bioventus®

Innovations For Active Healing

Revised Third Quarter 2022 Financial Results

November 21, 2022

Forward Looking Statements and Non-GAAP Financial Measures

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 financial guidance (including expected MOTYS Costs) and expected financial performance; our business strategy, position and operations; expected sales trends, opportunities, market position and growth (including from the acquisition of CartiHeal); our integration plans; and expected impacts of the COVID-19 pandemic. 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 our actual results to differ materially from those contemplated in this presentation include, but are not limited to, the risk that the material weakness we identified or a new material risk could adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner; our ability to complete acquisitions or successfully integrate new businesses, such as CartiHeal, products or technologies in a cost-effective and non-disruptive manner; we might not be able to continue to fund our operations for at least the next twelve months as a going concern; we might not meet certain of our debt covenants under our Credit Agreement and might be required to repay our indebtedness; we might not be able to fund the remainder of the deferred consideration for the CartiHeal acquisition as it becomes due; our business may continue to experience adverse impacts as a result of the COVID-19 pandemic; we are highly dependent on a limited number of products; our long-term growth depends on our ability to develop, acquire and commercialize new products, line extensions or expanded indications; we may be unable to successfully commercialize newly developed or acquired products or therapies in the United States; 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, the procedures using our products, such as our hyaluronic acid (HA) viscosupplements, or products or future products we may seek to commercialize, such as our recently acquired Agili-C product; pricing pressure and other competitive factors; 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; the reclassification of our HA products from medical devices to drugs in the United States by the FDA 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 ability to maintain our competitive position depends on our ability to attract, retain and motivate our senior management team and highly qualified personnel; our failure to properly manage our anticipated growth and strengthen our brands; risks related to product liability claims; fluctuations in demand for our products; issues relating to the supply of our products, potential supply chain disruptions and the increased cost of parts and components used to manufacture our products due to inflation; our reliance on a limited number of third-party manufacturers to manufacture certain of our products; if our facilities are damaged or become inoperable, we will be unable to continue to research, develop and manufacture our products; failure to maintain contractual relationships; security breaches, unauthorized disclosure of information, denial of service attacks or the perception that confidential information in our possession is not secure; failure of key information technology and communications systems, process or sites; risks related to international sales and operations; risks related to our debt and future capital needs; 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 products 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; risks related to intellectual property matters; 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 Reports on Form 10-Q, Bioventus' 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.

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.

Use of Non-GAAP Financial Measures

This presentation includes references to certain financial measures that are not calculated in accordance with U.S. Generally Accepted Accounting Principles, or GAAP. We generally refer to these as non-GAAP or adjusted financial measures. Important disclosures about, and definitions and reconciliations of those non-GAAP financial measures to the most comparable measures calculated and presented in accordance with GAAP, are available on slide 12.

bioventus®
Innovations For Active Healing

Third Quarter Results: Revenue Increased 18% to $129M

- **Delivered -1% organic revenue growth[1], or flat on a constant currency[2] basis**
  - The revenue shortfall was primarily due to a higher rebate accrual for a large private payer and transitory headwinds to Gelsyn
  - Two primary Gelsyn-related headwinds during the third quarter:
    - Unexpected rebate charges due to a private payer's errors reporting claims
    - A shift in sales volume to price-sensitive or non-contracted accounts due to change from WAC to ASP
  - Expect continued pressure on Gelsyn sales through the first half of 2023 until pricing stabilizes

