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Innovations For Active Healing

Fourth Quarter 2022 Financial Results

March 31, 2023

Agenda and Speakers

Ken Reali
Chief Executive Officer

Update on Financial Position
Review of Q4 Results

Mark Singleton
Senior Vice-President
and Chief Financial Officer

Q4 2022 Results

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 press release 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 potential 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 press release 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; 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; if we are unable to raise the capital necessary to complete the CartiHeal acquisition on acceptable terms, we may lose the rights to the assets we acquired through that acquisition; we maintain cash at financial institutions, often in balance that exceed federally insured limits; we are subject to securities class action litigation and may be subject to similar or other litigation in the future, which will require significant management time and attention, result in significant legal expenses and may result in unfavorable outcomes; our ability to complete acquisitions or successfully integrate new businesses, products or technologies in a cost-effective and non-disruptive manner; 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 future products we may seek to commercialize; 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; our business may continue to experience adverse impacts as a result of the COVID-19 pandemic; 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, and subsequent Forms10-Q, such as factors that 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 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.

Enhanced Financial Position

- Announced in February an agreement with CartiHeal's shareholders to eliminate $350 million of obligations and sales milestone payments
- Explored ability to fund $215 million of deferred purchase obligations to retain CartiHeal
- Unable to secure terms that met our criteria for retaining CartiHeal
- Remained financially disciplined and declined to dilute existing shareholders

Actions to Enhance Earnings and Improve Balance Sheet

- Restructuring business to reduce costs and anticipate generating $9 million to $10 million in annual savings
- Prioritizing investment and aggressively managing spending for near-term growth by curtailing spending in other areas
- Evaluating divestiture of non-core assets which vary in transaction size and multiple with proceeds used to repay debt
- Reached agreement with our banking partners to amend our debt agreement to provide covenant flexibility through Q1 2024

Fourth Quarter Results: Revenue Decreased 4% to $126M

- Financial results below our expectations as we experienced continued pressure across our HA franchise
- Revenue shortfall in HA attributed to:
  - Unanticipated rebate claims from one private payer of $4 million
  - Reduced selling price from higher rebate claims due to increased volume through private payer contracts of $6 million to $7 million
  - Delivered volume growth below expectations of $1 million to $2 million
- Future impact substantially lower given the renegotiated rebate rates and lower pricing beginning in third quarter of 2022
- Quarterly reduction in ASP should lessen as 2023 progresses

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. For a reconciliation of reported GAAP measures to non-GAAP measures, please refer to Slides 19 – 22 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. For a reconciliation of reported GAAP measures to non-GAAP measures, please refer to Slides 19 – 22 of this presentation.

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Fourth Quarter Results: Revenue Decreased 4% to $126M

- Gelsyn saw continued reduction in volume
  - Volume shifted in more price-sensitive or non-contracted accounts
  - Greater percentage of volume now in contracted accounts, further increasing pressure on its ASP

- Durolane revenue declined high single-digits
  - Clinical differentiation helped to mitigate impact compared to Gelsyn
  - Double-digit price loss partially offset by continued double-digit volume gains
  - Anticipate overall growth in 2023 as price erosion lessens and strong volume growth continues

- Expect an overall reduction in HA revenue of high-single to low-double digits due to lower selling price in 2023

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Fourth Quarter Results: Revenue Decreased 4% to $126M

- Surgical Solutions delivered continued strong double-digit organic[1] growth
  - OsteoAmp Flowable continues to grow rapidly
  - Launched BoneScalpel Access
  - Double-digit ultrasonics growth in the U.S.
  - Forecast double-digit growth in 2023
- Restorative Therapies contracted organically[1] mid-single digits
  - Exogen revenue declined year-over-year, but grew sequentially
  - Advanced Rehabilitation grew despite supply chain and regulatory headwinds
  - Forecast mid-single digit growth in 2023
- International grew 13% and constant currency growth was 20%

L300 GO

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Improving Execution, Internal Processes and Operational Efficiencies

- Focus on accelerating our margin profile, rebuilding our balance sheet and regaining investor confidence
- Delivering on annual operating plan of EBITDA growth and operating margin acceleration
- Completing integration of Misonix and exploring additional savings
- Reducing working capital through decreased inventory and accounts receivable
- Bioventus still retains a strong, diversified business with market tailwinds
- Look to regain investor confidence in our execution through improved results

