UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 26, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-37844

BIOVENTUS INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**81-0980861**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
4721 Emperor Boulevard, Suite 100 **Durham, North Carolina**	
(Address of Principal Executive Offices)	**27703** **(Zip Code)**

(919) 474-6700
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Class A Common Stock, $0.001 par value per share	BVS	The Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 23, 2026, there were 68,474,219 shares of Class A common stock outstanding and 15,786,737 shares of Class B common stock outstanding.

BIOVENTUS INC.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

As used in this Quarterly Report on Form 10-Q, unless expressly indicated or the context otherwise requires, references to "Bioventus," "we," "us," "our," the "Company," and similar references refer to Bioventus Inc. and its consolidated subsidiaries, including Bioventus LLC ("BV LLC").

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and Section 27A of the Securities Act of 1933, as amended ("Securities Act"), concerning the review of potential strategic alternatives; the potential outcomes, impact and timing thereof; our business position and operations; our future financial results and liquidity; and expected sales trends, opportunities, market position and growth. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements including, without limitation, statements concerning: our future financial results and liquidity; 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 and actual results may differ materially from those set forth in the forward-looking statements. Important factors that may cause actual results to differ materially from current expectations include, among other things: whether the objectives of the Company's strategic alternatives review process will be achieved; the terms, structure, timing, benefits and costs of any strategic transaction; whether any such transaction will be consummated at all; the risk that the strategic alternatives review process could have an adverse effect on the ability of the Company to retain customers and retain and hire key personnel and maintain relationships with customers, suppliers, employees, stockholders and other business relationships and on its operating results and business generally; the risk that the strategic alternatives review process could divert the attention and time of the Company's management; the risk of costs or expenses resulting from the strategic alternatives review process; the risk of any litigation relating to the strategic alternatives review process; the risks related to unexpected increases in the volume of rebate claims; the risks related to tariffs and unexpected changes in tariffs, trade barriers and regulatory requirements, export licensing requirements or other restrictive actions by the United States or retaliatory tariffs and other actions taken by foreign governments; the U.S. Food and Drug Administration ("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; we may be unable to successfully commercialize newly developed or acquired products or therapies within expected timeframes; 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; 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 highly qualified personnel necessary to execute our strategic plans; the FDA's reclassification of non-invasive bone growth stimulators, including of our EXOGEN Ultrasound Bone Healing System and the Centers for Medicare & Medicaid Services' updated related billing requirements and reimbursement rates, 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 any of 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 and other competitive factors; demand for our products may decrease as a result of healthcare cost-containment and drug pricing initiatives by the federal government, which could negatively impact the commercial success of affected products; 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 2025 Credit 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 balances 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 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 depends on our ability 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; 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 anticipated growth and strengthen our brands; risks related to product liability claims; fluctuations in demand for our products; 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 certain of our products; economic, political, regulatory and other risks related to international sales, manufacturing and operations; failure to maintain contractual relationships; 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; risks related to our 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; unstable political or economic conditions, including due to government shutdowns; legislative or regulatory reforms; our business might experience adverse impacts due to public health outbreaks; 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 the other risks identified in our Annual Report on Form 10-K for the year ended December 31, 2025 and our Quarterly Report on Form 10-Q for the period ended June 27, 2026, as such factors may be updated from time to time in our 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. You are urged to consider these risk factors carefully in evaluating forward-looking statements. Except to the extent required by law, the Company undertakes no obligation to update or revise any estimate or forward-looking statement for any reason, even if new information becomes available in the future.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Bioventus Inc.
Consolidated Condensed Statements of Operations and Comprehensive Income
Three and Nine Months Ended September 26, 2026 and September 27, 2025
(Amounts in thousands, except share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
Net sales	$ 142,442	$ 138,651	$ 427,739	$ 410,187
Cost of sales (including depreciation and amortization of $9,256, $9,995, $29,236 and $30,863, respectively)	45,314	44,422	134,176	130,812
Gross profit	97,128	94,229	293,563	279,375
Selling, general and administrative expense	82,945	78,657	244,010	231,269
Research and development expense	3,435	2,923	9,075	9,106
Restructuring costs	—	—	39	—
Depreciation and amortization	1,048	1,398	3,196	4,430
(Gain) loss on disposals	—	(1)	—	81
Operating income	9,700	11,252	37,243	34,489
Interest expense, net	3,758	6,177	12,152	21,180
Loss on extinguishment	—	326	—	326
Other (income) expense	(216)	79	(892)	1,417
Other expense	3,542	6,582	11,260	22,923
Income before income taxes	6,158	4,670	25,983	11,566
Income tax (benefit) expense, net	(701)	664	(21,027)	1,610
Net income	6,859	4,006	47,010	9,956
Income attributable to noncontrolling interest	(872)	(851)	(4,469)	(1,979)
Net income attributable to Bioventus Inc.	$ 5,987	$ 3,155	$ 42,541	$ 7,977
Net income	$ 6,859	$ 4,006	$ 47,010	$ 9,956
Other comprehensive income (loss), net of tax				
Change in foreign currency translation adjustments	67	(528)	(1,158)	1,698
Change in the fair value of cash flow hedges	1,386	(785)	3,314	(785)
Comprehensive income	8,312	2,693	49,166	10,869
Comprehensive income attributable to noncontrolling interest	(1,145)	(601)	(4,873)	(2,156)
Comprehensive income attributable to Bioventus Inc.	$ 7,167	$ 2,092	$ 44,293	$ 8,713
Net income per share of Class A common stock:				
Basic	$ 0.09	$ 0.05	$ 0.63	$ 0.12
Diluted	$ 0.08	$ 0.05	$ 0.60	$ 0.12
Weighted-average shares of Class A common stock outstanding:				
Basic	68,376,587	66,924,682	67,855,550	66,483,147
Diluted	72,493,136	68,837,797	71,121,498	68,792,127

The accompanying notes are an integral part of these consolidated condensed financial statements.

Bioventus Inc.
Consolidated Condensed Balance Sheets as of September 26, 2026 and December 31, 2025
(Amounts in thousands, except share amounts)
(Unaudited)

	September 26, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 30,709	$ 51,238
Accounts receivable, net	138,228	128,303
Inventory	83,096	82,236
Prepaid and other current assets	13,509	11,065
Total current assets	265,542	272,842
Property and equipment, net	19,782	21,899
Goodwill	7,462	7,462
Intangible assets, net	343,931	368,419
Operating lease assets	3,756	5,122
Deferred tax assets	29,539	5,522
Investment and other assets	3,418	2,293
Total assets	$ 673,430	$ 683,559
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 25,787	$ 10,928
Accrued liabilities	109,027	130,242
Current portion of long-term debt	18,750	15,000
Other current liabilities	4,140	4,210
Total current liabilities	157,704	160,380
Long-term debt, less current portion	211,077	278,951
Deferred income tax liabilities	568	433
Other long-term liabilities	12,207	15,348
Total liabilities	381,556	455,112
Commitments and contingencies (Note 11)		
Stockholders' Equity		
Preferred stock, $0.001 par value, 10,000,000 shares authorized, 0 shares issued		
Class A common stock, $0.001 par value, 250,000,000 shares authorized as of September 26, 2026 and December 31, 2025, 68,454,714 and 67,097,716 shares issued and outstanding as of September 26, 2026 and December 31, 2025, respectively	69	67
Class B common stock, $0.001 par value, 50,000,000 shares authorized, 15,786,737 shares issued and outstanding as of September 26, 2026 and December 31, 2025	16	16
Additional paid-in capital	532,950	520,851
Accumulated deficit	(292,388)	(334,929)
Accumulated other comprehensive loss	(148)	(1,900)
Total stockholders' equity attributable to Bioventus Inc.	240,499	184,105
Noncontrolling interest	51,375	44,342
Total stockholders' equity	291,874	228,447
Total liabilities and stockholders' equity	$ 673,430	$ 683,559

The accompanying notes are an integral part of these consolidated condensed financial statements.

Bioventus Inc.
Consolidated Condensed Statements of Changes in Stockholders' Equity
Three and Nine Months Ended September 26, 2026 and September 27, 2025
(Amounts in thousands, except share amounts)
(Unaudited)

Three Months Ended September 26, 2026

	Class A Common Stock		Class B Common Stock						
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non-controlling Interest	Total Stockholders' Equity
Balance at June 27, 2026	68,211,818	$ 68	15,786,737	$ 16	$ 527,925	$ (1,328)	$ (298,375)	$ 49,106	$ 277,412
Issuance of Class A common stock for equity plans	242,896	1	—	—	1,414	—	—	—	1,415
Tax withholdings on equity-based compensation awards	—	—	—	—	(19)	—	—	—	(19)
Net income	—	—	—	—	—	—	5,987	872	6,859
Change in noncontrolling interest allocation	—	—	—	—	(337)	—	—	337	—
Equity-based compensation	—	—	—	—	3,967	—	—	789	4,756
Distributions to members	—	—	—	—	—	—	—	(2)	(2)
Cash flow hedging, net	—	—	—	—	—	1,126	—	260	1,386
Translation adjustment	—	—	—	—	—	54	—	13	67
Balance at September 26, 2026	68,454,714	$ 69	15,786,737	$ 16	$ 532,950	$ (148)	$ (292,388)	$ 51,375	$ 291,874

Three Months Ended September 27, 2025

	Class A Common Stock		Class B Common Stock						
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non-controlling Interest	Total Stockholders' Equity
Balance at June 28, 2025	66,885,359	$ 67	15,786,737	$ 16	$ 514,772	$ (774)	$ (352,839)	$ 40,057	$ 201,299
Issuance of Class A common stock for equity plans	88,333	—	—	—	96	—	—	—	96
Tax withholdings on equity-based compensation	—	—	—	—	(9)	—	—	—	(9)
Net income	—	—	—	—	—	—	3,155	851	4,006
Equity-based compensation	—	—	—	—	2,675	—	—	501	3,176
Cash flow hedging, net	—	—	—	—	—	(635)	—	(150)	(785)
Translation adjustment	—	—	—	—	—	(428)	—	(100)	(528)
Balance at September 27, 2025	66,973,692	$ 67	15,786,737	$ 16	$ 517,534	$ (1,837)	$ (349,684)	$ 41,159	$ 207,255

Nine Months Ended September 26, 2026

	Class A Common Stock		Class B Common Stock						
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non-controlling Interest	Total Stockholders' Equity
Balance at December 31, 2025	67,097,716	$ 67	15,786,737	$ 16	$ 520,851	$ (1,900)	$ (334,929)	$ 44,342	$ 228,447
Issuance of Class A common stock for equity plans	1,356,998	2	—	—	2,386	—	—	—	2,388
Tax withholdings on equity-based compensation awards	—	—	—	—	(1,357)	—	—	—	(1,357)
Net income	—	—	—	—	—	—	42,541	4,469	47,010
Change in noncontrolling interest allocation	—	—	—	—	(20)	—	—	20	—
Recognition of tax receivable agreement liability upon release of valuation allowance	—	—	—	—	186	—	—	—	186
Equity-based compensation	—	—	—	—	10,904	—	—	2,157	13,061
Distributions to members	—	—	—	—	—	—	—	(17)	(17)
Cash flow hedging, net	—	—	—	—	—	2,689	—	625	3,314
Translation adjustment	—	—	—	—	—	(937)	—	(221)	(1,158)
Balance at September 26, 2026	68,454,714	$ 69	15,786,737	$ 16	$ 532,950	$ (148)	$ (292,388)	$ 51,375	$ 291,874

Nine Months Ended September 27, 2025

	Class A Common Stock		Class B Common Stock						
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non-controlling Interest	Total Stockholders' Equity
Balance at December 31, 2024	65,758,341	$ 66	15,786,737	$ 16	$ 508,092	$ (2,573)	$ (357,661)	$ 37,664	$ 185,604
Issuance of Class A common stock for equity plans	1,215,351	1	—	—	1,562	—	—	—	1,563
Tax withholdings on equity-based compensation	—	—	—	—	(9)	—	—	—	(9)
Net income	—	—	—	—	—	—	7,977	1,979	9,956
Change in noncontrolling interest allocation	—	—	—	—	159	—	—	(159)	—
Equity-based compensation	—	—	—	—	7,730	—	—	1,503	9,233
Distributions to members	—	—	—	—	—	—	—	(5)	(5)
Cash flow hedging, net	—	—	—	—	—	(635)	—	(150)	(785)
Translation adjustment	—	—	—	—	—	1,371	—	327	1,698
Balance at September 27, 2025	66,973,692	$ 67	15,786,737	$ 16	$ 517,534	$ (1,837)	$ (349,684)	$ 41,159	$ 207,255

The accompanying notes are an integral part of these consolidated condensed financial statements.

Bioventus Inc.
Consolidated Condensed Statements of Cash Flows
Nine Months Ended September 26, 2026 and September 27, 2025
(Amounts in thousands)
(Unaudited)

	Nine Months Ended	
	September 26, 2026	**September 27, 2025**
Operating activities:		
Net income	$ 47,010	$ 9,956
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	32,465	35,317
Provision for credit losses	189	944
Equity-based compensation	13,061	9,233
Deferred income taxes	(22,641)	222
Loss on disposals	—	81
Loss on extinguishment	—	326
Unrealized loss (gain) on foreign currency fluctuations	151	(333)
Other, net	508	1,006
Changes in operating assets and liabilities:		
Accounts receivable	(10,471)	(2,801)
Inventories	(3,215)	(4,399)
Accounts payable and accrued expenses	(7,453)	(15,370)
Other current and noncurrent assets and liabilities	(139)	2,523
Net cash from operating activities	49,465	36,705
Investing activities:		
Settlement from the sale of a business	—	(686)
Purchase of property and equipment	(1,868)	(1,982)
Acquisition of distribution rights	(1,500)	—
Purchase of equity securities	(1,500)	—
Net cash from investing activities	(4,868)	(2,668)
Financing activities:		
Proceeds from issuance of Class A common stock	2,388	1,563
Tax withholdings on equity-based compensation	(1,357)	(9)
Payment of contingent consideration	—	(19,771)
Borrowing on revolver	—	45,000
Payment on revolver	—	(20,000)
Proceeds from the issuance of long-term debt, net of discount	—	31,907
Payments on the extinguishment of long-term debt	—	(65,765)
Debt refinancing costs	—	(697)
Payments on long-term debt	(64,500)	(5,302)
Other, net	(690)	(619)
Net cash from financing activities	(64,159)	(33,693)
Effect of exchange rate changes on cash	(967)	238
Net change in cash and cash equivalents	(20,529)	582
Cash and cash equivalents at the beginning of the period	51,238	41,582
Cash and cash equivalents at the end of the period	$ 30,709	$ 42,164
Supplemental disclosure of noncash investing and financing activities:		
Accounts payable for purchase of property, plant and equipment	$ 285	$ 218

The accompanying notes are an integral part of these consolidated condensed financial statements.