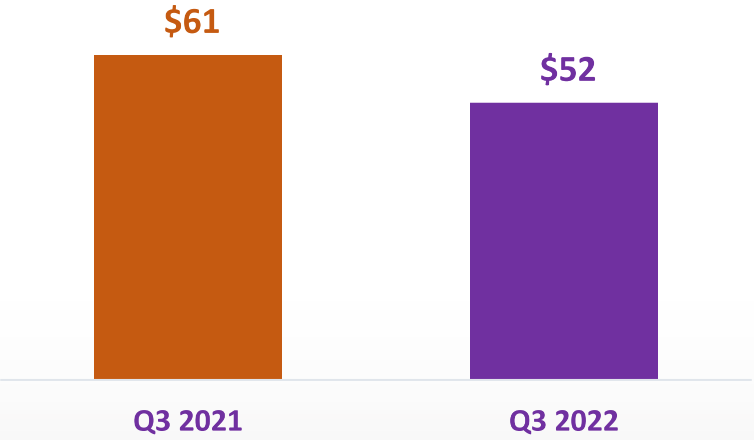
- **Delivered adjusted EBITDA of $21 million**
  - EBITDA was negatively impacted by lower-than-expected sales and temporary impacts on adjusted gross margin

1. Organic revenue defined as revenue excluding the impact from business acquisitions and divestitures that have occurred in the past twelve months, 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. Organic revenue growth calculated by comparing the stated period organic revenue with the reported revenue of the corresponding period in the prior year. See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on slides 9-11 of this presentation.
2. Net sales and international net sales growth on a 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. See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on slides 9-11 of this presentation.

bioventus
Innovations For Active Healing

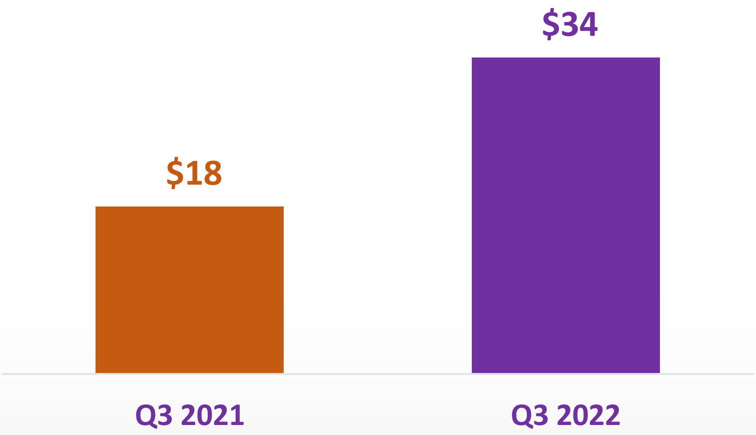
Third Quarter Performance

Pain Treatments Revenue
Millions



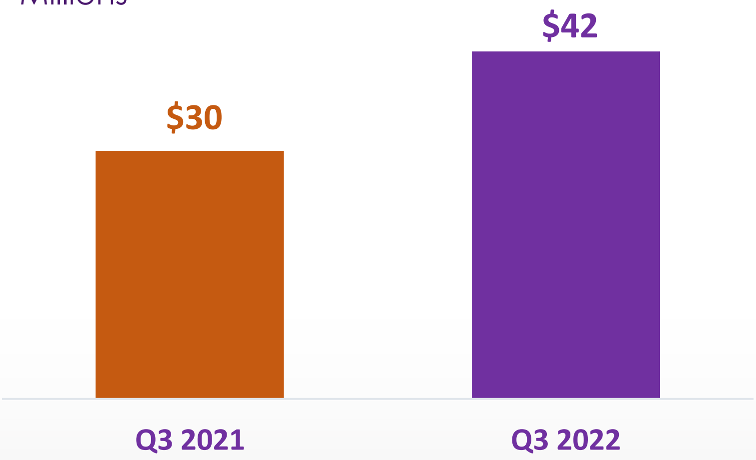
- Pain Treatments' revenue declined -14% compared to the prior year
  - Higher rebate accrual
  - Gelysn share loss

Surgical Solutions Revenue
Millions



- Surgical Solutions grew 94%
  - Delivered 32% organic[1] growth across Bone Graft Substitutes, representing back-to-back quarters of double-digit growth
  - 62 percentage point contribution from Misonix

