>(e)</sup>	—	(124)	—	(124)	(124)	—
Impairment of assets <sup>(f)</sup>	—	2,456	—	2,456	2,456	0.03
Loss on disposal of a business <sup>(h)</sup>	—	292	—	292	292	—
Other items <sup>(i)</sup>	—	2,646	86	2,732	1,834	0.02
Tax effect of adjusting items <sup>(j)</sup>	—	—	—	—	(4,355)	(0.05)
<b>Non-GAAP measure</b>	<b>\$ 113,286</b>	<b>\$ 83,957</b>	<b>\$ 3,153</b>	<b>\$ 26,176</b>	<b>\$ 12,617</b>	<b>\$ 0.15</b>
<b>Non-GAAP margin</b>	73.7%			17.0%		
	<b>Non-GAAP Gross Margin</b>	<b>Non-GAAP Operating Expenses</b>	<b>Non-GAAP R&amp;D</b>	<b>Non-GAAP Operating Income</b>	<b>Non-GAAP Net Income Continuing Operations</b>	<b>Adjusted EPS Continuing Operations</b>

Three Months Ended December 31, 2023	Gross Profit	Operating Expenses <sup>(a)</sup>	R&D	Operating Income	Net Loss Continuing Operations	EPS from Continuing Operations <sup>(k)</sup>
	<b>Reported GAAP measure</b>	\$ 86,301	\$ 81,874	\$ 3,262	\$ 1,165	\$ (7,656)
<b>Reported GAAP margin</b>	63.7%			0.9%		
Depreciation and amortization <sup>(b)</sup>	10,357	2,102	6	12,465	12,465	0.16
Acquisition and related costs <sup>(c)</sup>	—	1,647	—	1,647	1,647	0.02
Restructuring and succession charges <sup>(e)</sup>	—	1,420	—	1,420	1,420	0.02
Financial restructuring costs <sup>(g)</sup>	—	226	—	226	226	—
Loss on disposal of a business <sup>(h)</sup>	—	222	—	222	222	—
Other items <sup>(i)</sup>	—	2,500	(111)	2,389	2,389	0.03
Tax effect of adjusting items <sup>(j)</sup>	—	—	—	—	(4,611)	(0.06)
<b>Non-GAAP measure</b>	<b>\$ 96,658</b>	<b>\$ 73,757</b>	<b>\$ 3,367</b>	<b>\$ 19,534</b>	<b>\$ 6,102</b>	<b>\$ 0.07</b>
<b>Non-GAAP margin</b>	71.4%			14.4%		
	<b>Non-GAAP Gross Margin</b>	<b>Non-GAAP Operating Expenses</b>	<b>Non-GAAP R&amp;D</b>	<b>Non-GAAP Operating Income</b>	<b>Non-GAAP Net Income Continuing Operations</b>	<b>Adjusted EPS Continuing Operations</b>