Bioventus Inc.
Notes to the Unaudited Consolidated Condensed Financial Statements
(Amounts in thousands, except unit and share amounts)

1. Organization

The Company

Bioventus Inc. (together with its subsidiaries, the "Company") was formed as a Delaware corporation as part of an initial public offering ("IPO") in February 2021, conducted through what is commonly referred to as an umbrella partnership C Corporation ("UP-C") structure. Bioventus Inc. functions as a holding company with no direct operations, material assets or liabilities other than the equity interest in Bioventus LLC and its subsidiaries ("BV LLC"). BV LLC is a limited liability company formed under the laws of the state of Delaware on November 23, 2011 and operates as a partnership. The Company has majority interest, sole voting interest, and controls the management of BV LLC. As a result, the Company consolidates the financial results of BV LLC and reports a noncontrolling interest representing the interest of BV LLC held by Smith & Nephew, Inc. (the "Continuing LLC Owner").

The Company is a global medical device company focused on helping patients recover and live life to the fullest by relieving pain and addressing musculoskeletal challenges through a diverse portfolio of high-quality, innovative, and clinically-proven solutions. The Company is headquartered in Durham, North Carolina and had approximately 960 employees at September 26, 2026.

Interim Periods

The Company reports quarterly interim periods on a 13-week basis within a standard calendar year. Each annual reporting period begins on January 1 and ends on December 31. Each quarter ends on the Saturday closest to calendar quarter-end, with the exception of the fourth quarter, which ends on December 31. The 13-week quarterly periods for fiscal year 2026 end on March 28, June 27, and September 26. Comparable periods for 2025 ended on March 29, June 28, and September 27. The first and fourth quarters may vary in length depending on the calendar year.

Unaudited Interim Financial Information

The accompanying unaudited consolidated condensed financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Pursuant to these rules and regulations, they do not include all information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair statement of the Company's financial condition and results of operations have been included. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the full year. As such, the information included in this report should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2025. The consolidated condensed balance sheets at December 31, 2025 were derived from the audited consolidated financial statements of the Company, but do not include all the disclosures required by U.S. GAAP.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenues and expenses during the period. On an ongoing basis, management evaluates these estimates, including those related to contractual allowances and sales incentives, allowance for credit losses, inventory reserves, goodwill and intangible assets impairment, valuation of assets and liabilities assumed in acquisitions, useful lives of long-lived assets, fair value measurements, litigation and contingent liabilities, income taxes, and equity-based compensation. Management bases its estimates on historical experience, future expectations and other relevant assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

Recent Accounting Pronouncements

In December 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2025-11 ("ASU 2025-11"), Interim Reporting (Topic 270). The amendments in this update result in a comprehensive list of interim disclosures that are required by U.S. GAAP. The objective of ASU 2025-11 is to provide clarity about the current requirements, rather than expand or reduce interim disclosure requirements. The amendments in ASU 2025-11 also include a disclosure principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The intent of the disclosure principle, which is modeled after previous disclosure requirements, is to help entities determine whether disclosures not specified in Topic 270 should be disclosed in interim reporting periods. The amendments in ASU 2025-11 also clarify the applicability of Topic 270, the types of interim reporting, and the form and content of interim financial statements in accordance with U.S. GAAP. ASU 2025-11 is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted and the amendments in ASU 2025-11 can be applied either prospectively or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating ASU 2025-11 to determine its impact on the Company's consolidated condensed financial statements and disclosures, as well as the method and timing of adoption.

In November 2025, the FASB issued Accounting Standards Update 2025-09 ("ASU 2025-09"), Derivatives and Hedging (Topic 815). The objective of ASU 2025-09 is to more closely align hedge accounting with the economics of an entity's risk management activities. The amendments included in ASU 2025-09 intend to better reflect strategies in financial reporting by enabling entities to achieve and maintain hedge accounting for highly effective economic hedges of forecasted transactions by: (1) expanding the hedged risks permitted to be aggregated in a group of individually forecasted transactions, thereby enabling entities to apply hedge accounting to potentially broader portfolios of forecasted transactions; (2) establishing an operable model to facilitate the application of cash flow hedge accounting to forecasted interest payments on variable-rate debt instruments with contractual terms that permit the borrower to change the interest rate index and interest rate frequency upon which interest is accrued; (3) expanding hedge accounting for forecasted purchases and sales of nonfinancial assets; (4) updating the hedge accounting guidance to accommodate differences in the loan and swap markets that developed after the cessation of the London Interbank Offered Rate; and (5) eliminating the recognition and presentation mismatch related to a dual hedge strategy. ASU 2025-09 will be effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted on any date on or after the issuance of ASU 2025-09. The amendments under ASU 2025-09 must be adopted on a prospective basis for all hedging relationships. An entity may elect to adopt ASU 2025-09 for hedging relationships that exist as of the date of adoption and is permitted to modify certain critical terms of certain existing hedging relationships without dedesignating the hedge. The Company is currently evaluating ASU 2025-09 to determine its impact on the Company's consolidated condensed financial statements and disclosures.

In September 2025, the FASB issued Accounting Standards Update 2025-06 ("ASU 2025-06"), Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40). ASU 2025-06 eliminates prescriptive and sequential software development stages, thus requiring entities to capitalize software costs when both of the following occur: (1) management authorizes and commits to funding the software project; and (2) it is probable that the project will be completed and the software will be used to perform its intended function (referred to as the "probable-to-complete recognition method"). In evaluating the probable-to-complete recognition method, an entity must consider whether there is significant uncertainty associated with the development activities of the software (referred to as "significant development uncertainty"). The two factors to consider in determining whether there is significant development uncertainty are whether: (1) the software being developed has technological innovations or novel, unique, or unproven functions or features, and the uncertainty related to those technological innovations, functions, or features, if identified, has not been resolved through coding and testing; and (2) the company has determined what it needs the software to do (for example, functions or features), including whether the company has identified or continues to substantially revise the software's significant performance requirements. ASU 2025-06 specifies that the disclosures in Subtopic 360-10, Property, Plant, and Equipment—Overall are required for all capitalized internal-use software costs, regardless of how the company presents those costs in the financial statements. Additionally, ASU 2025-06 clarifies that the intangibles disclosures are not required for capitalized internal-use software costs. Further, ASU 2025-06 supersedes the website development costs guidance and incorporates the recognition requirements for website-specific development costs from Subtopic 350-50 into Subtopic 350-40. ASU 2025-06 will be effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. The amendments under ASU 2025-06 may be adopted prospectively, retrospectively, or with a modified transition adoption for certain in-process projects. The Company is currently evaluating ASU 2025-06 to determine its impact on the Company's consolidated condensed financial statements and disclosures, as well as the method and timing of adoption.

In November 2024, the FASB issued Accounting Standards Update 2024-03 ("ASU 2024-03"), Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures, which requires additional disclosures regarding income statement expense categories. The additional disclosures will further disaggregate relevant expense captions in tabular form within the notes to the consolidated condensed financial statements because they include one or more expense categories such as: (1) purchases of inventory, (2) employee compensation, (3) depreciation, (4) intangible asset amortization and (5) depreciation, depletion and amortization recognized as part of oil- and gas-producing activities or other types of depletion expenses. ASU 2024-03 also requires: (i) disclosure of certain amounts that are already required to be disclosed under current requirements in the same disclosure as the other disaggregation requirements; (ii) a qualitative description of the amount remaining in relevant expense captions that are not separately disaggregated quantitatively; and (iii) disclosure of the definition of and the total amount of selling expenses. In January 2025, the FASB issued Accounting Standards Update 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures: Clarifying the Effective Date, further defining that ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within the annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments in this update should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this update, or (2) retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating ASU 2024-03 to determine the method of adoption and its impact on the Company's disclosures. The Company plans to adopt ASU 2024-03 in its Annual Report on Form 10-K for the fiscal year ending December 31, 2027. The Company expects that further disaggregation of income statement captions will be necessary, which will be disclosed in the notes to the consolidated condensed financial statements upon the adoption of ASU 2024-03.

2. Balance Sheet Information

Accounts Receivable, Net

Accounts receivable, net consists of amounts billed and currently due from customers. The Company records the amounts due net of allowance for credit losses. Collection of the consideration that the Company expects to receive typically occurs within 30 to 90 days of billing. The Company applies the practical expedient for contracts with payment terms of one year or less which does not consider the effects of the time value of money. Occasionally, the Company enters into payment agreements with patients that allow payment terms beyond one year. In those cases, the financing component is not deemed significant to the contract.

Accounts receivable, net of allowances, consisted of the following as of:

	September 26, 2026	December 31, 2025
Accounts receivable	$ 140,756	$ 131,206
Less: Allowance for credit losses	(2,528)	(2,903)
	$ 138,228	$ 128,303

Due to the short-term nature of the Company's receivables, the estimate of expected credit losses is based on aging of its accounts receivable balances. The allowance is adjusted on a specific identification basis for certain accounts as well as pooling of accounts with similar characteristics. The Company has a diverse customer base. One customer represented approximately 27.7% and 28.1% of accounts receivable as of September 26, 2026 and December 31, 2025, respectively. Historically, the Company's reserves have been adequate to cover credit losses. The accounts receivable, net balance as of June 27, 2026 was $138,406.

Inventory

Inventory consisted of the following as of:

	September 26, 2026	December 31, 2025
Raw materials and supplies	$ 18,107	$ 21,240
Finished goods	64,989	60,996
	$ 83,096	$ 82,236

Accrued Liabilities

Accrued liabilities consisted of the following as of:

	September 26, 2026	December 31, 2025
Gross-to-net deductions	$ 60,005	$ 73,487
Bonus and commission	16,735	25,040
Compensation and benefits	5,395	6,560
Accrued interest	2,284	3,168
Income and other taxes	5,718	5,135
Other liabilities	18,890	16,852
	$ 109,027	$ 130,242

3. Divestitures

On December 31, 2024, the Company completed the sale of certain products within its advanced rehabilitation business, including the L100, L300 Go, L360, H200, Vector Gait & Safety System and Bioness Integrated Therapy System (collectively, the "Advanced Rehabilitation Business"). The divestiture aligns with the Company's focus on core operations and the Advanced Rehabilitation Business required additional research and development expenditures to achieve its next stage of growth. The Company received cash proceeds of $24,678 at closing, net of transaction fees, which were subject to a post-closing adjustment for net working capital. The Company paid $686 in the second quarter of 2025 to settle the adjustment for net working capital. The Company may receive up to $20,000 in contingent earn-out payments based on the achievement of certain revenue and financial performance thresholds related to the Advanced Rehabilitation Business during the fiscal year ending December 31, 2026.

4. Financial Instruments

Long-term debt consisted of the following as of:

2025 Credit Agreement	September 26, 2026	December 31, 2025
2025 Term Loan	$ 231,750	$ 296,250
Less:		
Current portion of long-term debt	(18,750)	(15,000)
Unamortized debt issuance cost	(476)	(570)
Unamortized discount	(1,447)	(1,729)
	$ 211,077	$ 278,951

2025 Credit Agreement

On July 31, 2025, the Company entered into a Credit Agreement (the "2025 Credit Agreement") with Wells Fargo Bank, National Association, and a syndicate of financial institutions and other entities (collectively, the "Lenders"). The 2025 Credit Agreement consists of a $300,000 term loan facility (the "2025 Term Loan") and a $100,000 revolving credit facility (the "2025 Revolver" and, together with the 2025 Term Loan, the "2025 Term Loan Facilities").

Proceeds from the 2025 Term Loan, borrowings of $30,000 under the 2025 Revolver, and $2,562 in available cash were used to repay the outstanding balance under the 2019 Credit and Guaranty Agreement, as amended, which totaled $332,562 as of July 31, 2025.

The Company evaluated the refinancing of the 2019 Credit and Guaranty Agreement on a creditor-by-creditor basis. Transactions with continuing lenders were recognized as modifications of existing debt. In relation to the new lender, the transaction was recognized as the issuance of new debt. The Company accounted for transactions with exiting lenders as debt extinguishments.

As a result of the 2025 Credit Agreement, the Company received cash proceeds of $28,125 from a new creditor and $5,078, net of repayments, from several continuing creditors. In connection with the termination of the 2019 Credit and Guaranty Agreement, the Company paid $65,765, primarily to exiting creditors, with a portion paid to a continuing creditor that was partially extinguished. The Company recorded an original issue discount of $1,296 related to the 2025 Credit Agreement, which was capitalized within the consolidated condensed balance sheets. These capitalized discounts are amortized as interest expense, net, on a straight-line basis over the term of the 2025 Term Loan Facilities, which approximates the effective interest method. The majority of the capitalized discounts originated from loans with continuing creditors.

The Company recognized a loss on extinguishment of $326, which is included in the consolidated condensed statements of operations and comprehensive income for the three and nine months ended September 27, 2025. This loss reflects the write-off of unamortized deferred financing costs and discounts associated with certain financial institutions under the 2019 Credit and Guaranty Agreement.

The Company also incurred $794 in third-party costs associated with the debt modification, which were expensed as incurred and recorded within selling, general and administrative expense within the consolidated condensed statement of operations and comprehensive income for the three and nine months ended September 27, 2025.

As of September 26, 2026, the outstanding balance on the 2025 Term Loan was $229,827, net of discounts of $1,447 and deferred financing costs of $476. These amounts include portions of the original issue discounts and deferred financing costs attributable to returning Lenders from the 2019 Credit and Guaranty Agreement. Interest expense, net includes deferred cost amortization of $163 and $490 for the three and nine months ended September 26, 2026, respectively, and $244 and $1,006 for the three and nine months ended September 27, 2025, respectively. The effective interest rate on the 2025 Term Loan was 5.91% as of September 26, 2026.