Restorative Therapies Revenue
Millions



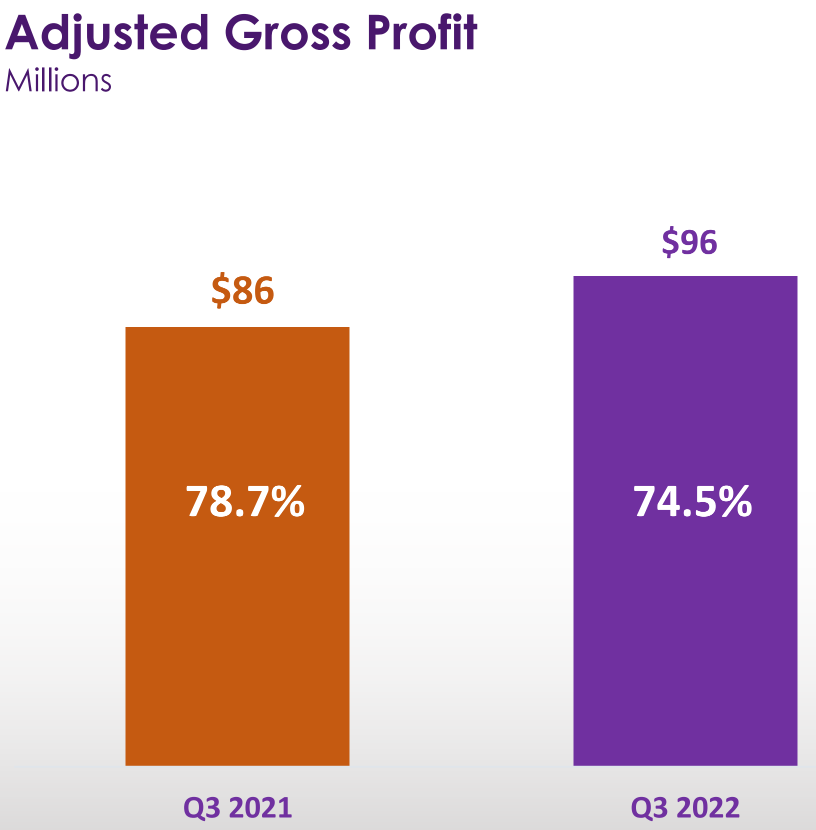
- Restorative Therapies grew 38%
  - Enhanced Advanced Rehabilitation growth from supply chain recovery offset by slower recovery in Exogen
  - 31 percentage point contribution from Misonix

1. Organic revenue defined as revenue excluding the impact from business acquisitions and divestitures that have occurred in the past twelve months, 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. Organic revenue growth calculated by comparing the stated period organic revenue with the reported revenue of the corresponding period in the prior year. See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on slides 9 - 11 of this presentation.

bioventus®
Innovations For Active Healing

Third Quarter Performance

- **Adjusted gross margin* decreased 420 basis points due to:**
  - Unfavorable product mix
  - Higher than expected rebate claims
  - Higher freight costs
- **Adjusted operating expenses* increased $10 million primarily from Misonix-related costs**



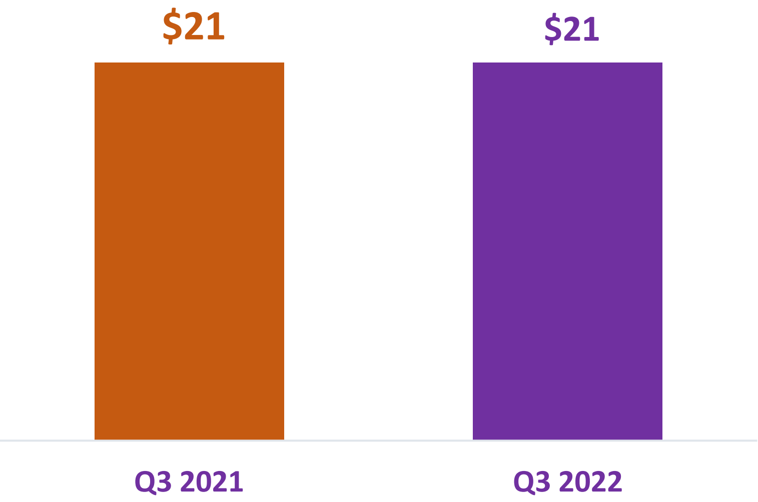
* See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on slides 9 - 11 of this presentation.