Fourth Quarter Results
CartiHeal Financing
2022 Guidance Update

Mark Singleton
Senior Vice-President and Chief Financial Officer

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Fourth Quarter Performance

- Revenue of $126 million decreased 4% compared to the prior year quarter
  - 10 percentage point decrease in organic[1] revenue
  - 6 percentage point benefit related to Misonix
- Lower sales and gross margin performance headwinds impacted adjusted EBITDA[2] of $15 million and adjusted earnings per share loss of -$0.06

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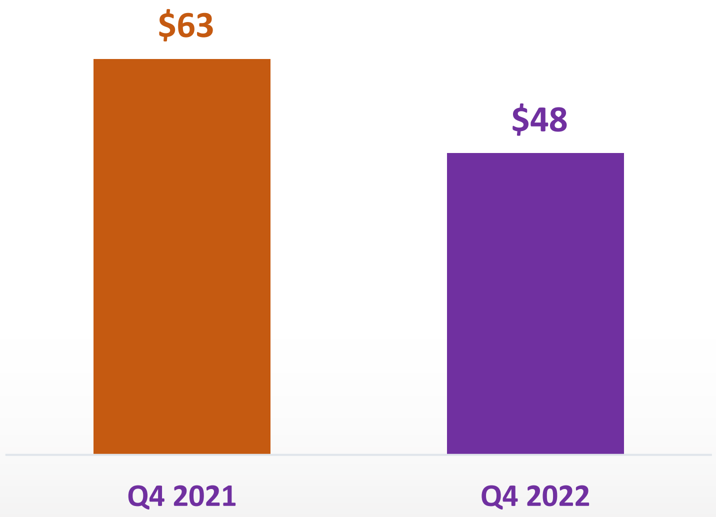
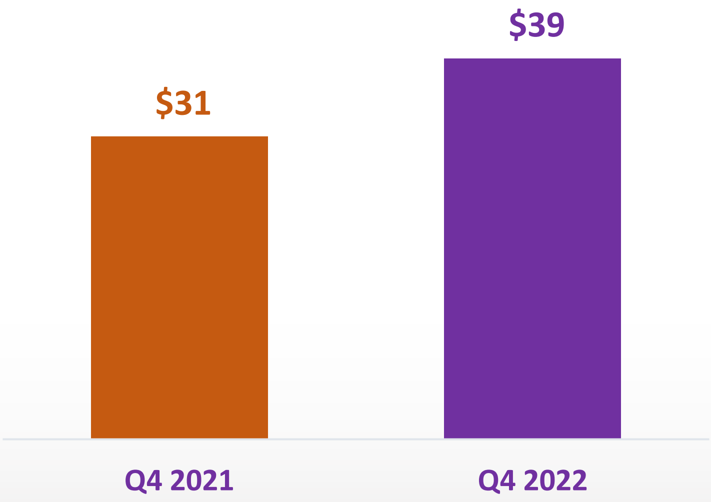
Fourth Quarter Performance

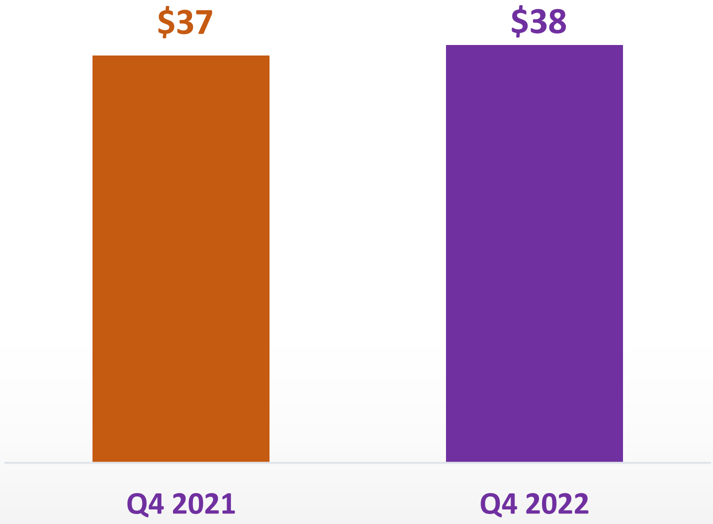
Pain Treatments Revenue
Millions



Surgical Solutions Revenue
Millions



Restorative Therapies Revenue
Millions



- Pain Treatments declined 23% compared to prior year
  - Unanticipated rebate claims drove lower ASP
  - Decline in Gelsyn volume