The 2025 Term Loan and 2025 Revolver mature on July 31, 2030 (“Maturity”). On March 31, 2026 and June 30, 2026, the Company made scheduled principal payments of $3,750 on the 2025 Term Loan. During the three months ended March 28, 2026, June 27, 2026, and September 26, 2026 the Company made discretionary prepayments of $22,000, $20,000, and $15,000, respectively, on the 2025 Term Loan. The remaining scheduled principal payments for the 2025 Term Loan as of September 26, 2026 are as follows:

Period	Scheduled Quarterly Payments[(a)]	Annually
2026	3,750	7,500
2027	3,750	15,000
2028	3,750	15,000
2029	3,750	15,000
2030	3,750	7,500
2030 - Final payment at Maturity	—	171,750

[(a)] Scheduled quarterly payments occur on March 31, June 30, September 30, and December 31 of each year.

The estimated fair value of the 2025 Term Loan, using the midpoint of the Bloomberg Valuation, was $225,377 as of September 26, 2026 and classified as a Level 2 instrument within the fair value hierarchy.

Interest - 2025 Credit Agreement

The 2025 Term Loan and the 2025 Revolver permit the Company to elect either the Secured Overnight Financing Rate (“SOFR”) or the Base Rate (“BR”) option for all or portions of the borrowings. Both rate options are calculated using a base interest rate plus a margin, which is determined based on the Company’s leverage ratio, which is the ratio of consolidated net indebtedness to consolidated EBITDA, as specified in the 2025 Credit Agreement.

BR borrowings accrue interest based on the Federal Funds Rate plus 0.50%, with interest payments due on the last day of each calendar quarter. SOFR borrowings accrue interest over a designated interest period (“Interest Period”) of one, three or six months at the Company’s discretion. Interest is payable on the last day of each Interest Period, or every three months for Interest Periods longer than three months. The applicable interest margins under the 2025 Credit Agreement are 2.50% and 1.50% for SOFR and BR loans, respectively.

The applicable interest margin is subject to adjustment based on a pricing grid, which reflects changes in the Company’s leverage ratio following delivery of quarterly financial statements to the Lenders:

Leverage ratio	SOFR	BR	Commitment Fee
< 2.00 to 1.00	1.75 %	0.75 %	0.20 %
≥ 2.00 to 1.00 < 2.50 to 1.00	2.00 %	1.00 %	0.20 %
≥ 2.50 to 1.00 < 3.00 to 1.00	2.25 %	1.25 %	0.30 %
≥ 3.00 to 1.00 < 3.50 to 1.00	2.50 %	1.50 %	0.30 %
≥ 3.50 to 1.00	2.75 %	1.75 %	0.30 %

2025 Revolver and Letters of Credit

The five-year 2025 Revolver includes an initial annual commitment fee of 0.30%, calculated on the average daily amount of the unused revolving commitment, inclusive of revolving loans, swingline loans, and letters of credit ("LOC"). The commitment fee is payable quarterly in arrears on the last day of each calendar quarter and at Maturity. The commitment fee rate is subject to adjustment based on the Company's leverage ratio. Swingline loans are available as BR option loans and total LOC availability is limited to $7,500 under the 2025 Credit Agreement.

As of September 26, 2026, the Company had three LOCs outstanding, reducing LOC capacity to approximately $5,894. All outstanding LOCs incur fees equal to the interest margin for SOFR based loans under the 2025 Revolver, applied to the undrawn and unexpired amount of each LOC. These LOC fees are payable quarterly in arrears. As of September 26, 2026, the Company had $100,000 available under the 2025 Revolver, excluding the effect of outstanding LOCs.

Covenants - 2025 Credit Agreement

The 2025 Credit Agreement contains affirmative and negative covenants applicable to senior secured credit facilities, including covenants that, among other things, limit or restrict the ability of the Company to, subject to negotiated exceptions, incur additional indebtedness, liens on its assets, engage in acquisitions or dispositions, pay dividends or make other distributions, enter into transactions with affiliated persons, make investments, change the nature of its business or organizational documents, or prepay or make modifications to other indebtedness that would adversely affect the Lenders.

The 2025 Credit Agreement also contains financial covenants including a maximum consolidated total net leverage quarterly ratio of 3.50 to 1.00. The Company may elect to increase such ratio level by 0.50 to 1.00 following certain permitted acquisitions. A minimum interest coverage ratio of 2.50 to 1.00 must also be maintained. The 2025 Revolver also includes standard provisions related to conditions of borrowing and customary events of default. The Company does not expect any of these covenants or restrictions to affect or limit its ability to conduct business in the ordinary course.

The Company was in compliance with the financial covenants under the 2025 Credit Agreement as of September 26, 2026.

Interest Rate Swaps

The Company uses two interest rate swaps to mitigate the interest rate risk associated with its floating-rate SOFR-based borrowings under the 2025 Credit Agreement. Under the terms of the swaps, the Company pays a fixed interest rate in exchange for SOFR-based variable interest throughout the life of the instruments, the majority of which expire July 31, 2028. The interest rate swaps have a weighted average fixed interest rate of 3.60% and an aggregate notional value of $150,000, or 50.0% of the initial 2025 Term Loan. Refer to *Note 5. Fair Value Measurements* for additional information regarding the valuation of the interest rate swaps.

5. Fair Value Measurements

The process for determining fair value has not changed from that described in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. The Company does not have any assets or liabilities measured at fair value using Level 1 or Level 3 inputs. The Company's interest rate swaps, which are measured using Level 2 inputs, were in an asset position of $2,323 as of September 26, 2026, compared to a liability position of $991 as of December 31, 2025. Interest rate swap assets and liabilities are recorded in prepaid and other current assets and accrued liabilities, respectively, within the consolidated condensed balance sheets.

The Company utilizes interest rate swaps designated as cash flow hedges to manage exposure to variability in interest payments on its variable-rate debt. The fair value of these instruments represents the amount at which the swaps could be settled in an orderly transaction. This value is based on estimates derived from a quantitative regression analysis using Level 2 inputs, and is validated through comparisons with estimates provided by counterparties. Fair value measurements incorporate credit valuation adjustments to reflect the potential nonperformance or credit risk of both the Company and its counterparties.

The Company evaluates the effectiveness of its hedge instruments quarterly and both instruments were effective as of September 26, 2026. The Company does not hold or issue derivative instruments for trading purposes. Cash flows associated with hedging instruments are presented in the same category in the statement of cash flows as those of the hedged item. Accordingly, settlements of interest rate swaps are classified as operating activities, consistent with the classification of interest payments on the related debt.

Changes in the fair value of interest rate swaps are recorded each period in either accumulated other comprehensive income ("AOCI") within the consolidated condensed balance sheets or as interest expense, net within the consolidated condensed statements of operations and comprehensive income, depending on the effectiveness of the hedge.

Fair value changes deemed effective are recorded in AOCI and subsequently reclassified into interest expense, net, during the same period in which the hedged transaction impacts earnings. Any portion of the fair value determined to be ineffective is recognized immediately in interest expense, net within the consolidated condensed statements of operations and comprehensive income.

The following table presents cash flow hedge activity recognized in AOCI for the three and nine months ended September 26, 2026:

	Three Months Ended		Nine Months Ended	
Interest Rate Swaps	**September 26, 2026**	**September 27, 2025**	**September 26, 2026**	**September 27, 2025**
Cash flow hedge fair value gain (loss)[(a)]	$ 1,386	$ (785)	$ 3,314	$ (785)

(a) Represents the total change in the fair value of cash flow hedges recognized during the period. Included in those amounts were $260 and $625 recognized in AOCI attributable to noncontrolling interest during the three and nine months ended September 26, 2026, respectively. For the three and nine months ended September 27, 2025, $150 was recognized in AOCI attributable to noncontrolling interest.

There were no income tax benefits or expenses associated with the Company's interest rate swaps or reclassifications from AOCI during the three and nine months ended September 26, 2026 and September 27, 2025.

Interest payables and receivables under the interest rate swaps are accrued and recorded as adjustments to interest expense, net in the consolidated condensed statements of operations and comprehensive income.

6. Equity-Based Compensation

2021 Plan

The Company operates an equity-based compensation plan (the "2021 Plan"), which allows for the issuance of nonqualified stock options, restricted stock, dividend equivalents, restricted stock units ("RSUs"), performance restricted stock units ("PRSUs"), and other stock-based and cash awards (collectively, the "2021 Plan Awards"). As of September 26, 2026, 26,963,662 shares of Class A common stock have been authorized to be awarded under the 2021 Plan and 11,803,836 shares were available for 2021 Plan Awards.

2023 Plan

The Company also operates the 2023 Retention Equity Award Plan (the "2023 Plan" and, together with the 2021 Plan, the "Plans"), the purpose of which is to retain and motivate critical personnel over the short-term by providing them additional incentives in the form of RSUs (the "Retention Awards" and together with the "2021 Plan Awards," the "Awards"). As of September 26, 2026, 600,000 shares of Class A common stock were authorized to be awarded under the 2023 Plan and 69,050 shares were available for Retention Awards.

Activity under the Plans

Expense

Equity-based compensation, net for Awards granted under the Plans totaled $4,756 and $12,791 for the three and nine months ended September 26, 2026, respectively, and $3,176 and $8,951 for the three and nine months ended September 27, 2025, respectively. The expense is primarily included in selling, general and administrative expense with a nominal amount in research and development expense within the consolidated condensed statements of operations and comprehensive income, based upon the classification of the employee. There were $53 and $446 in income tax benefits related to equity-based compensation expense for the three and nine months ended September 26, 2026, respectively. There were no income tax benefits related to equity-based compensation expense for the three and nine months ended September 27, 2025.

Restricted Stock Units

During the three and nine months ended September 26, 2026, the Company granted time-based RSUs which vest at various dates through August 15, 2030. RSU compensation expense is recognized over the vesting period, which is typically between 1 and 4 years. Unamortized compensation expense related to RSUs totaled $16,987 at September 26, 2026, and is expected to be recognized over a weighted-average period of approximately 2.97 years. A summary of the RSU award activity for the nine months ended September 26, 2026 is as follows (number of units in thousands):

	Number of units	Weighted-average grant-date fair value per unit
Unvested at December 31, 2025	2,777	$ 6.90
Granted	2,181	8.68
Vested	(1,144)	6.71
Forfeited or canceled	(231)	7.64
Unvested at September 26, 2026	3,583	$ 8.00

Performance Restricted Stock Units

During the nine months ended September 26, 2026, the Company granted PRSUs subject to a 3-year cliff vesting period, contingent upon the achievement of a designated market condition at the end of the vesting term. The market condition is based on the Company's relative total shareholder return ("TSR"). Compensation expense related to PRSUs is recognized on a straight-line basis over the 3-year vesting period. The fair value of the PRSUs was determined on the grant date using a Monte Carlo simulation model, which estimated TSR for the Company's Class A common stock relative to a peer group consisting of companies included in the Russell 2000 Medical Equipment Index, along with additional selected companies. The number of shares of Class A common stock issuable upon vesting of the PRSUs is determined based on achievement of the TSR. Actual shares issued may range from 0% to 200% of the target award granted.

Unamortized compensation expense related to PRSUs totaled $4,838 at September 26, 2026, and is expected to be recognized over a weighted-average period of approximately 2.17 years. A summary of PRSU award activity for the nine months ended September 26, 2026 is as follows (number of units in thousands):

	Number of units	Weighted-average grant-date fair value per unit
Unvested at December 31, 2025	159	$ 10.37
Granted	386	13.13
Unvested at September 26, 2026	545	$ 12.32

Stock Options

During the nine months ended September 26, 2026, the Company granted time-based stock options which vest over 1 to 4 years following the date of grant and expire within 10 years. The fair value of time-based stock options is determined using the Black-Scholes valuation model, with such value recognized as expense over the service period, which is typically 1 to 4 years, net of actual forfeitures. A summary of the Company's assumptions used in determining the fair value of the stock options granted during the nine months ended September 26, 2026 is shown in the following table:

Risk-free interest rate	4.0%
Expected dividend yield	— %
Expected stock price volatility	39.5% - 39.7%
Expected life of stock options (years)	6.25

The weighted-average grant date fair value of options granted during the nine months ended September 26, 2026 was $3.93 per share. The expected term of the options granted is estimated using the simplified method. Expected volatility is based on the historical volatility of the peer companies' common stock. The risk-free interest rate is determined based upon a constant U.S. Treasury security rate with a contractual life that approximates the expected term of the option. Unamortized compensation expense related to the options totaled $4,154 at September 26, 2026, and is expected to be recognized over a weighted-average period of approximately 3.07 years.

A summary of stock option activity is as follows for the nine months ended September 26, 2026 (number of options in thousands):

	Number of options	Weighted-average exercise price	Weighted-average remaining contractual term	Aggregate intrinsic value[(1)]
Outstanding at December 31, 2025	4,664	$ 7.77	7.06	$ 7,780
Granted	1,047	8.60		
Exercised	(257)	6.37		
Forfeited or canceled	(111)	9.38		
Outstanding at September 26, 2026	5,343	$ 7.96	7.03	$ 31,333
Exercisable and vested at September 26, 2026	2,892	$ 8.64	5.88	$ 15,054

(1) The aggregate intrinsic value is based upon the difference between the Company's closing stock price at the date of the consolidated condensed balance sheets and the exercise price of the stock option for in-the-money stock options. The intrinsic value of outstanding stock options fluctuates based upon the trading value of the Company's Class A common stock.

Employee Stock Purchase Plan

The Company operates a non-qualified Employee Stock Purchase Plan ("ESPP"), which provides for the issuance of shares of the Company's Class A common stock to eligible employees of the Company that elect to participate in the plan and purchase shares of Class A common stock through payroll deductions at a discounted price. As of September 26, 2026, the aggregate number of shares reserved for issuance under the ESPP was 2,268,019. During the nine months ended September 26, 2026, the Company issued 106,500 shares under the ESPP and recognized $270 in related expense. For the nine months ended September 27, 2025, the Company issued 114,803 shares under the ESPP and recognized $282 in related expense.