bioventus
Innovations For Active Healing

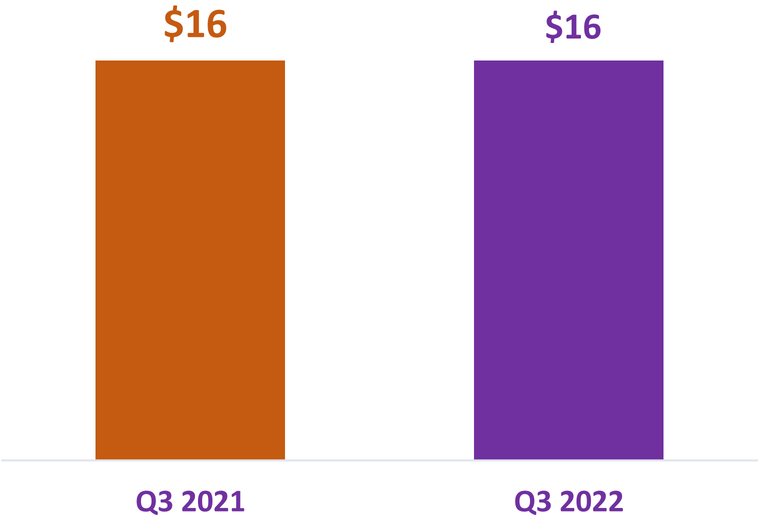
Third Quarter Performance

$0.05 Adjusted Diluted Earnings Per Share*

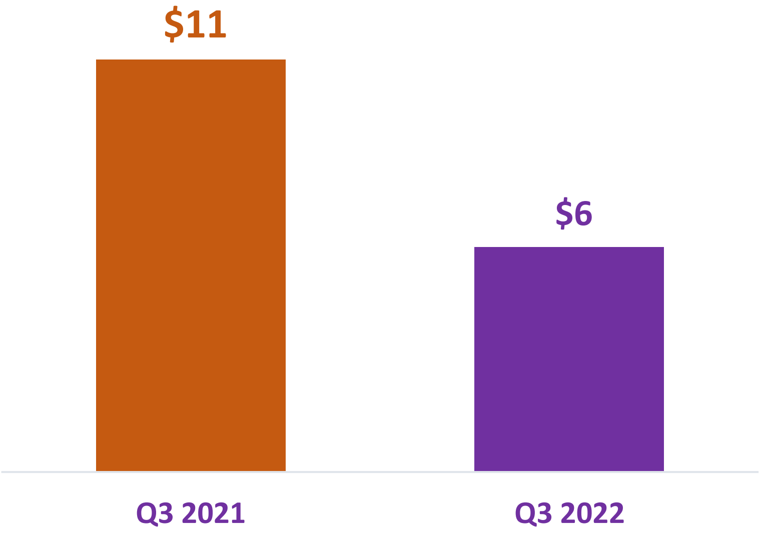
Adjusted EBITDA*
Millions



Adjusted Operating Income*
Millions



Adjusted Net Income*
Millions



* See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on slides 9 - 11 of this presentation.