- Surgical Solutions grew 27%
  - 14 percentage points of organic[1] growth across Bone Graft Substitutes, third straight quarter of double-digit growth
  - 13 percentage point contribution from Misonix

- Restorative Therapies grew 4%
  - Enhanced Advanced Rehabilitation growth offset by slower recovery in Exogen
  - 10 percentage point contribution from Misonix

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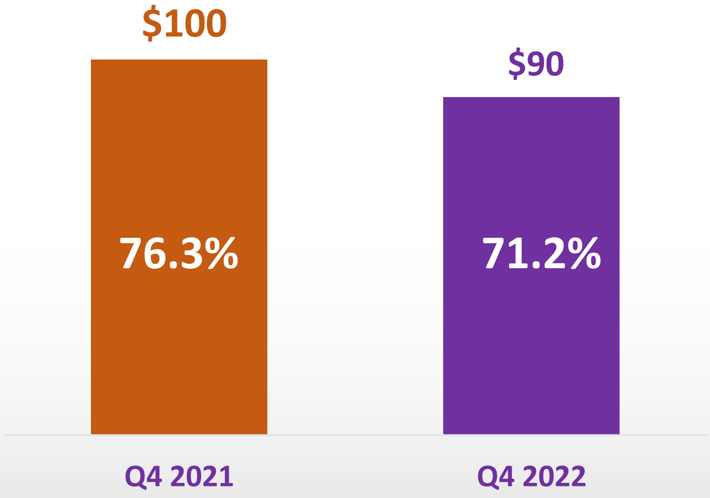
Fourth Quarter Performance

- Adjusted gross margin* decreased 510 basis points
    - Unexpected rebate claims and decreased ASP across Durolane and Gelsyn from higher rebates
    - Unfavorable product mix
- Adjusted operating expenses* increased $1 million as SG&A increases were offset by reduction in R&D

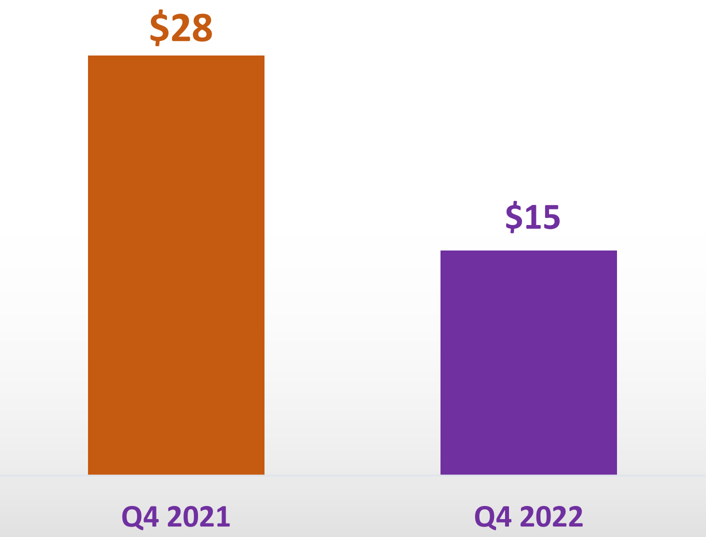
Adjusted Gross Profit
Millions
Adjusted Gross Margin



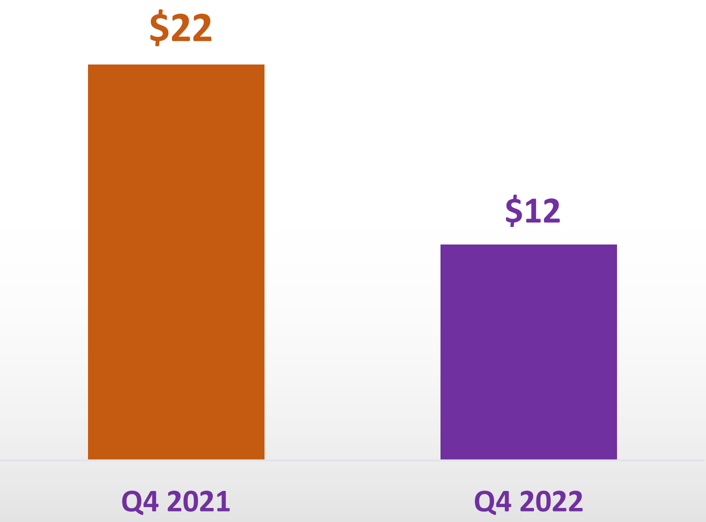
* For a reconciliation of reported GAAP measures to non-GAAP measures, please refer to Slides 19 – 22 of this presentation.