7. Stockholders' Equity

On February 16, 2021, the Company closed an IPO of 9,200,000 shares of Class A common stock through an UP-C structure with BV LLC. In connection with the IPO, the Company amended and restated the limited liability company agreement of BV LLC ("BV LLC Agreement") to provide for a new single class of common membership interests in BV LLC ("LLC Interests") and exchange all of the existing membership interests in BV LLC held by the existing members (the "Original BV LLC Owners") for new LLC Interests. The Company also amended its certificate of incorporation to authorize the following shares: (i) 250,000,000 shares of Class A common stock with a par value of $0.001 per share; (ii) 50,000,000 shares of Class B common stock with a par value of $0.001 per share, which have voting rights but no economic interest, and some of which were issued to the Original BV LLC Owners; and (iii) 10,000,000 shares of undesignated preferred stock that may be issued from time to time by the Company's board of directors. In connection with the completion of the IPO, the Company acquired, by merger, certain entities that were part of the Original BV LLC Owners ("Former BV LLC Owners"), for which the Company issued 31,838,589 shares of Class A common stock as merger consideration ("IPO Mergers") and cancelled the Class B common stock held by such Former BV LLC Owners. The IPO Mergers are deemed to be a recapitalization transaction.

Holders of the Company's Class A and Class B common stock are entitled to one vote per share and, except as otherwise required, will vote together as a single class on all matters on which stockholders generally are entitled to vote. Holders of Class B common stock are not entitled to receive dividends and will not be entitled to receive any distributions upon the liquidation, dissolution or winding up of the Company. Shares of Class B common stock may only be issued to the extent necessary to maintain the one-to-one ratio between the number of LLC Interests and the number of shares of Class B common stock held by the Continuing LLC Owner. Shares of Class B common stock are transferable only together with an equal number of LLC Interests. Shares of Class B common stock will be canceled on a one-for-one basis upon the redemption or exchange of any outstanding LLC Interests.

Noncontrolling interest

In connection with any redemption pursuant to the BV LLC Agreement, the Company will receive a corresponding number of LLC Interests, increasing its ownership interest in BV LLC. Future redemptions of LLC Interests will result in a change in ownership and reduce the amount recorded as noncontrolling interest and increase additional paid-in capital. There were no redemptions during the nine months ended September 26, 2026 or during the year ended December 31, 2025. The following table summarizes the ownership interest in BV LLC as of September 26, 2026 and December 31, 2025 (number of units in thousands):

	September 26, 2026		December 31, 2025	
	LLC Interests	Ownership %	LLC Interests	Ownership %
Number of LLC Interests owned				
Bioventus Inc.	68,455	81.3 %	67,098	81.0 %
Continuing LLC Owner	15,787	18.7 %	15,787	19.0 %
Total	84,242	100.0 %	82,885	100.0 %

8. Earnings Per Share

The following table sets forth the computation of basic and diluted income per share of Class A common stock for the periods presented (amounts in thousands, except share and per share data):

	Three Months Ended		Nine Months Ended	
	September 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
Numerator				
Net income	$ 6,859	$ 4,006	$ 47,010	$ 9,956
Less: Net income attributable to noncontrolling interest	(872)	(851)	(4,469)	(1,979)
Net income attributable to Bioventus Inc. Class A common shareholders	$ 5,987	$ 3,155	$ 42,541	$ 7,977
Denominator				
Basic weighted-average shares of Class A common stock outstanding	68,376,587	66,924,682	67,855,550	66,483,147
Dilutive effects of:				
Stock options	1,768,554	785,241	1,381,598	988,556
Restricted stock units[(a)]	2,347,995	1,127,874	1,884,350	1,320,424
Diluted weighted-average shares of Class A common stock outstanding	72,493,136	68,837,797	71,121,498	68,792,127
Net income per share of Class A common stock—basic	$ 0.09	$ 0.05	$ 0.63	$ 0.12
Net income per share of Class A common stock—diluted	$ 0.08	$ 0.05	$ 0.60	$ 0.12

[(a)] Includes the dilutive effect of both restricted stock units and performance restricted stock units.

Shares of Class B common stock do not share in the earnings of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted income per share of Class B common stock under the two-class method have not been presented.

The following number of weighted-average potentially dilutive shares were excluded from the calculation of diluted net income per share because the effect of including such potentially dilutive shares would have been antidilutive upon conversion:

	Three Months Ended		Nine Months Ended	
	September 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
LLC Interests held by Continuing LLC Owner[(a)]	15,786,737	15,786,737	15,786,737	15,786,737
Stock options[(b)]	320,871	2,348,069	1,886,651	2,209,964
Restricted stock units[(c)]	4,614	1,136,969	260,473	790,981
Total	16,112,222	19,271,775	17,933,861	18,787,682

(a) Shares of Class A common stock reserved for future issuance upon redemption or exchange of LLC Interests by the Continuing LLC Owner. LLC Interests are neither dilutive nor antidilutive for the periods presented as the assumed redemption for shares of Class A common stock would cause a proportionate increase to net income attributable to Class A common shareholders—diluted.

(b) Options with exercise prices greater than the average market price of our Class A common stock are excluded from the computation of diluted net income per share because they are out-of-the-money.

(c) A portion of the restricted stock units and performance restricted stock units are considered antidilutive under the treasury stock method as the number of shares that could be purchased with the assumed proceeds of the restricted stock units exceed the total amount of the underlying shares outstanding.

9. Restructuring Costs

Restructuring costs are not allocated to the Company's reportable segments as they are not part of the segment performance measures regularly reviewed by management. These charges are included in restructuring costs in the consolidated condensed statements of operations and comprehensive income. Liabilities associated with restructuring costs are recorded in accrued liabilities on the consolidated condensed balance sheets.

In November 2025, the Company implemented a restructuring plan (the "2025 Restructuring Plan") designed to optimize its organizational structure through the elimination of certain positions and the consolidation of administrative functions. The 2025 Restructuring Plan is substantially complete, and all restructuring charges under the 2025 Restructuring Plan related to employee severance costs have been recorded.

For the nine months ended September 26, 2026, the Company recorded net restructuring expense of $39. Restructuring expense associated with the 2025 Restructuring Plan totaled $2,235 for the year ended December 31, 2025.

The following table summarizes the activity for restructuring liabilities:

	2025 Restructuring Plan
Balance at December 31, 2025	$ 1,437
Expenses incurred	39
Payments made	(1,457)
Balance at September 26, 2026	$ 19

10. Income Taxes

The tax provision for interim periods is determined using an estimate of the Company's annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company updates its estimate of its annual effective tax rate, and if the estimated annual effective tax rate changes, the Company makes a cumulative adjustment in such period. The quarterly tax provision, and estimate of the Company's annual effective tax rate, are subject to variation due to several factors, including variability in pre-tax income (or loss), the mix of jurisdictions to which such income relates, changes in how the Company conducts business, and tax law developments.

During the second quarter of 2026, the Company reassessed the realizability of its deferred tax assets in accordance with FASB Accounting Standards Codification Topic 740, Income Taxes. In evaluating the need for a valuation allowance, the Company considered all available positive and negative evidence, including recent operating results, cumulative earnings trends, forecasts of future taxable income, reversal patterns of existing taxable temporary differences, and tax planning strategies.

Based upon all positive and negative evidence, including the achievement of three-year cumulative earnings, management concluded that it is more likely than not that a portion of its deferred tax assets will be realized. As a result, during the three and nine months ended September 26, 2026, the Company released a portion of its valuation allowance of approximately $2,288 and $26,927, respectively, related primarily to federal and state net operating loss carryforwards, tax credit carryforwards, and other deductible temporary differences. The valuation allowance release recognized during the three months ended September 26, 2026 reflects management's change in judgment regarding the realizability of certain deferred tax assets and was recognized in the period in which that determination was made.

The release of the valuation allowance resulted in the recognition of an income tax benefit of approximately $2,288 and $26,927 during the three and nine months ended September 26, 2026, respectively, which reduced the Company's effective tax rate for the three and nine months ended September 26, 2026. The remaining valuation allowance was approximately $20,652 as of September 26, 2026, of which $18,579 is primarily related to capital loss carryforwards and foreign tax credits for which realization remains uncertain.

The Company will continue to evaluate the realizability of its deferred tax assets in each reporting period. Changes in actual operating results, future taxable income projections, tax law changes, or other factors could affect the amount of valuation allowance recognized in future periods.

The Company's effective tax rate was (11.4%) and (80.9%) for the three and nine months ended September 26, 2026, respectively, compared to 14.2% and 13.9% for the three and nine months ended September 27, 2025, respectively. The effective tax rates for the three and nine months ended September 26, 2026 were primarily attributable to income tax benefits of $2,288 and $26,927, respectively, recognized upon the release of the valuation allowance discussed above. The prior year effective tax rates reflected income earned in foreign jurisdictions, partially offset, in the case of the nine months ended September 27, 2025, by the release of certain reserves for uncertain tax positions.

Tax Receivable Agreement

The Company expects to obtain an increase in the share of the tax basis of the assets of BV LLC when LLC Interests are redeemed or exchanged by the Continuing LLC Owner and other qualifying transactions. This increase in tax basis may have the effect of reducing the amounts that the Company would otherwise pay in the future to various tax authorities. The increase in tax basis may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

On February 16, 2021, the Company entered into a tax receivable agreement (“TRA”) with the Continuing LLC Owner that provides for the payment by the Company to the Continuing LLC Owner of 85% of the amount of tax benefits, if any, that the Company actually realizes as a result of (i) increases in the tax basis of assets of BV LLC resulting from any redemptions or exchanges of LLC Interests or any prior sales of interests in BV LLC; and (ii) certain other tax benefits related to the Company making payments under the TRA. In connection with the IPO, an equity participation right granted to the Continuing LLC Owner was exchanged, causing the Company to recognize a deferred tax benefit and related TRA liability. That deferred tax benefit and related TRA liability were previously reversed due to the establishment of a valuation allowance in 2023. Upon the release of the valuation allowance in 2026, the Company recognized a deferred tax benefit and related TRA liability associated with the redemption of the equity participation right from the IPO.

11. Commitments and Contingencies

Leases

The Company leases its office facilities as well as other property, vehicles and equipment under operating leases. The Company also leases office space, a warehouse and certain equipment under finance leases. The remaining lease terms range from one month to 6.6 years.

The components of lease cost were as follows:

	Three Months Ended		Nine Months Ended	
	September 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
Operating lease cost	$ 494	$ 651	$ 1,522	$ 1,898
Short-term lease cost[(a)]	121	191	486	531
Financing lease cost:				
Amortization of finance lease assets	384	152	1,152	453
Interest on lease liabilities	184	202	559	609
Total lease cost	$ 1,183	$ 1,196	$ 3,719	$ 3,491

(a) Includes variable lease cost and sublease income, which are immaterial.

Supplemental cash flow information and non-cash activity related to leases were as follows:

	Nine Months Ended	
	September 26, 2026	September 27, 2025
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	$ 2,661	$ 2,684
Operating cash flows from financing leases	$ 559	$ 609
Financing cash flows from finance leases	$ 673	$ 614
Right-of-use assets obtained in exchange for lease obligations:		
Operating lease obligations	$ 113	$ 904
Financing lease obligations	$ —	$ 56

Current portions of operating and financing lease liabilities are recorded within other current liabilities on the consolidated condensed balance sheets. Noncurrent liabilities resulting from operating and financing leases are recorded within other long-term liabilities. Supplemental balance sheet and other information related to leases are as follows:

	September 26, 2026	December 31, 2025
Operating lease assets	$ 3,756	$ 5,122
Operating lease liabilities—other current liabilities	$ 3,152	$ 3,303
Operating lease liabilities—other long-term liabilities	2,211	4,456
Total operating lease liabilities	$ 5,363	$ 7,759
Property, plant and equipment, net	$ 10,067	$ 11,221
Finance lease liabilities—other current liabilities	$ 988	$ 907
Finance lease liabilities—other long-term liabilities	7,972	8,729
Total financing lease liabilities	$ 8,960	$ 9,636
Weighted-average remaining lease term (years):		
Operating leases	1.8	2.4
Finance leases	6.6	7.3
Weighted-average discount rate:		
Operating leases	5.2 %	5.2 %
Finance leases	8.1 %	8.1 %

Governmental and Legal Contingencies

In the normal course of business, the Company periodically becomes involved in various claims and lawsuits, and governmental proceedings and investigations that are incidental to its business. The Company accrues a liability when a loss is considered probable and the amount can be reasonably estimated. When a material loss contingency is reasonably possible but not probable, the Company does not record a liability, but instead discloses the nature and amount of the claim, and an estimate of the possible loss or range of loss, if such an estimate can be made. Legal fees are expensed as incurred. With respect to governmental proceedings and investigations, like other companies in the industry, the Company is subject to extensive regulation by national, state and local governmental agencies in the United States and in other jurisdictions in which the Company and its affiliates operate. As a result, interaction with governmental agencies is ongoing. The Company's standard practice is to cooperate with regulators and investigators in responding to inquiries.

The Company is presently unable to predict the duration, scope, or result of these matters. As such, the Company is presently unable to develop a reasonable estimate of a possible loss or range of losses, if any, related to these matters. While the Company intends to defend these matters vigorously, the outcome of such litigation or any other litigation is necessarily uncertain, is not within the Company's complete control and might not be known for extended periods of time. In the opinion of management, the outcome of any existing claims and legal or regulatory proceedings, other than the specific matters described below, if decided adversely, is not expected to have a material adverse effect on the Company's business, financial condition, results of operations, or cash flows.

Bioventus Shareholder Litigation

On January 12, 2023, the Company and certain of its current and former directors and officers were named as defendants in a putative class action lawsuit filed in the Middle District of North Carolina, Ciarciello v. Bioventus Inc., No. 1:23– cv – 00032-CCE-JEP (M.D.N.C.). The complaint asserted violations of Sections 10(b) and 20(a) of the Exchange Act and of Sections 11 and 15 of the Securities Act and generally alleges that the Company failed to disclose certain information regarding its rebate practices, its business and financial prospects, and the sufficiency of internal controls regarding financial reporting. The complaint sought damages in an unspecified amount. On April 12, 2023, the Court appointed Wayne County Employees' Retirement System as lead plaintiff. The plaintiff's amended consolidated complaint was filed with the Court on June 12, 2023. On July 17, 2023, the defendants filed a motion to dismiss the complaint raising a number of legal and factual deficiencies with the amended consolidated complaint. In response to the defendants' motion to dismiss, the lead plaintiff filed a second amended complaint on July 31, 2023. The defendants moved to dismiss the second amended complaint on August 21, 2023, which the Court granted in part and denied in part on November 6, 2023. The Court dismissed the plaintiff's Securities Act claims, but allowed the plaintiff's Exchange Act claims to proceed into discovery.