2022 Guidance Update

	Updated Range November 21, 2022	Prior Range August 11, 2022	Comments
Total Revenue Millions	$517 - $522	$547.5 - $562.5	• Higher than expected rebates to a large private payer • Gelsyn sales headwind related to the transition from WAC to ASP • Slower-than-expected recovery of Exogen • Negative impact from supply chain issues and EU MDR delay on Advanced Rehabilitation revenue
Adjusted EBITDA Millions	$75 - $79	$94 - $104	• Reduction in revenue • Pressure related to gross margin • Slower reduction in planned spending due to prioritization of initiatives
Adjusted Earnings per Share	$0.20 - $0.25	$0.47 - $0.57	• The revised earnings guidance reflects an increase in the reported interest rate on CartiHeal seller financing to approximately 15% due to purchase accounting • Bioventus continues to pay interest of 8% interest on CartiHeal seller financing

1. 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 related expenses, accounting fair-value adjustments, and 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. See important disclosures on non-GAAP financial measures and the reconciliation of reported GAAP measures to non-GAAP measures on slides 9 - 11 of this presentation

bioventus®

Innovations For Active Healing

Reconciliation of Net (Loss) Income to Adjusted EBITDA (unaudited)

($, thousands)	Three Months Ended October 1, 2022	Three Months Ended October 2, 2021	Nine Months Ended October 1, 2022	Nine Months Ended October 2, 2021	Twelve Months Ended December 31, 2021
Net (loss) income	**$ (145,698)**	**$ (2,269)**	**$ (168,518)**	**$ 11,479**	**$ 9,586**
Interest expense, net	9,894	1,347	10,922	152	1,112
Income tax (benefit) expense, net	(41,779)	(882)	(45,667)	759	(1,966)
Depreciation and amortization[(a)]	18,780	8,522	43,643	23,185	34,875
Acquisition and related costs[(b)]	6,319	5,914	20,292	14,044	21,978
Gain on remeasurement of CartiHeal Investment[(c)]	(23,709)	—	(23,709)	—	—
Restructuring and succession charges[(d)]	575	1,798	2,847	2,142	3,717
Equity compensation[(e)]	4,648	5,938	14,153	(10,621)	(4,512)
Equity loss in unconsolidated investments[(f)]	322	419	1,003	1,320	1,868
Foreign currency impact[(g)]	581	17	1,122	(47)	132
Impairment of goodwill[(h)]	189,197	—	189,197	—	—
Impairments related to variable interest entity[(i)]	—	—	—	7,043	7,043
Other items[(j)]	1,909	511	5,796	2,816	6,926
Adjusted EBITDA	**$ 21,039**	**$ 21,315**	**$ 51,081**	**$ 52,272**	**$ 80,759**

a) Includes for the three months ended October 1, 2022 and October 2, 2021 and the nine months ended October 1, 2022 and October 2, 2021, respectively, depreciation and amortization of $11,331, $6,637, $30,233 and $17,491 in cost of sales and $7,449, $1,885, $13,410 and $5,694 in operating expenses presented in the consolidated statements of operations and comprehensive (loss) income. Includes for the year ended December 31, 2021, depreciation and amortization of $26,471 in cost of sales and $8,363 in operating expenses, with the balance in research and development, presented in the consolidated statements of operations and comprehensive income.

b) Includes acquisition and integration costs related to completed acquisitions, amortization of inventory step-up associated with acquired entities, and changes in fair value of contingent consideration.

c) Represents the gain on remeasurement of the Company's equity method investment in CartiHeal based upon the fair value of consideration transferred for the CartiHeal acquisition

d) Costs incurred were the result of adopting acquisition related restructuring plans to reduce headcount, reorganize management structure, and to consolidate certain facilities, and costs related to executive transitions

e) The three and nine months ended October 1, 2022 and the three months ended October 2, 2021 include compensation expense resulting from awards granted under the Company's equity-based compensation plans in effect after its IPO. The nine months ended October 2, 2021 and the twelve months ended December 31, 2021 also include the expense and the change in fair value of the liability-classified awards granted under the compensation plans in effect prior to the Company's IPO.

f) Represents CartiHeal equity investment losses.

g) Includes realized and unrealized gains and losses from fluctuations in foreign currency.