- (a) The "Reported GAAP Measure" under the "Operating Expenses" column is a sum of all GAAP operating expense line items, excluding research and development.
- (b) Includes for the three months ended December 31, 2024 and 2023 and the years ended December 31, 2024 and 2023, respectively, depreciation and amortization of \$10.6 million, \$10.4 million, \$41.9 million and \$48.5 million in cost of sales and \$1.8 million, \$2.1 million, \$7.7 million and \$8.9 million in operating expenses presented in the consolidated statements of operations and comprehensive loss.
- (c) Includes acquisition and integration costs related to completed acquisitions and changes in fair value of contingent consideration.
- (d) Costs incurred as a result of certain shareholder litigation unrelated to our ongoing operations.
- (e) Costs incurred were the result of adopting restructuring plans to reduce headcount, contract termination, reorganize management structure and consolidate certain facilities.
- (f) Activity in 2024 includes: (i) a non-cash impairment charge of \$33.9 million for intangible assets solely attributable to our Advanced Rehabilitation Business due to the decision to divest the business and (ii) a non-cash impairment charge of \$2.5 million for rented right of use assets involving exited office and warehouse spaces. Activity in 2023 relates to the non-cash impairment charge attributable to our divested Wound Business.
- (g) Financial restructuring costs include advisory fees and debt amendment related costs.
- (h) Represents the loss on the disposal for the Advanced Rehabilitation and Wound Businesses for the year ended December 31, 2024 and 2023, respectively.
- (i) Other items primarily include charges associated with strategic transactions, such as potential acquisitions or divestitures and a transformative project to redesign systems and information processing. Other items for the three months December 31, 2024 mostly consisted of divestiture costs related to the Company's Advanced Rehabilitation Business. Other items for the three months ended December 31, 2023 primarily consisted of \$1.3 million in transformative project costs and \$0.6 million in strategic transaction costs. During the year ended December 31, 2024, other items primarily consisted of the following: (i) divestiture costs related to the Company's Advanced Rehabilitation Business, including transactional fees, totaling \$4.7 million; (ii) transformative project costs of \$1.7 million; and (iii) strategic transaction costs of \$0.4 million. During the year ended December 31, 2023, other items mainly consisted of the following: (i) strategic transaction costs totaling \$4.8 million, including divestiture costs of \$1.1 million related to Advanced Rehabilitation; (ii) transformative project costs of \$4.5 million; (iii) transition and severance costs of \$2.8 million; and (iv) \$1.0 million in costs related to the discontinuance of MOTYS.
- (j) The three months ended and year ended December 31, 2024 includes a tax impact of \$0.7 million and \$8.7 million, respectively, related to the impairment of assets. The year ended December 31, 2023 includes a \$15.3 million tax impact related to the impairment of assets. An estimated tax impact for the remaining adjustments to Non-GAAP Net Income was calculated by applying a rate of 25.1% to those adjustments for the year ended December 31, 2024 and 2023.
- (k) Adjustments are pro-rated to exclude the weighted average non-controlling interest ownership of 19.4% and 20.0%, respectively, for the years ended December 31, 2024 and 2023.

# Reconciliation of Other Reported GAAP Measures to Non-GAAP Measures (for Twelve Months Ended Year-to-Date)

Year Ended December 31, 2024	Gross Profit	Operating Expenses <sup>(a)</sup>	R&D	Operating Loss	Net Loss Continuing Operations	EPS from Continuing Operations <sup>(k)</sup>
<b>Reported GAAP measure</b>	<b>\$ 388,226</b>	<b>\$ 386,566</b>	<b>\$ 13,639</b>	<b>\$ (11,979)</b>	<b>\$ (43,833)</b>	<b>\$ (0.52)</b>
<b>Reported GAAP margin</b>	<b>67.7%</b>			<b>(2.1%)</b>		
Depreciation and amortization <sup>(b)</sup>	41,882	7,652	21	49,555	49,555	0.62
Acquisition and related costs <sup>(c)</sup>	—	1,339	—	1,339	1,339	0.02
Shareholder litigation costs <sup>(d)</sup>	—	13,802	—	13,802	13,802	0.17
Restructuring and succession charges <sup>(e)</sup>	—	(57)	—	(57)	(57)	—
Impairment of assets <sup>(f)</sup>	—	36,357	—	36,357	36,357	0.45
Financial restructuring costs <sup>(g)</sup>	—	351	—	351	351	—
Loss on disposal of a business <sup>(h)</sup>	—	292	—	292	292	—
Other items <sup>(i)</sup>	—	7,894	514	8,408	7,519	0.09
Tax effect of adjusting items <sup>(j)</sup>	—	—	—	—	(27,620)	(0.34)
<b>Non-GAAP measure</b>	<b>\$ 430,108</b>	<b>\$ 318,936</b>	<b>\$ 13,104</b>	<b>\$ 98,068</b>	<b>\$ 37,705</b>	<b>\$ 0.49</b>

<b>Non-GAAP margin</b>	<b>75.0%</b>			<b>17.1%</b>		
	<b>Non-GAAP Gross Margin</b>	<b>Non-GAAP Operating Expenses</b>	<b>Non-GAAP R&amp;D</b>	<b>Non-GAAP Operating Income</b>	<b>Non-GAAP Net Income Continuing Operations</b>	<b>Adjusted EPS Continuing Operations</b>