On July 15, 2024, a Stipulation and Agreement of Settlement (the "Settlement Agreement") by and between the lead plaintiff and the defendants was filed with the Court, and the Court preliminarily approved the Settlement Agreement on August 13, 2024. The Court entered judgment on December 18, 2024, granting final approval of the terms of the Settlement Agreement and dismissing all claims against the defendants, including the Company. The parties settled without any admission of liability or wrongdoing by any party. The settlement amount of $15,250, together with interest earned thereon, was paid in 2024 by the defendants and/or the defendant's insurers.

On October 4, 2023, certain of the Company's current and former directors and officers were named as defendants in a derivative shareholder lawsuit, (in which the Company is a nominal defendant), filed in the United States District Court for the District of Delaware, Grogan, on behalf of Bioventus Inc., v. Reali, et al., No. 1:23-CV-01099-RGA (D. Del.). The complaint asserts violations of Section 14(a) of the Exchange Act, breaches of fiduciary duties and related state law claims, and a claim for contribution, and generally alleges the same purported misconduct as alleged in the Ciarciello case. On January 12, 2024, the Court agreed to stay this case pending resolution of the Ciarciello case.

On February 9, 2024, another plaintiff filed a derivative shareholder lawsuit against certain of the Company's current and former directors and officers (in which the Company is a nominal defendant), in the United States District Court for the District of Delaware, Sanderson, on behalf of Bioventus Inc., v. Reali, et al., No. 1:24-cv-00180-RGA (D. Del.). Like the Grogan case, this case asserts violations of Section 10(b) of the Exchange Act, breaches of fiduciary duties and related state law claims, and a claim for contribution, and generally alleges the same purported misconduct as alleged in the Ciarciello case. On May 1, 2024, the parties filed a stipulation to consolidate the Sanderson and Grogan derivative matters and stay them on terms similar to those entered in the Grogan case. On May 2, 2024, the Court granted the stipulation and ordered the consolidation of the Sanderson and Grogan cases, captioned In re Bioventus Inc. Derivative Litigation, No.: 1:23-cv-01099-RGA (D. Del.). The Court also stayed the consolidated case. Following resolution of the Ciarciello case, on December 30, 2024, the plaintiffs in the consolidated case filed an amended complaint asserting the same claims as in the Grogan case against certain of the Company's current and former directors and officers. On January 6, 2025, the Court entered a scheduling order, under which the defendants had until March 3, 2025 to file a motion to dismiss the amended complaint. On February 21, 2025, the parties submitted a joint stipulation to stay the proceedings to allow the parties time to negotiate a settlement. On April 22, 2025, June 23, 2025, October 24, 2025, December 23, 2025, February 3, 2026, and April 1, 2026, the parties submitted status updates requesting more time to continue their settlement discussions. On July 17, 2026, the parties informed the Court that they had reached a settlement-in-principle and would submit further status reports, advising the Court of the status of their negotiations regarding attorney's fees. The settlement is limited to implementation by the Company of certain corporate governance reforms and the Company does not presently expect that the attorney fee awards will be material.

On July 31, 2024, another plaintiff filed a derivative complaint against certain of the Company's current and former officers and directors, (in which the Company is a nominal defendant), in the United States District Court for the Middle District of North Carolina, captioned Vince, on behalf of Bioventus Inc. v. Reali et al., No. 1:24-cv-00639-CCE-JEP (M.D.N.C.). Like the Grogan case, the Vince case asserts violations of Section 14(a) of the Exchange Act, breaches of fiduciary duties, unjust enrichment, contribution, and waste and generally alleges the same purported misconduct as alleged in the Ciarciello case. On November 11, 2024, the defendants filed a motion to transfer the Vince case to the United States District Court for the District of Delaware, pursuant to the forum selection clause in Bioventus's certificate of incorporation. On January 14, 2025, the Court granted the motion and transferred the Vince case to the District of Delaware. On February 14, 2025, the plaintiff requested voluntary dismissal of the Vince case without prejudice and the Court granted the request that same day.

On February 20, 2025, plaintiff Vince refiled a derivative complaint against certain of Bioventus' current and former officers and directors, (in which the Company is a nominal defendant), in the Delaware Court of Chancery, captioned Vince, on behalf of Bioventus Inc. v. Reali et al., No. 2025-0192-LWW (Del. Ch.). Like the prior complaint, which he voluntarily dismissed, Vince asserts breaches of fiduciary duties, unjust enrichment, contribution, and waste, and generally alleges the same purported misconduct as alleged in the Ciarciello case. On March 24, 2025, the defendants filed a motion to dismiss the complaint, or in the alternative, to stay the case.

On February 26, 2025, another plaintiff filed a derivative complaint against certain of Bioventus's current and former officers and directors, (in which the Company is a nominal defendant), in the Delaware Court of Chancery, captioned Bouchereau, on behalf of Bioventus Inc. v. Reali et al., No. 2025-0214-BWD (Del. Ch.). The complaint is nearly identical to the Vince complaint and asserts breaches of fiduciary duties, unjust enrichment, contribution, and waste, and generally alleges the same purported misconduct as alleged in the Ciarciello case. On April 2, 2026, the parties filed a stipulation to consolidate the Vince and Bouchereau derivative matters, which the Court granted that same day and captioned the consolidated action In re Bioventus Inc. Stockholder Derivative Litigation, No. 2025-0192-LWW. On July 17, 2026, the parties informed the Court that they had reached a settlement-in-principle, together with the plaintiffs in In re Bioventus Inc. Derivative Litigation, No.: 1:23-cv-01099-RGA (D. Del.), and would submit further status reports, advising the Court of the status of their negotiations regarding attorney's fees. The settlement is limited to implementation by the Company of certain corporate governance reforms and the Company does not presently expect that the attorney fee awards will be material.

On March 6, 2025, another plaintiff filed a derivative complaint against certain of Bioventus's current and former officers and directors, (in which the Company is a nominal defendant), in the United States District Court for the Middle District of North Carolina, captioned Hyung v. Reali et al., No. 1:25-cv-00177-CCE-JEP (M.D.N.C.). Like the other derivative cases, the Hyung case asserts violations of Section 14(a) of the Exchange Act, contribution, breaches of fiduciary duties, aiding and abetting, gross mismanagement, waste, and generally alleges the same purported misconduct as alleged in the Ciarciello case. On May 13, 2025, the defendants filed a motion to transfer the Hyung case to the United States District Court for the District of Delaware, pursuant to the forum selection clause in Bioventus's certificate of incorporation, or in the alternative, to dismiss the case. On July 1, 2025, the Court granted the motion to transfer and transferred the Hyung case to the District of Delaware. The plaintiff subsequently filed a notice of appeal of that order to the United States Court of Appeals for the Fourth Circuit on July 16, 2025. On July 25, 2025, the plaintiff filed a joint stipulation to voluntarily dismiss the appeal. On July 8, 2025, the plaintiff filed an amended complaint in the District of Delaware, captioned Hyung v. Reali, et al., No. 1:25-cv-00806-RGA (D. Del.). The defendants filed a motion to dismiss the Hyung case on October 10, 2025. On May 8, 2026, the Court granted the motion to dismiss and dismissed the Hyung case without prejudice.

On June 1, 2026, plaintiff Hyung refiled a derivative complaint against certain of Bioventus' current and former officers and directors, (in which the Company is a nominal defendant), in the United States District Court for the District of Delaware, captioned Hyung v. Reali, et al., No. 1:26-cv-00635-JCG (D. Del.). Like the prior complaint, which was dismissed, Hyung asserts breaches of fiduciary duties, unjust enrichment, mismanagement, and waste, and generally alleges the same purported misconduct as alleged in the Ciarciello case. On July 21, 2026, the defendants filed a motion to stay the case or, in the alternative, to dismiss the complaint. On August 19, 2026, the parties submitted a joint stipulation to stay the proceedings in light of the settlement in principle reached in the In re Bioventus Inc. Stockholder Derivative *Litigation*, No. 2025-0192-LWW and *In re Bioventus Inc. Derivative Litigation*, No.: 1:23-cv-01099-RGA (D. Del.) cases.

The Company believes the claims alleged in the above actions, including the pending derivative matters, lack merit and intends to defend itself vigorously. Except as described above, the outcomes of these matters are not presently determinable, and any loss is neither probable nor reasonably estimable.

Other Matters

On November 10, 2021, the Company entered into an asset purchase agreement for an HA product and made an upfront payment of $853. An additional payment of $853 was made in 2022 upon the transfer of certain seller customer data. If the Company is able to obtain a Medical Device Regulation Certification ("MDR Certification") for the product, $1,707 (the "Milestone Payment") will be paid to the seller within five days. On March 8, 2023, the parties amended the agreement and reduced the Milestone Payment to $1,418, of which $709 was recorded as an intellectual property intangible asset during 2023 and was paid on January 31, 2024. The remainder was due upon receipt of the MDR Certification for the product provided that it was obtained prior to December 31, 2024, which was not achieved. The asset purchase agreement was further amended in 2024 acknowledging the expectation that the MDR Certification would not be obtained. Pursuant to the amendment in 2024, the MDR Certification achievement criteria under the asset purchase agreement were extended for two years.

On December 9, 2016, the Company entered into an amended and restated license agreement for the exclusive U.S. distribution and commercialization rights of a single injection osteoarthritis ("OA") product with the supplier of the Company's single injection OA product for the non-U.S. market. The agreement requires the Company to meet annual minimum purchase requirements and pay royalties on net sales. Royalties related to this agreement totaled $5,049 and $14,401 for the three and nine months ended September 26, 2026, respectively, and $4,781 and $12,963 for the three and nine months ended September 27, 2025, respectively. These royalties are included in cost of sales within the consolidated condensed statements of operations and comprehensive income.

As part of a supply agreement entered into on February 9, 2016 for the Company's three injection OA products, the Company was subject to annual minimum purchase requirements through February 9, 2026. On February 9, 2026, the agreement automatically renewed for an additional 5 years, pursuant to the terms of the supply agreement, and will continue until that time unless terminated by the Company or the seller in accordance with the supply agreement.

As part of a supply agreement for the Company's five injection OA product that was amended and restated on December 22, 2020, the Company is subject to annual minimum purchase requirements for 8 years.

From time to time, the Company uses LOCs to provide credit support for guarantees, contractual commitments and insurance policies. The fair values of the LOCs reflect the amount of the underlying obligation and are subject to fees payable to the issuers, competitively determined in the marketplace. As of September 26, 2026 and December 31, 2025, the Company had three LOCs outstanding for approximately $1,606 and $2,200, respectively.

The Company currently maintains insurance for risks associated with the operation of its business, provision of professional services and ownership of property. These policies provide coverage for a variety of potential losses, including loss or damage to property, bodily injury, general commercial liability, professional errors and omissions and medical malpractice. The Company is self-insured for health insurance covering most of its employees located in the United States. The Company maintains stop-loss insurance on a "claims made" basis for expenses in excess of $250 per member per year.

12. Revenue Recognition

Our policies for recognizing sales have not changed from those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. The Company attributes net sales to external customers to the U.S. and to all foreign countries based on the legal entity from which the sale originated. The Company had product sales to one customer totaling $19,954 and $55,152, representing 14.0% and 12.9% of net sales, primarily in the U.S. reporting segment during the three and nine months ended September 26, 2026, respectively. The same customer accounted for product sales of $15,338 and $45,683, representing 11.1% of net sales, during the three and nine months ended September 27, 2025, respectively.

The following table presents the Company's net sales disaggregated by major business within each segment as follows:

	Three Months Ended		Nine Months Ended	
	September 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
U.S.				
Pain Treatments	$ 62,929	$ 59,978	$ 191,790	$ 177,100
Surgical Solutions	43,723	44,981	129,849	131,572
Restorative Therapies	17,944	18,355	53,867	53,937
Total U.S. net sales	124,596	123,314	375,506	362,609
International				
Pain Treatments	$ 8,407	$ 7,198	$ 24,720	$ 22,302
Surgical Solutions	6,797	5,188	19,051	16,547
Restorative Therapies	2,642	2,951	8,462	8,729
Total International net sales	17,846	15,337	52,233	47,578
Total net sales	$ 142,442	$ 138,651	$ 427,739	$ 410,187

Changes in estimates related to the Company's most significant U.S. rebate liabilities for products shipped in previous periods represented approximately 1.0% and 2.7% of U.S. segment revenue for the three and nine months ended September 26, 2026, respectively, compared with 1.0% and 2.3% for the three and nine months ended September 27, 2025, respectively. For the years ended December 31, 2025 and 2024, such changes represented approximately 1.8% and 1.7% of U.S. segment revenue, respectively.

13. Segments

The Company operates two reporting segments: U.S. and International. These segments align with the Company's operating structure and are based on the geographic markets in which the Company sells its products. Both segments sell the Company's portfolio of products to healthcare institutions, physicians, patients, distributors and dealers. Segment net sales reflect revenue to external customers and are recorded in the same manner as described in our Significant Accounting Policies in the Company's Annual Report on Form 10-K. Certain costs are allocated to each segment on a consistent and rational basis.

The Company identifies a business as an operating segment if (i) it engages in business activities from which it may earn revenues and incur expenses; (ii) its operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM"); and (iii) it has available discrete financial information. The Company's CODM is its President and Chief Executive Officer, who uses segment Adjusted EBITDA to make decisions regarding the allocation of resources, assess performance and to develop annual budgets and forecasts. The Company does not disclose segment information by asset, as the CODM does not review or use such information to allocate resources or to assess the operating results and financial performance.