h) Represents a non-cash impairment charge due to the recent decline in the Company's market capitalization subsequent to its previously announced financial results for the three and nine months ended October 1, 2022.

i) Represents the loss on impairment of Harbor Medtech Inc.'s (Harbor) long-lived assets and the Company's investment in Harbor.

j) Other items primarily includes charges associated with strategic transactions, such as potential acquisitions; public company preparation costs, which primarily includes accounting and legal fees; and MOTYS Costs. During the second quarter of 2022, prior to obtaining the results from our Phase 2 trial, we elected to discontinue the development of MOTYS, to focus our resources on other priorities, including the integration of our recent acquisitions and our expanded R&D and product development portfolio we inherited with these acquisitions. We incurred $1.8 million and $2.5 million during the three and nine months ended October 1, 2022, respectively, and we expect to incur approximately $4.0 million to $6.0 million exclusively to fulfill our remaining regulatory obligations related to our Phase 2 trial (MOTYS Costs).

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

Three Months Ended October 1, 2022	Gross Profit	SG&A	R&D	Operating (Loss)/Income	Net Income	EPS[h]
Reported GAAP measure	**$ 84,535**	**$ 279,550**	**$ 5,840**	**$ (200,855)**	**$ (145,698)**	**$ (1.76)**
Reported GAAP margin	**65.7 %**			**(156.1)%**		
Depreciation and amortization[a]	11,331	7,442	7	18,780	18,780	0.25
Acquisition and related costs[b]	—	6,320	—	6,320	6,319	0.08
Gain on remeasurement of CartiHeal Investment[c]	—	—	—	—	(23,709)	(0.31)
Restructuring and succession charges[d]	—	575	—	575	575	0.01
Impairment of goodwill[e]	—	189,197	—	189,197	189,197	2.44
Other items[g]	—	151	1,758	1,909	1,909	0.02
Tax effect of adjusting items[h]	—	—	—	—	(41,844)	(0.68)
Non-GAAP measure	**$ 95,866**	**$ 75,865**	**$ 4,075**	**$ 15,926**	**$ 5,529**	**$ 0.05**
Non-GAAP margin	**74.5 %**			**12.4 %**		
	Non-GAAP Gross Margin	**Non-GAAP SG&A**	**Non-GAAP R&D**	**Non-GAAP Operating Income**	**Non-GAAP Net Income**	**Adjusted EPS**

Three Months Ended October 2, 2021	Gross Profit	SG&A	R&D	Operating (Loss)/Income	Net (Loss)/ Income	EPS[h]
Reported GAAP measure	**$ 79,069**	**$ 73,963**	**$ 6,153**	**$ (1,047)**	**$ (2,269)**	**$ (0.03)**
Reported GAAP margin	**72.6 %**			**(1.0)%**		
Depreciation and amortization[a]	6,637	1,878	7	8,522	8,522	0.15
Acquisition and related costs[b]	—	5,914	—	5,914	5,914	0.10
Restructuring and succession charges[d]	—	1,798	—	1,798	1,798	0.03
Impairments related to variable interest entity[f]	—	—	—	—	—	—
Other items[g]	—	511	—	511	511	0.01
Tax effect of adjusting items[h]	—	—	—	—	(3,823)	(0.07)
Non-GAAP measure	**$ 85,706**	**$ 63,862**	**$ 6,146**	**$ 15,698**	**$ 10,653**	**$ 0.19**
Non-GAAP margin	**78.7 %**			**14.4 %**		
	Non-GAAP Gross Margin	**Non-GAAP SG&A**	**Non-GAAP R&D**	**Non-GAAP Operating Income**	**Non-GAAP Net Income**	**Adjusted EPS**

a) *Includes for the three months ended October 1, 2022 and October 2, 2021, respectively, depreciation and amortization of $11,331 and $6,637 in cost of sales and $7,449 and $1,885 in operating expenses presented in the consolidated statements of operations and comprehensive income.*