Fourth Quarter Performance
-$0.06 Adjusted Earnings Per Share*

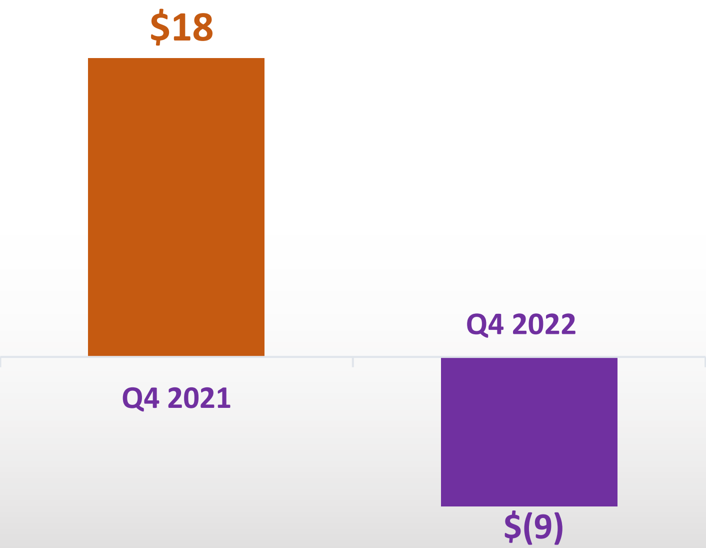
Adjusted EBITDA*
Millions



Adjusted Operating Income*
Millions



Adjusted Net Income*
Millions



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Fourth Quarter Performance: Balance Sheet and Cash Flow

- Ended quarter with $32 million of cash
- $418 million of debt outstanding
- Operating cash outflow of $5 million due to improvement in working capital

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Debt Agreement Amendment

- Amended debt agreement to provide additional headroom in covenants beginning in fourth quarter 2022 through first quarter of 2024
- Amendment increase spread on term loan by 100 bps
- Revised cost of term loan is SOFR plus 425 basis points
- Going concern qualification remains based on risk of covenant compliance for qualitative factors
- In process of addressing these qualitative factors

2023 Guidance

- Delaying establishing 2023 guidance due to of potential divestiture and uncertainty around rebates related to HA business
- First quarter expectations:
  - Revenue growth of low-single digits compared to the prior year
    - Strong growth across Surgical Solutions and Restorative Therapies
    - Decline in Pain Treatments
  - Adjusted EBITDA flat to slightly above the prior year

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. For a reconciliation of reported GAAP measures to non-GAAP measures, please refer to Slides 19 – 22 of this presentation.

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

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

	Three Months Ended		Years Ended	
($, thousands)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net (loss) income	**$ (44,873)**	**$ (1,893)**	**$ (213,391)**	**$ 9,586**
Interest expense, net	14,873	960	25,795	1,112
Income tax benefit, net	(4,841)	(2,725)	(50,508)	(1,966)
Depreciation and amortization[(a)]	23,160	11,690	66,803	34,875
Acquisition and related costs[(b)]	6,789	8,920	27,081	22,964
Gain on remeasurement of CartiHeal Investment[(c)]	—	—	(23,709)	—
Restructuring and succession charges[(d)]	4,606	1,575	7,453	3,717
Equity compensation[(e)]	3,432	6,109	17,585	(4,512)
Equity loss in unconsolidated investments[(f)]	—	548	1,003	1,868
Foreign currency impact[(g)]	(872)	179	250	132
Impairment of goodwill[(h)]	—	—	189,197	—
Asset impairment charges[(i)]	10,285	—	10,285	—
Impairments related to variable interest entity[(j)]	—	—	—	7,043
Other items[(k)]	2,669	3,124	8,465	5,940
Adjusted EBITDA	**$ 15,228**	**$ 28,487**	**$ 66,309**	**$ 80,759**

a) Includes for the three months ended December 31, 2022 and December 31, 2021 and the years ended December 31, 2022 and December 31, 2021, respectively, depreciation and amortization of $15,389, $8,980, $45,622 and $26,471 in cost of sales and $7,771, $2,710, $21,181 and $8,404 in operating expenses presented in the consolidated statements of operations and comprehensive (loss) 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 restructuring plans to reduce headcount, reorganize management structure, and to consolidate certain facilities, and costs related to executive transitions.