The following table presents segment Adjusted EBITDA reconciled to income before income taxes:

	Three Months Ended September 26, 2026		
	U.S.	International	Consolidated
Net sales	$ 124,596	$ 17,846	$ 142,442
Adjusted cost of sales[a]	29,174	6,884	
Adjusted selling expense[b]	39,269	3,463	
Adjusted marketing expense[b]	5,970	919	
Adjusted general and administrative expense[b]	23,396	2,022	
Adjusted research and development expense[c]	3,175	3	
Adjusted other segment (income) loss[d]	(208)	19	
Adjusted EBITDA	23,820	4,536	28,356
Reconciliation to income before taxes:			
Interest expense, net			(3,758)
Depreciation and amortization			(10,315)
Shareholder litigation costs			(1)
Equity compensation			(4,756)
Strategic alternatives			(3,625)
Other items[e]			257
Income before income taxes			$ 6,158

	Three Months Ended September 27, 2025		
	U.S.	International	Consolidated
Net sales	$ 123,314	$ 15,337	$ 138,651
Adjusted cost of sales[a]	28,537	5,890	
Adjusted selling expense[b]	37,917	2,943	
Adjusted marketing expense[b]	6,121	930	
Adjusted general and administrative expense[b]	24,401	2,389	
Adjusted research and development expense[c]	2,699	4	
Adjusted other segment expense[d]	200	16	
Adjusted EBITDA	23,439	3,165	26,604
Reconciliation to income before taxes:			
Interest expense, net			(6,177)
Depreciation and amortization			(11,403)
Shareholder litigation costs			(14)
Equity compensation			(3,176)
Debt refinancing			(731)
Loss on extinguishment			(326)
Gain on disposal of a business			1
Other items[e]			(108)
Income before income taxes			$ 4,670

	Nine Months Ended September 26, 2026		
	U.S.	International	Consolidated
Net sales	$ 375,506	$ 52,233	$ 427,739
Adjusted cost of sales[a]	85,038	19,902	
Adjusted selling expense[b]	116,559	10,177	
Adjusted marketing expense[b]	17,907	2,456	
Adjusted general and administrative expense[b]	72,928	7,644	
Adjusted research and development expense[c]	8,379	4	
Adjusted other segment income[d]	(755)	(34)	
Adjusted EBITDA	75,450	12,084	87,534
Reconciliation to income before taxes:			
Interest expense, net			(12,152)
Depreciation and amortization			(32,465)
Restructuring costs			(39)
Shareholder litigation costs			(42)
Equity compensation			(13,061)
Debt refinancing			(2)
Strategic alternatives			(3,625)
Other items[e]			(165)
Income before income taxes			$ 25,983

	Nine Months Ended September 27, 2025		
	U.S.	International	Consolidated
Net sales	$ 362,609	$ 47,578	$ 410,187
Adjusted cost of sales[a]	82,152	17,797	
Adjusted selling expense[b]	109,984	9,362	
Adjusted marketing expense[b]	19,089	2,734	
Adjusted general and administrative expense[b]	72,509	6,874	
Adjusted research and development expense[c]	8,441	25	
Adjusted other segment expense[d]	1,465	188	
Adjusted EBITDA	68,969	10,598	79,567
Reconciliation to income before income taxes:			
Interest expense, net			(21,180)
Depreciation and amortization			(35,317)
Shareholder litigation costs			(50)
Equity compensation			(9,233)
Debt refinancing			(903)
Loss on extinguishment			(326)
Loss on disposal of a business			(81)
Other items[e]			(911)
Income before income taxes			$ 11,566

[a] Adjusted cost of sales used in calculating segment Adjusted EBITDA excludes depreciation and amortization.

[b] Adjusted selling, general and administrative expense, as used in the calculation of segment Adjusted EBITDA, excludes acquisition-related costs, shareholder litigation costs, certain restructuring charges, asset impairment charges, debt refinancing costs, equity-based compensation expense, costs related to strategic alternatives (including legal and consulting fees incurred in evaluating such alternatives), and other segment-specific items, including costs associated with strategic transactions, such as potential divestitures, and a transformative project to redesign systems and information-processing systems.

[c] Adjusted research and development expense used in calculating segment Adjusted EBITDA excludes depreciation and amortization, and equity-based compensation expense.

(d) Adjusted other segment (income) expense primarily consists of foreign currency transaction and remeasurement gains and losses and other certain nonrecurring items.

(e) During the three and nine months ended September 26, 2026, other items primarily consisted of strategic transaction costs. During the three and nine months ended September 27, 2025, other items primarily consisted of expenses related to the divestiture of the Advanced Rehabilitation Business.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of Bioventus Inc.'s (sometimes referred to as "we," "us," "our," "Bioventus" or "the Company") financial condition and results of operations should be read in conjunction with the "Special Note Regarding Forward-Looking Statements" and our unaudited consolidated condensed financial statements and related notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the Securities and Exchange Commission ("SEC") on March 5, 2026 ("2025 10-K").

Executive Summary

We are a global medical device company focused on helping patients recover and live life to the fullest by relieving pain and addressing musculoskeletal challenges through a diverse portfolio of high-quality, innovative, and clinically proven solutions. We operate our business through two reporting segments, U.S. and International, and our portfolio of products is comprised of five patient-focused areas, grouped into three businesses based on clinical use: (i) Pain Treatments, (ii) Surgical Solutions, and (iii) Restorative Therapies.

- **Pain Treatments**, consisting of:
  - **Knee Osteoarthritis ("KOA")**: Our product portfolio includes a range of intra-articular, hyaluronic acid ("HA") injections that help relieve patient discomfort and improve quality of life. In the U.S., we also distribute the XCELL Platelet-Rich Plasma ("PRP") system, a technology that is synergistic with our existing physician call points, as many surgeons who use HA also use PRP.
  - **Peripheral Nerve Stimulation ("PNS")**: We are focused on developing and commercializing a full portfolio of peripheral nerve stimulation products with solutions for acute, temporary and chronic pain.
- **Surgical Solutions**, consisting of:
  - **Ultrasonics:** Our Ultrasonics business offers precision bone resection for patients with degenerative spine conditions and spinal deformities. This portfolio also enables precision bone cutting in ultrasonic neuro and general surgery to address brain tumors and pathologies of the liver and other organs.
  - **Bone Graft Substitutes ("BGS")**: Our BGS product portfolio includes a range of products that facilitate optimal bone fusion following a surgical procedure.
- **Restorative Therapies**, consisting of:
  - **Fracture Care**: We provide low-intensity pulse ultrasound to help patients who suffer from bone fractures that do not heal through traditional methods. We plan to expand our U.S. clinical fracture care indications to address the healing of additional fresh fractures, especially for high-risk patients.

The following table sets forth total net sales, net income and Adjusted EBITDA for the periods presented:

	Three Months Ended		Nine Months Ended	
	September 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
Net sales	$ 142,442	$ 138,651	$ 427,739	$ 410,187
Net income	$ 6,859	$ 4,006	$ 47,010	$ 9,956
Adjusted EBITDA[(a)]	$ 28,356	$ 26,604	$ 87,534	$ 79,567
Income per share of Class A common stock:				
Basic	$ 0.09	$ 0.05	$ 0.63	$ 0.12
Diluted	$ 0.08	$ 0.05	$ 0.60	$ 0.12

(a) See below under *Results of Operations-Adjusted EBITDA* for a reconciliation of net income to Adjusted EBITDA.

Significant Developments

During the first, second, and third quarters of 2026, the Company made discretionary prepayments of $22.0 million, $20.0 million, and $15.0 million, respectively, on the 2025 Term Loan, reducing its outstanding long-term debt. These prepayments were funded by strong operating cash flows and resulted in lower interest expense and borrowing costs, while also improving the Company's leverage and other financial metrics.

Results of Operations

For a description of the components of our results of operations, refer to *Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* in our 2025 10-K.

The following table sets forth components of our consolidated condensed statements of operations as a percentage of net sales for the periods presented:

	Three Months Ended		Nine Months Ended	
	September 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales (includes depreciation & amortization)	31.8 %	32.0 %	31.4 %	31.9 %
Gross profit	68.2 %	68.0 %	68.6 %	68.1 %
Selling, general and administrative expense	58.3 %	56.7 %	57.1 %	56.4 %
Research and development expense	2.4 %	2.2 %	2.1 %	2.2 %
Restructuring costs	— %	— %	— %	— %
Depreciation and amortization	0.7 %	1.0 %	0.7 %	1.1 %
(Gain) loss on disposals	— %	— %	— %	— %
Operating income	6.8%	8.1%	8.7%	8.4%

The following table presents a reconciliation of net income to Adjusted EBITDA for the periods presented:

	Three Months Ended		Nine Months Ended	
(in thousands)	September 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
Net income	**$ 6,859**	**$ 4,006**	**$ 47,010**	**$ 9,956**
Interest expense, net	3,758	6,177	12,152	21,180
Income tax (benefit) expense, net	(701)	664	(21,027)	1,610
Depreciation and amortization[(a)]	10,315	11,403	32,465	35,317
Restructuring costs[(b)]	—	—	39	—
Equity compensation[(c)]	4,756	3,176	13,061	9,233
Shareholder litigation costs[(d)]	1	14	42	50
Debt refinancing[(e)]	—	731	2	903
Loss on extinguishment[(f)]	—	326	—	326
(Gain) loss on disposals[(g)]	—	(1)	—	81
Strategic alternatives[(h)]	3,625	—	3,625	—
Other items[(i)]	(257)	108	165	911
Adjusted EBITDA	**$ 28,356**	**$ 26,604**	**$ 87,534**	**$ 79,567**

(a) Includes for the three and nine months ended September 26, 2026 and September 27, 2025, respectively, depreciation and amortization of $9.3 million, $10.0 million, $29.2 million, and $30.9 million in cost of sales and $1.1 million, $1.4 million, $3.2 million, and $4.4 million in operating expenses presented in the consolidated condensed statements of operations and comprehensive income.

(b) Restructuring costs primarily resulted from severance associated with the elimination of certain positions and the consolidation of certain administrative functions and roles, as well as reversals resulting from severance contract cancellations.

(c) Includes compensation expense resulting from awards granted under our equity-based compensation plans.

(d) Costs incurred as a result of certain shareholder litigation unrelated to our ongoing operations.

(e) Consisted of third-party fees associated with our 2025 Credit Agreement.

(f) Losses recognized in connection with the refinancing of long-term debt.

(g) Represents the gain or loss on the disposal of the Advanced Rehabilitation Business.

(h) Represents legal and consulting costs incurred in connection with the Company's review of potential strategic alternatives.

(i) During the third quarter of 2026, $0.4 million of costs previously incurred and recorded within other items during the second quarter of 2026 were reclassified to strategic alternatives when we began presenting such costs as a separate adjustment. Other items during the three and nine months ended September 26, 2026 consisted of individually immaterial items that are not indicative of the Company's ongoing operating performance.

Other items during the three months ended September 27, 2025 consisted of individually immaterial items that are not indicative of the Company's ongoing operating performance. Other items during the nine months ended September 27, 2025 primarily consisted of $0.4 million of expenses related to the divestiture of the Advanced Rehabilitation Business, which was completed on December 31, 2024.

Non-GAAP Financial Measures - Adjusted EBITDA

We present Adjusted EBITDA, a non-GAAP financial measure, because we believe it is a useful indicator for management to measure operating performance and for planning purposes, including the preparation of our annual operating budget and financial projections. We believe 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. We define Adjusted EBITDA as net income before depreciation and amortization, provision for 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 strategic transaction costs, such as acquisition and divestiture related costs, certain shareholder litigation costs, impairment of assets, restructuring costs, equity-based compensation expense, debt refinancing, loss on extinguishment of debt, costs related to the review of potential strategic alternatives, and other items. Adjusted EBITDA by segment consists of net sales and costs directly attributable to a segment, as well as an allocation of corporate overhead costs primarily based on a ratio of net sales by segment to total consolidated net sales.

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 U.S. GAAP. These measures might exclude certain normal recurring expenses. Therefore, these measures might not provide a complete understanding of the Company's performance and should be reviewed in conjunction with U.S. 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 measure provided in this Quarterly Report on Form 10-Q, including all tables referencing Adjusted EBITDA to its most directly comparable U.S. GAAP measure.

Net Sales

	Three Months Ended		Change	
(in thousands, except for percentage)	September 26, 2026	September 27, 2025	$	%
U.S.				
Pain Treatments	$ 62,929	$ 59,978	$ 2,951	4.9%
Surgical Solutions	43,723	44,981	(1,258)	(2.8%)
Restorative Therapies	17,944	18,355	(411)	(2.2%)
Total U.S. net sales	124,596	123,314	1,282	1.0%
International				
Pain Treatments	8,407	7,198	1,209	16.8%
Surgical Solutions	6,797	5,188	1,609	31.0%
Restorative Therapies	2,642	2,951	(309)	(10.5%)
Total International net sales	17,846	15,337	2,509	16.4%
Total net sales	$ 142,442	$ 138,651	$ 3,791	2.7%

U.S.

Net sales increased $1.3 million, or 1.0%, compared to the prior year period, driven by growth in the Pain Treatments portfolio. Net sales from Pain Treatments increased $3.0 million, reflecting 7.6% volume growth driven primarily by our HA product portfolio, partially offset with a 2.8% price decrease as a result of unfavorable channel mix compared to the prior year period. These increases were partially offset by lower net sales in Surgical Solutions and Restorative Therapies. Net sales from Surgical Solutions decreased $1.3 million compared to the prior year period due to a $2.7 million decrease in BGS primarily due to lower volumes, which was partially offset by $1.4 million in Ultrasonics volume growth. Net sales from Restorative Therapies decreased $0.4 million compared to the prior year period due to a decrease in volume for our EXOGEN Bone Stimulation System.

International

Net sales increased $2.5 million, or 16.4%, compared to the prior year period, primarily driven by growth in Ultrasonics resulting from customer upgrades to our latest surgical platform, as well as increased demand for Durolane in direct markets.

	Nine Months Ended		Change	
(in thousands, except for percentage)	September 26, 2026	September 27, 2025	$	%
U.S.				
Pain Treatments	$ 191,790	$ 177,100	$ 14,690	8.3%
Surgical Solutions	129,849	131,572	(1,723)	(1.3%)
Restorative Therapies	53,867	53,937	(70)	(0.1%)
Total U.S. net sales	375,506	362,609	12,897	3.6%
International				
Pain Treatments	24,720	22,302	2,418	10.8%
Surgical Solutions	19,051	16,547	2,504	15.1%
Restorative Therapies	8,462	8,729	(267)	(3.1%)
Total International net sales	52,233	47,578	4,655	9.8%
Total net sales	$ 427,739	$ 410,187	$ 17,552	4.3%

U.S.

Net sales increased $12.9 million, or 3.6%, compared to the prior year period. Net sales from Pain Treatments increased $14.7 million, reflecting 6.2% volume growth led by Durolane. Price increased 2.0% compared to the prior year, largely driven by the $4.2 million rebate change in estimate recorded in the first quarter of 2026 that resulted from the impact of third-party billing process changes. As previously disclosed, during the third quarter of 2025, a large private insurance payer informed us that it had implemented changes to its claims data management and billing systems, which the Company estimated could result in significantly higher rebate claims for our HA viscosupplement products than previously estimated or experienced. During the first quarter of 2026, we received the first deferred rebate billings processed under the payer's updated billing methodology which were favorable compared to our prior estimates.