b) *Consists of acquisition related items such as integration costs, amortization of inventory step-up and changes in fair value of contingent consideration.*

c) *Represents the gain on remeasurement of the Company's equity method investment in CartiHeal based upon the fair value of consideration transferred for the CartiHeal acquisition.*

d) *Consists of restructuring plans to reduce headcount, reorganize management structure and consolidate certain facilities, as well as executive leadership transition costs.*

e) *Represents a non-cash impairment charge due to the recent decline in the Company's market capitalization subsequent to its previously announced financial results for the three and nine months ended October 1, 2022.*

f) *Represents loss on impairment of Harbor's long-lived assets and the Company's investment in Harbor.*

g) *Other items primarily includes charges associated with strategic transactions, such as potential acquisitions; public company preparation costs, which primarily includes accounting and legal fees; and MOTYS Costs.*

h) *Includes $44.6 million of tax impact related to the impairment of goodwill, and an estimated tax impact of the remaining adjustments to Non-GAAP Net Income, calculated by applying a normalized statutory rate of 24.83% and 22.83% to those adjustments for the three and nine months ended October 1, 2022 and October 2, 2021, respectively. The tax effect on adjustments to EPS is normalized to exclude the effect of the non-controlling ownership interest.*

i) *Adjustments are pro-rated to exclude the weighted average non-controlling interest ownership of 20.4% and 27.8%, respectively, for the three and nine months ended October 1, 2022 and October 2, 2021.*

bioventus®
Innovations For Active Healing

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

Nine Months Ended October 1, 2022	Gross Profit	SG&A	R&D	Operating (Loss)/Income	Net (Loss)/ Income	EPS[h]
Reported GAAP measure	$ 256,891	$ 463,370	$ 19,134	$ (225,613)	$ (168,518)	$ (2.07)
Reported GAAP margin	66.5 %			(58.4)%		
Depreciation and amortization[a]	30,233	13,392	18	43,643	43,643	0.57
Acquisition and related costs[b]	5,607	14,686	—	20,293	20,292	0.26
Gain on remeasurement of CartiHeal Investment[c]	—	—	—	—	(23,709)	(0.31)
Restructuring and succession charges[d]	—	2,847	—	2,847	2,847	0.04
Impairment of goodwill[e]	—	189,197	—	189,197	189,197	2.46
Other items[g]	—	3,254	2,542	5,796	5,796	0.08
Tax effect of adjusting items[h]	—	—	—	—	(53,017)	(0.83)
Non-GAAP measure	$ 292,731	$ 239,994	$ 16,574	$ 36,163	$ 16,531	$ 0.20
Non-GAAP margin	75.8 %			9.4 %		
	Non-GAAP Gross Margin	Non-GAAP SG&A	Non-GAAP R&D	Non-GAAP Operating Income	Non-GAAP Net Income	Adjusted EPS

Nine Months Ended October 2, 2021	Gross Profit	SG&A	R&D	Operating Income	Net Income	EPS[h]
Reported GAAP measure	$ 214,938	$ 187,791	$ 11,936	$ 15,211	$ 11,479	$ (0.15)
Reported GAAP margin	71.5 %			5.1 %		
Depreciation and amortization[a]	17,491	5,655	39	23,185	23,185	0.40
Acquisition and related costs[b]	2,106	11,938	—	14,044	14,044	0.24
Restructuring and succession charges[d]	—	2,142	—	2,142	2,142	0.04
Impairments related to variable interest entity[f]	—	5,674	—	5,674	7,043	0.03
Other items[g]	—	2,816	—	2,816	2,816	0.05
Tax effect of adjusting items[h]	—	—	—	—	(11,240)	(0.18)
Non-GAAP measure	$ 234,535	$ 159,566	$ 11,897	$ 63,072	$ 49,469	$ 0.43
Non-GAAP margin	78.1 %			21.0 %		
	Non-GAAP Gross Margin	Non-GAAP SG&A	Non-GAAP R&D	Non-GAAP Operating Income	Non-GAAP Net Income	Adjusted EPS