Year Ended December 31, 2023	Gross Profit	Operating Expenses <sup>(a)</sup>	R&D	Operating Loss	Net Loss Continuing Operations	EPS from Continuing Operations <sup>(k)</sup>
<b>Reported GAAP measure</b>	<b>\$ 328,193</b>	<b>\$ 396,472</b>	<b>\$ 13,446</b>	<b>\$ (81,725)</b>	<b>\$ (121,196)</b>	<b>\$ (1.54)</b>
<b>Reported GAAP margin</b>	<b>64.1%</b>			<b>(16.0%)</b>		
Depreciation and amortization <sup>(b)</sup>	48,503	8,842	20	57,365	57,365	0.73
Acquisition and related costs <sup>(c)</sup>	—	5,694	—	5,694	5,694	0.07
Restructuring and succession charges <sup>(e)</sup>	—	2,331	—	2,331	2,331	0.03
Impairment of assets <sup>(f)</sup>	—	78,615	—	78,615	78,615	1.00
Financial restructuring costs <sup>(g)</sup>	—	7,291	—	7,291	7,291	0.09
Loss on disposal of a business <sup>(h)</sup>	—	1,539	—	1,539	1,539	0.02
Other items <sup>(i)</sup>	—	8,761	1,175	9,936	9,936	0.13
Tax effect of adjusting items <sup>(j)</sup>	—	—	—	—	(36,401)	(0.51)
<b>Non-GAAP measure</b>	<b>\$ 376,696</b>	<b>\$ 283,399</b>	<b>\$ 12,251</b>	<b>\$ 81,046</b>	<b>\$ 5,174</b>	<b>\$ 0.02</b>

<b>Non-GAAP margin</b>	<b>73.5%</b>			<b>15.8%</b>		
	<b>Non-GAAP Gross Margin</b>	<b>Non-GAAP Operating Expenses</b>	<b>Non-GAAP R&amp;D</b>	<b>Non-GAAP Operating Income</b>	<b>Non-GAAP Net Income Continuing Operations</b>	<b>Adjusted EPS Continuing Operations</b>

- (a) The "Reported GAAP Measure" under the "Operating Expenses" column is a sum of all GAAP operating expense line items, excluding research and development.
- (b) Includes for the three months ended December 31, 2024 and 2023 and the years ended December 31, 2024 and 2023, respectively, depreciation and amortization of \$10.6 million, \$10.4 million, \$41.9 million and \$48.5 million in cost of sales and \$1.8 million, \$2.1 million, \$7.7 million and \$8.9 million in operating expenses presented in the consolidated statements of operations and comprehensive loss.
- (c) Includes acquisition and integration costs related to completed acquisitions and changes in fair value of contingent consideration.
- (d) Costs incurred as a result of certain shareholder litigation unrelated to our ongoing operations.
- (e) Costs incurred were the result of adopting restructuring plans to reduce headcount, contract termination, reorganize management structure and consolidate certain facilities.
- (f) Activity in 2024 includes: (i) a non-cash impairment charge of \$33.9 million for intangible assets solely attributable to our Advanced Rehabilitation Business due to the decision to divest the business and (ii) a non-cash impairment charge of \$2.5 million for rented right of use assets involving exited office and warehouse spaces. Activity in 2023 relates to the non-cash impairment charge attributable to our divested Wound Business.
- (g) Financial restructuring costs include advisory fees and debt amendment related costs.
- (h) Represents the loss on the disposal for the Advanced Rehabilitation and Wound Businesses for the year ended December 31, 2024 and 2023, respectively.
- (i) Other items primarily include charges associated with strategic transactions, such as potential acquisitions or divestitures and a transformative project to redesign systems and information processing. Other items for the three months December 31, 2024 mostly consisted of divestiture costs related to the Company's Advanced Rehabilitation Business. Other items for the three months ended December 31, 2023 primarily consisted of \$1.3 million in transformative project costs and \$0.6 million in strategic transaction costs.
- During the year ended December 31, 2024, other items primarily consisted of the following: (i) divestiture costs related to the Company's Advanced Rehabilitation Business, including transactional fees, totaling \$4.7 million; (ii) transformative project costs of \$1.7 million; and (iii) strategic transaction costs of \$0.4 million.
- During the year ended December 31, 2023, other items mainly consisted of the following: (i) strategic transaction costs totaling \$4.8 million, including divestiture costs of \$1.1 million related to Advanced Rehabilitation; (ii) transformative project costs of \$4.5 million; (iii) transition and severance costs of \$2.8 million; and (iv) \$1.0 million in costs related to the discontinuance of MOTYS.
- (j) The three months ended and year ended December 31, 2024 includes a tax impact of \$0.7 million and \$8.7 million, respectively, related to the impairment of assets. The year ended December 31, 2023 includes a \$15.3 million tax impact related to the impairment of assets. An estimated tax impact for the remaining adjustments to Non-GAAP Net Income was calculated by applying a rate of 25.1% to those adjustments for the year ended December 31, 2024 and 2023.
- (k) Adjustments are pro-rated to exclude the weighted average non-controlling interest ownership of 19.4% and 20.0%, respectively, for the years ended December 31, 2024 and 2023.