Net sales from Surgical Solutions decreased $1.7 million, driven primarily by a $1.1 million and $0.6 million decrease in volume for BGS and Ultrasonics, respectively. Restorative Therapies net sales were consistent with the prior year period.

International

Net sales increased $4.7 million, or 9.8%, compared to the prior year period, primarily driven by growth in Ultrasonics resulting from customer upgrades to our latest surgical platform, as well as increased demand for Durolane in direct markets.

Gross Profit and Gross Margin

(in thousands, except for percentage)	Three Months Ended September 26, 2026	Three Months Ended September 27, 2025	Change $	Change %
U.S.	$ 86,635	$ 85,505	$ 1,130	1.3%
International	10,493	8,724	1,769	20.3%
Total	$ 97,128	$ 94,229	$ 2,899	3.1%

	Three Months Ended September 26, 2026	Three Months Ended September 27, 2025	Change
U.S.	69.5 %	69.3 %	0.2%
International	58.8 %	56.9 %	1.9%
Total	68.2 %	68.0 %	0.2%

U.S.

Gross profit increased $1.1 million, or 1.3%, compared to the prior year period, driven by higher net sales. Gross margin was consistent with the prior year period.

International

Gross profit increased $1.8 million due to higher sales volumes, while gross margin increased 1.9% compared to the prior year period, primarily reflecting lower amortization expense recognized in cost of sales.

(in thousands, except for percentage)	Nine Months Ended September 26, 2026	Nine Months Ended September 27, 2025	Change $	Change %
U.S.	$ 262,755	$ 251,691	$ 11,064	4.4%
International	30,808	27,684	3,124	11.3%
Total	$ 293,563	$ 279,375	$ 14,188	5.1%

	Nine Months Ended September 26, 2026	Nine Months Ended September 27, 2025	Change
U.S.	70.0 %	69.4 %	0.6%
International	59.0 %	58.2 %	0.8%
Total	68.6 %	68.1 %	0.5%

U.S.

Gross profit increased $11.1 million, or 4.4%, compared to the prior year period, driven by revenue growth in Pain Treatments. The gross margin increase of 0.6% was primarily attributable to: (i) a 0.6% favorable impact from lower depreciation and amortization expense; (ii) a 0.4% positive impact from HA products resulting from favorable mix and rebates. These favorable impacts on gross margin were partially offset by unfavorable product mix compared to the prior year period.

International

Gross profit increased $3.1 million, or 11.3%, compared to the prior year period, primarily driven by revenue growth in Pain Treatments and Surgical Solutions. Gross margin increased 0.8% due to lower amortization expense recognized in cost of sales.

Selling, General and Administrative Expense

(in thousands, except for percentage)	Three Months Ended September 26, 2026	Three Months Ended September 27, 2025	Change $	Change %
Selling, general and administrative expense	$ 82,945	$ 78,657	$ 4,288	5.5%

Selling, general and administrative expenses increased $4.3 million, or 5.5%, compared to the prior year period, primarily due to: (i) a $2.3 million increase in professional services costs, including legal expenses, a portion of which was related to the review of potential strategic alternatives; (ii) a $1.5 million increase in stock-based compensation expense; and (iii) a $1.4 million increase in consulting expenses, primarily associated with strategic alternatives activities. These increases were partially offset by a $0.7 million decrease in net compensation-related costs, primarily due to lower bonus expense.

(in thousands, except for percentage)	Nine Months Ended September 26, 2026	Nine Months Ended September 27, 2025	Change $	Change %
Selling, general and administrative expense	$ 244,010	$ 231,269	$ 12,741	5.5%

Selling, general and administrative expenses increased $12.7 million, or 5.5%, compared to the prior year period, primarily due to: (i) a $4.0 million increase in professional services costs, including legal expenses, a portion of which related to the review of potential strategic alternatives; (ii) a $3.6 million increase in stock-based compensation expense; (iii) a $2.3 million increase in commission and selling expenses; (iv) a $1.3 million increase in compensation-related costs, primarily driven by higher salaries and wages; and (v) a $1.1 million increase in event and travel-related expenses.

Research and Development Expense

(in thousands, except for percentage)	Three Months Ended September 26, 2026	Three Months Ended September 27, 2025	Change $	Change %
Research and development expense	$ 3,435	$ 2,923	$ 512	17.5%

Research and development expense increased $0.5 million, or 17.5%, compared to the prior year period, primarily due to a $0.3 million increase in salaries and wages and a $0.2 million increase in consulting expenses.

(in thousands, except for percentage)	Nine Months Ended September 26, 2026	Nine Months Ended September 27, 2025	Change $	Change %
Research and development expense	$ 9,075	$ 9,106	$ (31)	(0.3%)

Research and development expense was relatively flat compared to the prior year period, as a $1.0 million decrease in consulting expenses following the completion of certain projects was substantially offset by a $0.7 million increase in salaries and wages and a $0.2 million increase in stock-based compensation expense.

Restructuring Costs

Restructuring costs incurred during the nine months ended September 26, 2026 primarily related to severance costs associated with a restructuring plan initiated in 2025 that focused on the elimination of several positions to optimize our organizational structure.

Depreciation and Amortization

(in thousands, except for percentage)	Three Months Ended September 26, 2026	Three Months Ended September 27, 2025	Change $	Change %
Depreciation and amortization	$ 1,048	$ 1,398	$ (350)	(25.0%)

(in thousands, except for percentage)	Nine Months Ended September 26, 2026	Nine Months Ended September 27, 2025	Change $	Change %
Depreciation and amortization	$ 3,196	$ 4,430	$ (1,234)	(27.9%)

Depreciation and amortization decreased during the three and nine months ended September 26, 2026 compared to the prior year periods primarily due to certain information technology assets being fully depreciated in 2025.

(Gain) Loss on Disposals

The (gain) loss on disposals during the three and nine months ended September 27, 2025 related to the sale of the Advanced Rehabilitation Business.

Other Expense

(in thousands, except for percentage)	Three Months Ended September 26, 2026	Three Months Ended September 27, 2025	Change $	Change %
Interest expense, net	$ 3,758	$ 6,177	$ (2,419)	(39.2%)
Loss on extinguishment	—	326	(326)	(100.0%)
Other (income) expense	(216)	79	(295)	NM

NM = Not Meaningful

Interest expense, net decreased $2.4 million during the three months ended September 26, 2026 compared to the prior period primarily due to lower debt outstanding and reduced interest rates and applicable margins. Loss on extinguishment of debt recognized during the three months ended September 27, 2025 was directly related to the refinancing of our debt obligations. Other (income) expense during the three months ended September 26, 2026 was primarily attributable to foreign currency fluctuations.

(in thousands, except for percentage)	Nine Months Ended September 26, 2026	Nine Months Ended September 27, 2025	Change $	Change %
Interest expense, net	$ 12,152	$ 21,180	$ (9,028)	(42.6%)
Loss on extinguishment	—	326	(326)	(100.0%)
Other (income) expense	(892)	1,417	(2,309)	(162.9%)

Interest expense, net decreased $9.0 million during the nine months ended September 26, 2026 compared to the prior year period, primarily due to lower debt outstanding and reduced interest rates and applicable margins. Loss on extinguishment of debt recognized during the nine months ended September 27, 2025 was directly related to the refinancing of our debt obligations. Other (income) expense during the nine months ended September 26, 2026 was driven by foreign currency gains, compared to foreign currency losses in the prior year period.

Income Tax (Benefit) Expense, Net

(in thousands, except for percentage)	Three Months Ended September 26, 2026	Three Months Ended September 27, 2025	Change $	Change %
Income tax (benefit) expense, net	$ (701)	$ 664	$ (1,365)	(205.6%)
Effective tax rate	(11.4%)	14.2%		(25.6%)

(in thousands, except for percentage)	Nine Months Ended September 26, 2026	Nine Months Ended September 27, 2025	Change $	Change %
Income tax (benefit) expense, net	$ (21,027)	$ 1,610	$ (22,637)	NM
Effective tax rate	(80.9 %)	13.9 %		(94.8%)

Our effective tax rate was (11.4%) and (80.9%) for the three and nine months ended September 26, 2026, respectively, compared to 14.2% and 13.9% for the three and nine months ended September 27, 2025, respectively. Our effective tax rates for the three and nine months ended September 26, 2026 were primarily attributable to income tax benefits of $2,288 and $26,927, respectively, recognized in connection with valuation allowance releases. The prior year effective tax rates reflected income earned in foreign jurisdictions, partially offset, in the case of the nine months ended September 27, 2025, by the release of certain reserves for uncertain tax positions.

Noncontrolling Interest

Subsequent to the IPO and related transactions, we became the sole managing member of BV LLC, holding ownership interests of 81.3% and 81.0% as of September 26, 2026 and December 31, 2025, respectively. We consolidate BV LLC's financial statements as we have both a majority economic interest and sole voting control over BV LLC. The portion of BV LLC not owned by us—18.7% as of September 26, 2026—is reflected as a noncontrolling interest, representing the share of BV LLC owned by the Continuing LLC Owner. Period-over-period changes in noncontrolling interest reflect the allocation of net income or loss attributable to the Continuing LLC Owner.

Segment Adjusted EBITDA

(in thousands, except for percentage)	Three Months Ended		Change	
	September 26, 2026	September 27, 2025	$	%
U.S.	$ 23,820	$ 23,439	$ 381	1.6%
International	$ 4,536	$ 3,165	$ 1,371	43.3%

U.S.

Adjusted EBITDA increased $0.4 million, or 1.6%, compared to the prior year period. This increase was primarily attributable to higher gross profit, partially offset by higher selling, general and administrative expenses.

International

Adjusted EBITDA increased $1.4 million, or 43.3%, compared to the prior year period, primarily driven by higher gross profit resulting from increased sales volume.

(in thousands, except for percentage)	Nine Months Ended		Change	
	September 26, 2026	September 27, 2025	$	%
U.S.	$ 75,450	$ 68,969	$ 6,481	9.4%
International	$ 12,084	$ 10,598	$ 1,486	14.0%

U.S.

Adjusted EBITDA increased $6.5 million, or 9.4%, compared to the prior year period, primarily due to higher gross profit driven by increased sales volumes, favorable rebates, and favorable foreign currency movements. These improvements were partially offset by higher commission and selling expenses, compensation-related expenses, and professional fees.

International

Adjusted EBITDA increased $1.5 million, or 14.0%, compared to the prior year period, primarily due to higher gross profit driven by increased sales, partially offset with higher selling expenses.

Liquidity and Capital Resources

Sources of Liquidity

Our principal liquidity needs have historically been for acquisitions, working capital, research and development, clinical trials, and capital expenditures. We expect these needs to continue as we develop and market new products and further expand into international markets.

On July 31, 2025, we entered into the 2025 Credit Agreement that provides for a $300.0 million term loan (the "2025 Term Loan") and a $100.0 million revolving credit facility (the "2025 Revolver"). Proceeds from the 2025 Credit Agreement, including $30.0 million in borrowings under its revolver and $2.6 million in available cash, were used to fully repay the outstanding balance under the 2019 Credit and Guaranty Agreement, as amended, which totaled $332.6 million as of July 31, 2025.

On August 1, 2025, we entered into two interest rate swaps to mitigate the interest rate risk associated with our floating-rate SOFR-based borrowings under the 2025 Credit Agreement. Under the terms of the swaps, we pay a fixed interest rate in exchange for SOFR-based variable interest throughout the life of the instruments. The interest rate swaps have a weighted average fixed interest rate of 3.60% and an aggregate notional value of $150.0 million, or 50.0% of the 2025 Term Loan.

The five-year 2025 Revolver includes an initial annual commitment fee of 0.30%, calculated based on the average daily amount of the available revolving commitment, which includes revolving and swingline loans as well as letters of credit ("LOC"). The commitment fee is payable quarterly in arrears on the last day of each calendar quarter and at maturity. The commitment fee rate is subject to adjustment based on our leverage ratio. Swingline loans are available as base rate option loans and LOCs are limited to $7.5 million under the 2025 Credit Agreement.

On each of March 31, 2026, June 30, 2026, and September 30, 2026, we made our scheduled principal payments of $3.8 million on the 2025 Term Loan. In addition, during the first, second, and third quarters of 2026, we made discretionary prepayments of $22.0 million, $20.0 million, and $15.0 million, respectively, on the 2025 Term Loan. These prepayments were made to reduce future interest expense, and we believe the prepayments align with our capital optimization strategy and liquidity objectives.

As of September 26, 2026, we had $98.4 million of available borrowing capacity under the 2025 Revolver, net of $1.6 million in outstanding LOCs. This availability, combined with our existing cash balances and expected cash flows from operations, provides us with sufficient liquidity to meet our near-term obligations and supports our ongoing operations for the next twelve months.

To the extent additional capital is required, we anticipate that we will seek funding through a combination of equity financings, the incurrence of additional indebtedness, or other strategic sources of capital. Our ability to access these sources will depend on market conditions, our financial performance, and other factors.

We may explore divestiture opportunities for non-core assets to improve our liquidity position. In addition, we may raise additional funds to finance future cash needs through receivables or royalty financings or corporate collaboration and licensing arrangements. If we raise additional funds by issuing equity securities or convertible debt, our stockholders will experience dilution. If we raise additional funds through collaboration and licensing arrangements with third parties, it might be necessary to relinquish valuable rights to our products, future revenue streams or product candidates, or to grant licenses on terms that might not be favorable to us. We cannot be certain that additional funding will be available on acceptable terms, or at all. Any failure to raise capital in the future might have a negative impact on our financial condition and our ability to pursue our business strategies.

Future Cash Requirements

The following table summarizes material changes to our estimated future cash requirements associated with debt and related obligations as of September 26, 2026:

	Remainder of 2026	Thereafter	Total
Long-term debt[(a)]	$ 7,500	$ 224,250	$ 231,750
Interest payments on long-term debt obligations[(a)]	4,147	50,919	55,066
	$ 11,647	$ 275,169	$ 286,816

[(a)] Refer to *Item 1. Financial Statements—Notes to the Unaudited Consolidated Condensed Financial Statements—Note 4. Financial Instruments* in this report for further information regarding our long-term debt obligations.