a) *Includes for the nine months ended October 1, 2022 and October 2, 2021, respectively, depreciation and amortization of $30,233 and $17,491 in cost of sales and $13,410 and $5,694 in operating expenses presented in the consolidated statements of operations and comprehensive income.*

b) *Consists of acquisition related items such as integration costs, amortization of inventory step-up and changes in fair value of contingent consideration.*

c) *Represents the gain on remeasurement of the Company's equity method investment in CartiHeal based upon the fair value of consideration transferred for the CartiHeal acquisition.*

d) *Consists of restructuring plans to reduce headcount, reorganize management structure and consolidate certain facilities, as well as executive leadership transition costs.*

e) *Represents a non-cash impairment charge due to the recent decline in the Company's market capitalization subsequent to its previously announced financial results for the three and nine months ended October 1, 2022.*

f) *Represents loss on impairment of Harbor's long-lived assets and the Company's investment in Harbor.*

g) *Other items primarily includes charges associated with strategic transactions, such as potential acquisitions; public company preparation costs, which primarily includes accounting and legal fees; and MOTYS Costs.*

h) *Includes $44.6 million of tax impact related to the impairment of goodwill, and an estimated tax impact of the remaining adjustments to Non-GAAP Net Income, calculated by applying a normalized statutory rate of 24.83% and 22.83% to those adjustments for the three and nine months ended October 1, 2022 and October 2, 2021, respectively. The tax effect on adjustments to EPS is normalized to exclude the effect of the non-controlling ownership interest.*

i) *Adjustments are pro-rated to exclude the weighted average non-controlling interest ownership of 20.4% and 27.8%, respectively, for the three and nine months ended October 1, 2022 and October 2, 2021.*

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" to refer to the financial performance metric of comparing the stated period's organic revenue with the reported revenue of the corresponding period in the prior year. The Company believes that these non-GAAP financial measures, when taken together with our 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 Expense, 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 Gross Margin, Non-GAAP Operating Income, Non-GAAP Operating Expense, 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 revised our prior year presentation of our Non-GAAP measures to condense the adjustments in order to simplify the presentation. Prior periods have been recast to conform to the current periods. We define Adjusted EBITDA as net income (loss) from continuing operations before depreciation and amortization, provision of income taxes and interest expense (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 acquisition and related costs, restructuring and succession charges, equity compensation expense, equity loss in unconsolidated investments, foreign currency impact, and other items. 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, restructuring and succession charges, 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 (loss) income and operating margin to Non-GAAP Operating Income and Non-GAAP Operating Margin. We define Non-GAAP Operating Expense 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, restructuring and succession charges, and other items. We define Non-GAAP Net Income as Net 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, restructuring and succession charges, other items, and the tax effect of adjusting items. Starting in the fourth quarter of 2021, we revised our presentation of Non-GAAP Net Income to include the income tax effect of adjusting items. The income tax effect was calculated by applying management's expectation of a long-term normalized effective tax rate to the adjusting items. Prior period presentation has been recast to conform to current period presentation. 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, restructuring and succession charges, 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. Starting in the fourth quarter of 2021, we revised our presentation of Non-GAAP Earnings per Class A share to include the income tax effect of adjusting items. The income tax effect was calculated by applying management's expectation of a long-term normalized effective tax rate to the adjusting items. Prior period presentation has been recast to conform to current period presentation.

Net Sales, International Net Sales Growth and Organic Revenue Growth on a Constant Currency Basis

Net Sales, International Net Sales Growth and Organic Revenue Growth on a 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. See the tables on slides 15-17 for a reconciliation of GAAP to non-GAAP measures.

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 on slides 15-17, to their most directly comparable GAAP measures.

bioventus®

Innovations For Active Healing