e) The year ended and the three months ended December 31, 2022 and the three months ended December 31, 2021 include compensation expense resulting from awards granted under the Company's equity-based compensation plans in effect after its IPO. The year ended December 31, 2021 also includes 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 decline in the Company's market capitalization.

i) Represents asset impairment charges on Trice Medical, Inc.

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

k) 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 (as defined below). 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 acquisitions and our expanded R&D and product development portfolio we inherited with these acquisitions. We incurred $1.8 million and $4.3 million during the three months ended and year ended December 31, 2022, respectively, and we expect to incur approximately $5.0 million to $6.0 million exclusively to fulfill our remaining regulatory obligations related to our Phase 2 trial (MOTYS Costs).

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

Three Months Ended December 31, 2022	Gross Profit	Operating Expenses[a]	R&D	Operating (Loss)/Income	Net Loss	EPS[j]
Reported GAAP measure	**$ 74,189**	**$ 92,817**	**$ 6,807**	**$ (25,435)**	**$ (44,873)**	**$ (0.52)**
Reported GAAP margin	**59.0 %**			**(20.2)%**		
Depreciation and amortization	15,389	7,761	10	23,160	23,160	0.30
Acquisition and related costs[b]	—	6,788	—	6,788	6,789	0.09
Restructuring and succession charges[d]	—	4,606	—	4,606	4,606	0.06
Asset impairment charges[g]	—	—	—	—	10,285	0.13
Other items[h]	—	876	1,793	2,669	2,669	0.03
Tax effect of adjusting items[i]	—	—	—	—	(11,796)	(0.15)
Non-GAAP measure	**$ 89,578**	**$ 72,786**	**$ 5,004**	**$ 11,788**	**$ (9,160)**	**$ (0.06)**
Non-GAAP margin	**71.2 %**			**9.4 %**		
	Non-GAAP Gross Margin	**Non-GAAP Operating Expenses**	**Non-GAAP R&D**	**Non-GAAP Operating Income**	**Non-GAAP Net Income**	**Adjusted EPS**

Three Months Ended December 31, 2021	Gross Profit	Operating Expenses[a]	R&D	Operating (Loss)/Income	Net (Loss)/ Income	EPS[j]
Reported GAAP measure	**$ 87,768**	**$ 83,815**	**$ 7,103**	**$ (3,150)**	**$ (1,893)**	**$ (0.01)**
Reported GAAP margin	**67.3 %**			**(2.4)%**		
Depreciation and amortization	8,980	2,708	2	11,690	11,690	0.16
Acquisition and related costs[b]	2,804	6,116	—	8,920	8,920	0.12
Restructuring and succession charges[d]	—	1,575	—	1,575	1,575	0.02
Other items[h]	—	3,252	—	3,252	3,124	0.05
Tax effect of adjusting items[i]	—	—	—	—	(5,778)	(0.08)
Non-GAAP measure	**$ 99,552**	**$ 70,164**	**$ 7,101**	**$ 22,287**	**$ 17,638**	**$ 0.26**
Non-GAAP margin	**76.3 %**			**17.1 %**		
	Non-GAAP Gross Margin	**Non-GAAP Operating Expenses**	**Non-GAAP R&D**	**Non-GAAP Operating Income**	**Non-GAAP Net Income**	**Adjusted EPS**

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

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

e) *Represents a non-cash impairment charge due to the decline in the Company's market capitalization.*

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

g) *Represents asset impairment charges on Trice Medical, Inc.*

h) *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.*

i) *Includes an estimated tax impact of the adjustments to Non-GAAP Net Income, calculated by applying a normalized statutory rate of 24.8% and 22.8% to those adjustments for the three months ended December 31, 2022 and 2021, respectively. The tax effect on adjustments to EPS is normalized to exclude the effect of the non-controlling ownership interest.*

j) *Adjustments are pro-rated to exclude the weighted average non-controlling interest ownership of 20.4% and 23.5%, respectively, for the years ended December 31, 2022 and 2021.*