# Use of Non-GAAP Financial Measures

## Organic Revenue Growth

The Company defines the term “organic revenue” as revenue in the stated period excluding the impact from business acquisitions and divestitures. The Company uses the related term “organic revenue growth” or “organic growth” to refer to the financial performance metric of comparing the stated period’s organic revenue with the comparable reported revenue of the corresponding period in the prior year. The Company believes that these non-GAAP financial measures, when taken together with GAAP financial measures, allow the Company and its investors to better measure the Company’s performance and evaluate long-term performance trends. Organic revenue growth also facilitates easier comparisons of the Company’s performance with prior and future periods and relative comparisons to its peers. The Company excludes the effect of acquisitions and divestitures because these activities can have a significant impact on the Company’s reported results, which the Company believes makes comparisons of long-term performance trends difficult for management and investors.

## Adjusted EBITDA, Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP Operating Income, Non-GAAP Operating Expenses, Non-GAAP R&D, Non-GAAP Operating Margin, Non-GAAP Net Income, and Non-GAAP Earnings per share of Class A Common Stock

We present Adjusted EBITDA, Non-GAAP Gross Profit, Non-GAAP (or Adjusted) Gross Margin, Non-GAAP Operating Income, Non-GAAP Operating Expenses, Non-GAAP R&D, Non-GAAP Operating Margin, Non-GAAP Net Income, and Non-GAAP Earnings per share of Class A common stock, all non-GAAP financial measures, to supplement our GAAP financial reporting, because we believe these measures are useful indicators of our operating performance. We define Adjusted EBITDA as net loss from continuing operations before depreciation and amortization, provision of income taxes and interest expense, net, adjusted for the impact of certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include acquisition and related costs, certain shareholder litigation costs, impairment of assets, restructuring and succession charges, equity compensation expense, financial restructuring costs and other items. See the table below for a reconciliation of net loss from continuing operations to Adjusted EBITDA. Our management uses Adjusted EBITDA principally as a measure of our operating performance and believes that Adjusted EBITDA is useful to our investors because it is frequently used by securities analysts, investors and other interested parties in their evaluation of the operating performance of companies in industries similar to ours. Our management also uses Adjusted EBITDA for planning purposes, including the preparation of our annual operating budget and financial projections. Our management uses Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP Operating Income, Non-GAAP Operating Expense, Non-GAAP Operating Margin and Non-GAAP Net Income principally as measures of our operating performance and believes that these non-GAAP financial measures are useful to better understand the long term performance of our core business and to facilitate comparison of our results to those of peer companies. Our management also uses these non-GAAP financial measures for planning purposes, including the preparation of our annual operating budget and financial projections. We define Non-GAAP Gross Profit as gross profit, adjusted for the impact of certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include depreciation and amortization included in the cost of goods sold and acquisition and related costs in the cost of goods sold. We define Non-GAAP Gross Margin as Non-GAAP Gross Profit divided by net sales. See the table below for a reconciliation of gross profit and gross margin to Non-GAAP Gross Profit and Non-GAAP Gross Margin. We define Non-GAAP Operating Income as operating income, adjusted for the impact of certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include depreciation and amortization, acquisition and related costs, certain shareholder litigation costs, impairment of assets, restructuring and succession charges, financial restructuring costs and other items. Non-GAAP Operating Margin is defined as Non-GAAP Operating Income divided by net sales. See the table below for a reconciliation of operating income (loss) and operating margin to Non-GAAP Operating Income and Non-GAAP Operating Margin. We define Non-GAAP Operating Expenses as operating expenses, adjusted to exclude certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include depreciation and amortization, acquisition and related costs, certain shareholder litigation costs, impairment of assets, restructuring and succession charges, financial restructuring costs and other items. See the table below for a reconciliation of operating expenses to Non-GAAP Operating Expenses. We define Non-GAAP R&D as research and development, adjusted to exclude certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include depreciation and amortization, acquisition and related costs, restructuring and succession charges, and other items. See the table below for a reconciliation of operating expenses to Non-GAAP R&D. We define Non-GAAP Net Income from continuing operations as Net Income from continuing operations, adjusted for the impact of certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include depreciation and amortization, acquisition and related costs, certain shareholder litigation costs, restructuring and succession charges, impairment of assets, financial restructuring costs, other items and the tax effect of adjusting items. See the table below for a reconciliation of Net loss from continuing operations to Non-GAAP Net Income from continuing operations. We define Non-GAAP Earnings per Class A share as Earnings per Class A share, adjusted for the impact of certain cash, non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include depreciation and amortization, acquisition and related costs, certain shareholder litigation costs, restructuring and succession charges, impairment of assets, financial restructuring costs, other items and the tax effect of adjusting items divided by weighted average number of shares of Class A common stock outstanding during the period. See the table below for a reconciliation of loss per Class A share to Non-GAAP Earnings per Class A share. In the first quarter of 2024, we included certain shareholder litigation costs as a new item within our calculation of certain Non-GAAP financial measures as set forth above since it was the first period in which costs related to this type of litigation were material to our business. Costs related to this shareholder litigation are unrelated to our ongoing operations and were nominal in prior periods.

## Prior Period Recast for Discontinued Operations

On February 27, 2023, the Company ceased to control CartiHeal for accounting purposes, and therefore, deconsolidated CartiHeal effective February 27, 2023. CartiHeal was part of the Company’s International reporting segment. The Company treated the deconsolidation of CartiHeal as a discontinued operation. Refer to Note 14. Discontinued operations in the Company’s Form 10-Q for the period ended March 30, 2024, filed on May 7, 2024, for further details regarding the deconsolidation of CartiHeal.

## Net Sales, International Net Sales Growth and Constant Currency Basis

Net Sales, International Net Sales Growth and Constant Currency Basis are non-GAAP measures, which are calculated by translating current and prior year results at the same foreign currency exchange rate. Constant currency can be presented for numerous GAAP measures, but is most commonly used by management to facilitate the comparison sales in foreign currencies to prior periods and analyze net sales performance without the impact of changes in foreign currency exchange rates.

## Limitations of the Usefulness of Non-GAAP Measures

Non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for, or as superior to, the financial information prepared and presented in accordance with GAAP. These measures might exclude certain normal recurring expenses. Therefore, these measures may not provide a complete understanding of the Company’s performance and should be reviewed in conjunction with the GAAP financial measures. Additionally, other companies might define their non-GAAP financial measures differently than we do. Investors are encouraged to review the reconciliation of the non-GAAP measures provided in this presentation, including in the tables below, to their most directly comparable GAAP measures. Additionally, the Company does not provide U.S. GAAP financial measures on a forward-looking basis because the Company is unable to predict with reasonable certainty the impact and timing of acquisitions related expenses, accounting fair-value adjustments and certain other reconciling items without unreasonable efforts. These items are uncertain, depend on various factors, and could be material to the Company’s results computed in accordance with U.S. GAAP.