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

Year Ended December 31, 2022	Gross Profit	Operating Expenses[a]	R&D	Operating (Loss)/Income	Net (Loss)/ Income	EPS[j]
Reported GAAP measure	**$ 331,080**	**$ 556,187**	**$ 25,941**	**$ (251,048)**	**$ (213,391)**	**$ (2.59)**
Reported GAAP margin	**64.6 %**			**(49.0)%**		
Depreciation and amortization	45,622	21,153	28	66,803	66,803	0.87
Acquisition and related costs[b]	5,607	21,474	—	27,081	27,081	0.35
Gain on remeasurement of CartiHeal Investment[c]	—	—	—	—	(23,709)	(0.31)
Restructuring and succession charges[d]	—	7,453	—	7,453	7,453	0.10
Impairment of goodwill[e]	—	189,197	—	189,197	189,197	2.45
Asset impairment charges[g]	—	—	—	—	10,285	0.13
Other items[h]	—	4,130	4,335	8,465	8,465	0.11
Tax effect of adjusting items[i]	—	—	—	—	(64,813)	(0.94)
Non-GAAP measure	**$ 382,309**	**$ 312,780**	**$ 21,578**	**$ 47,951**	**$ 7,371**	**$ 0.17**
Non-GAAP margin	**74.7 %**			**9.4 %**		
	Non-GAAP Gross Margin	**Non-GAAP Operating Expenses**	**Non-GAAP R&D**	**Non-GAAP Operating Income**	**Non-GAAP Net Income**	**Adjusted EPS**

Year Ended December 31, 2021	Gross Profit	Operating Expenses[a]	R&D	Operating Income	Net Income	EPS[j]
Reported GAAP measure	**$ 302,706**	**$ 271,606**	**$ 19,039**	**$ 12,061**	**$ 9,586**	**$ (0.15)**
Reported GAAP margin	**70.3 %**			**2.8 %**		
Depreciation and amortization	26,471	8,363	41	34,875	34,875	0.59
Acquisition and related costs[b]	4,910	18,054	—	22,964	22,964	0.39
Restructuring and succession charges[d]	—	3,717	—	3,717	3,717	0.06
Impairments related to variable interest entity[f]	—	5,674	—	5,674	7,043	0.02
Other items[h]	—	6,068	—	6,068	5,940	0.10
Tax effect of adjusting items[i]	—	—	—	—	(17,017)	(0.26)
Non-GAAP measure	**$ 334,087**	**$ 229,730**	**$ 18,998**	**$ 85,359**	**$ 67,108**	**$ 0.75**
Non-GAAP margin	**77.5 %**			**19.8 %**		
	Non-GAAP Gross Margin	**Non-GAAP Operating Expenses**	**Non-GAAP R&D**	**Non-GAAP Operating Income**	**Non-GAAP Net Income**	**Adjusted EPS**

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

e) Represents a non-cash impairment charge due to the decline in the Company's market capitalization.

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

g) Represents asset impairment charges on Trice Medical, Inc.

h) 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.

i) Includes $40.9 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 24.8% and 22.8% to those adjustments for the years ended December 31, 2022 and 2021, respectively. The tax effect on adjustments to EPS is normalized to exclude the effect of the non-controlling ownership interest.

j) Adjustments are pro-rated to exclude the weighted average non-controlling interest ownership of 20.4% and 23.5%, respectively, for the years ended December 31, 2022 and 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 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 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 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 (loss) income from continuing operations before depreciation and amortization, provision of income taxes and interest expense (income), 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, remeasurement gains and losses on investments, impairments on goodwill, restructuring and succession charges, equity compensation expense, equity loss in unconsolidated investments, foreign currency impact, and other items. See the table above for a reconciliation of net (loss) income 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 Expenses, Non-GAAP R&D, 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 above 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, remeasurement gains and losses on investments, impairments on goodwill, 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 above 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, remeasurements gains and losses on investments, impairments on goodwill, restructuring and succession charges, and other items. See the table above 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 above for a reconciliation of operating expenses to Non-GAAP Expenses. 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. See the table above for a reconciliation of Net (Loss) Income to Non-GAAP Net Income. 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. See the table above for a reconciliation of loss per Class A share to Non-GAAP Earnings per Class A share.

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.

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 press release, including in the tables above, to their most directly comparable GAAP measures.