Other than the above changes to debt and related obligations, there have been no material changes to our estimated future cash requirements as disclosed in *Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* in our 2025 10-K.

We enter into contracts in the ordinary course of business with various third parties for development, collaboration and other services. These agreements generally include provisions allowing for termination upon notice. In the event of cancellation, payments typically consist of amounts due for services rendered or expenses incurred through the termination date, including non-cancellable obligations of our service providers. Certain agreements also contain contingent provisions that may require payment upon the occurrence of specified events. For additional information regarding commitments and contingencies, refer to *Item 1. Financial Statements—Notes to the Unaudited Consolidated Condensed Financial Statements—Note 11. Commitments and Contingencies*.

Tax Receivable Agreement

The BV LLC Agreement provides for the payment of certain distributions to the Continuing LLC Owner in amounts sufficient to cover the income taxes imposed with respect to the allocation of taxable income from BV LLC as well as obligations within the TRA. Under the TRA, we are required to make cash payments to the Continuing LLC Owner equal to 85% of the tax benefits, if any, that we actually realize (or in certain circumstances are deemed to realize), as a result of (1) increases in the tax basis of assets of BV LLC resulting from (a) any future redemptions or exchanges of LLC Interests, and (b) certain distributions (or deemed distributions) by BV LLC and (2) certain other tax benefits arising from payments under the TRA. We expect the amount of the cash payments required to be made under the TRA will be significant. The actual amount and timing of any payments under the TRA will vary depending upon a number of factors, including the timing of redemptions or exchanges by the Continuing LLC Owner, the amount of gain recognized by the Continuing LLC Owner, the amount and timing of the taxable income we generate in the future, and the federal tax rates then applicable. Any payments made by us to the Continuing LLC Owner under the TRA will generally reduce the amount of overall cash flow that might have otherwise been available to us. To the extent that we are unable to make payments under the TRA for any reason, such payments generally will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the TRA and therefore accelerate payments due under the TRA.

Indebtedness

The 2025 Credit Agreement contains affirmative and negative covenants applicable to senior secured credit facilities, including covenants that, among other things, limit or restrict our ability to, subject to negotiated exceptions, incur additional indebtedness, liens on our assets, engage in acquisitions or dispositions, pay dividends or make other distributions, enter into transactions with affiliated persons, make investments, change the nature of our business or organizational documents, or prepay or make modifications to other indebtedness that would adversely affect the lenders.

The 2025 Credit Agreement also contains financial covenants including a maximum consolidated total net leverage ratio of 3.50 to 1.00. We may elect to increase such ratio level by 0.50 to 1.00 following certain permitted acquisitions. A minimum interest coverage ratio of 2.50 to 1.00 must also be maintained. The 2025 Revolver also includes standard provisions related to conditions of borrowing and customary events of default. We were in compliance with the financial covenants under the 2025 Credit Agreement as of September 26, 2026. We do not expect any of these covenants or restrictions to affect or limit our ability to conduct business in the ordinary course.

During the nine months ended September 26, 2026, we made total principal payments of $64.5 million on the 2025 Term Loan, consisting of two scheduled quarterly payments of $3.75 million and three discretionary payments totaling $57.0 million. As of September 26, 2026, we had an outstanding balance of $229.8 million under the 2025 Term Loan, net of original issue discount and deferred financing costs.

Refer to *Item 1. Financial Statements—Notes to the Unaudited Consolidated Condensed Financial Statements—Note 4. Financial Instruments* for further details on the Company's indebtedness.

Other

For information regarding Commitments and Contingencies, refer to *Item 1. Financial Statements—Notes to the Unaudited Consolidated Condensed Financial Statements—Note 11. Commitments and Contingencies* of this Quarterly Report on Form 10-Q.

Information Regarding Cash Flows

Cash and cash equivalents as of September 26, 2026 totaled $30.7 million, compared to $51.2 million as of December 31, 2025. The change in cash was primarily due to the following:

	Nine Months Ended		Change	
(in thousands, except for percentage)	September 26, 2026	September 27, 2025	$	%
Net cash from operating activities	$ 49,465	$ 36,705	$ 12,760	34.8%
Net cash from investing activities	(4,868)	(2,668)	(2,200)	82.5%
Net cash from financing activities	(64,159)	(33,693)	(30,466)	90.4%
Effect of exchange rate changes on cash	(967)	238	(1,205)	NM
Net change in cash, cash equivalents	$ (20,529)	$ 582	$ (21,111)	NM

Operating Activities

Net cash inflows from operating activities increased by $12.8 million compared to the prior year period, primarily reflecting lower interest payments due to reduced debt levels and favorable interest rates, as well as decreases in bonus payments, partially offset with higher compensation-related costs. Net income for the nine months ended September 26, 2026 included a noncash income tax benefit associated with the partial release of our valuation allowance, which did not increase net cash inflows from operating activities.

Investing Activities

Net cash outflows from investing activities increased to $4.9 million for the nine months ended September 26, 2026, from $2.7 million for the nine months ended September 27, 2025. The increase was primarily attributable to $1.5 million for the purchase of distribution rights and $1.5 million for the purchase of equity investments in 2026. Capital expenditures were comparable between periods at $1.9 million in 2026 and $2.0 million in 2025 and primarily consisted of information technology investments. In addition, 2025 included a $0.7 million working capital settlement related to the sale of the Advanced Rehabilitation Business.

Financing Activities

Net cash outflows from financing activities were $64.2 million for the nine months ended September 26, 2026, primarily reflecting $64.5 million of long-term debt repayments. Net cash used in financing activities was $33.7 million for the nine months ended September 27, 2025, consisting of: (i) $39.9 million of net cash outflows related to the refinancing of our long-term debt obligations, including borrowings under the 2025 Credit Agreement, principal repayments and related financing costs; and (ii) $19.8 million of contingent consideration payments related to a prior acquisition. These financing cash outflows were partially offset by $25.0 million of net borrowings under our former revolving credit facility.

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Contractual Obligations

There have been no material changes to our contractual obligations as disclosed in our 2025 10-K.

Critical Accounting Estimates

Our discussion of operating results is based upon the unaudited consolidated condensed financial statements and accompanying notes, which have been prepared in accordance with U.S. GAAP. The preparation of these statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Our estimates are based on our historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Changes in the facts or circumstances underlying these estimates could result in material changes and actual results could differ from these estimates. In the event we dispose of assets before the end of their previously stated useful life, we may incur an impairment charge. Our critical accounting estimates are detailed in *Part II. Item 7. Management's Discussion and Analysis of Financial condition and Results of Operations* of our 2025 10-K and we have no material changes to such disclosures.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There have been no material changes to our market risks as disclosed in our 2025 10-K.

Item 4. Controls and Procedures.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, including our President and Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act) as of September 26, 2026 (the end of the period covered by this Quarterly Report on Form 10-Q). Based upon that evaluation, our President and Chief Executive Officer and Chief Financial Officer concluded that, as of September 26, 2026, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our President and Chief Executive Officer and our Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the third quarter of 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Bioventus shareholder litigation

On January 12, 2023, the Company and certain of its current and former directors and officers were named as defendants in a putative class action lawsuit filed in the Middle District of North Carolina, Ciarciello v. Bioventus Inc., No. 1:23– cv – 00032-CCE-JEP (M.D.N.C.). The complaint asserted violations of Sections 10(b) and 20(a) of the Exchange Act and of Sections 11 and 15 of the Securities Act and generally alleges that the Company failed to disclose certain information regarding its rebate practices, its business and financial prospects, and the sufficiency of internal controls regarding financial reporting. The complaint sought damages in an unspecified amount. On April 12, 2023, the Court appointed Wayne County Employees' Retirement System as lead plaintiff. The plaintiff's amended consolidated complaint was filed with the Court on June 12, 2023. On July 17, 2023, the defendants filed a motion to dismiss the complaint raising a number of legal and factual deficiencies with the amended consolidated complaint. In response to the defendants' motion to dismiss, the lead plaintiff filed a second amended complaint on July 31, 2023. The defendants moved to dismiss the second amended complaint on August 21, 2023, which the Court granted in part and denied in part on November 6, 2023. The Court dismissed the plaintiff's Securities Act claims, but allowed the plaintiff's Exchange Act claims to proceed into discovery.

On July 15, 2024, a Stipulation and Agreement of Settlement (the "Settlement Agreement") by and between the lead plaintiff and the defendants was filed with the Court, and the Court preliminarily approved the Settlement Agreement on August 13, 2024. The Court entered judgment on December 18, 2024, granting final approval of the terms of the Settlement Agreement and dismissing all claims against the defendants, including the Company. The parties settled without any admission of liability or wrongdoing by any party. The settlement amount of $15.3 million, together with interest earned thereon, was paid in 2024 by the defendants and/or the defendant's insurers.

On October 4, 2023, certain of the Company's current and former directors and officers were named as defendants in a derivative shareholder lawsuit, (in which the Company is a nominal defendant), filed in the United States District Court for the District of Delaware, Grogan, on behalf of Bioventus Inc., v. Reali, et al., No. 1:23-CV-01099-RGA (D. Del.). The complaint asserts violations of Section 14(a) of the Exchange Act, breaches of fiduciary duties and related state law claims, and a claim for contribution, and generally alleges the same purported misconduct as alleged in the Ciarciello case. On January 12, 2024, the Court agreed to stay this case pending resolution of the Ciarciello case.

On February 9, 2024, another plaintiff filed a derivative shareholder lawsuit against certain of the Company's current and former directors and officers, (in which the Company is a nominal defendant), in the United States District Court for the District of Delaware, Sanderson, on behalf of Bioventus Inc., v. Reali, et al., No. 1:24-cv-00180-RGA (D. Del.). Like the Grogan case, this case asserts violations of Section 10(b) of the Exchange Act, breaches of fiduciary duties and related state law claims, and a claim for contribution, and generally alleges the same purported misconduct as alleged in the Ciarciello case. On May 1, 2024, the parties filed a stipulation to consolidate the Sanderson and Grogan derivative matters and stay them on terms similar to those entered in the Grogan case. On May 2, 2024, the Court granted the stipulation and ordered the consolidation of the Sanderson and Grogan cases, captioned In re Bioventus Inc. Derivative Litigation, No.: 1:23-cv-01099-RGA (D. Del.). The Court also stayed the consolidated case. Following resolution of the Ciarciello case, on December 30, 2024, the plaintiffs in the consolidated case filed an amended complaint asserting the same claims as in the Grogan case against certain of the Company's current and former directors and officers. On January 6, 2025, the Court entered a scheduling order, under which the defendants had until March 3, 2025 to file a motion to dismiss the amended complaint. On February 21, 2025, the parties submitted a joint stipulation to stay the proceedings to allow the parties time to negotiate a settlement. On April 22, 2025, June 23, 2025, October 24, 2025, December 23, 2025, February 3, 2026, and April 1, 2026, the parties submitted status updates requesting more time to continue their settlement discussions. On July 17, 2026, the parties informed the Court that they had reached a settlement-in-principle and would submit further status reports, advising the Court of the status of their negotiations regarding attorney's fees. The settlement is limited to implementation by the Company of certain corporate governance reforms and the Company does not presently expect that the attorney fee awards will be material.

On July 31, 2024, another plaintiff filed a derivative complaint against certain of the Company's current and former officers and directors, (in which the Company is a nominal defendant), in the United States District Court for the Middle District of North Carolina, captioned Vince, on behalf of Bioventus Inc. v. Reali et al., No. 1:24-cv-00639-CCE-JEP (M.D.N.C.). Like the Grogan case, the Vince case asserts violations of Section 14(a) of the Exchange Act, breaches of fiduciary duties, unjust enrichment, contribution, and waste and generally alleges the same purported misconduct as alleged in the Ciarciello case. On November 11, 2024, the defendants filed a motion to transfer the Vince case to the United States District Court for the District of Delaware, pursuant to the forum selection clause in Bioventus's certificate of incorporation. On January 14, 2025, the Court granted the motion and transferred the Vince case to the District of Delaware. On February 14, 2025, the plaintiff requested voluntary dismissal of the Vince case without prejudice and the Court granted the request that same day.

On February 20, 2025, plaintiff Vince refiled a derivative complaint against certain of Bioventus' current and former officers and directors, (in which the Company is a nominal defendant), in the Delaware Court of Chancery, captioned Vince, on behalf of Bioventus Inc. v. Reali et al., No. 2025-0192-LWW (Del. Ch.). Like the prior complaint, which he voluntarily dismissed, Vince asserts breaches of fiduciary duties, unjust enrichment, contribution, and waste, and generally alleges the same purported misconduct as alleged in the Ciarciello case. On March 24, 2025, the defendants filed a motion to dismiss the complaint, or in the alternative, to stay the case.

On February 26, 2025, another plaintiff filed a derivative complaint against certain of Bioventus's current and former officers and directors, (in which the Company is a nominal defendant), in the Delaware Court of Chancery, captioned Bouchereau, on behalf of Bioventus Inc. v. Reali et al., No. 2025-0214-BWD (Del. Ch.). The complaint is nearly identical to the Vince complaint and asserts breaches of fiduciary duties, unjust enrichment, contribution, and waste, and generally alleges the same purported misconduct as alleged in the Ciarciello case. On April 2, 2026, the parties filed a stipulation to consolidate the Vince and Bouchereau derivative matters, which the Court granted that same day and captioned the consolidated action In re Bioventus Inc. Stockholder Derivative Litigation, No. 2025-0192-LWW. On July 17, 2026, the parties informed the Court that they had reached a settlement-in-principle, together with the plaintiffs in In re Bioventus Inc. Derivative Litigation, No.: 1:23-cv-01099-RGA (D. Del.), and would submit further status reports, advising the Court of the status of their negotiations regarding attorney's fees. The settlement is limited to implementation by the Company of certain corporate governance reforms and the Company does not presently expect that the attorney fee awards will be material.

On March 6, 2025, another plaintiff filed a derivative complaint against certain of Bioventus's current and former officers and directors, (in which the Company is a nominal defendant), in the United States District Court for the Middle District of North Carolina, captioned Hyung v. Reali et al., No. 1:25-cv-00177-CCE-JEP (M.D.N.C.). Like the other derivative cases, the Hyung case asserts violations of Section 14(a) of the Exchange Act, contribution, breaches of fiduciary duties, aiding and abetting, gross mismanagement, waste, and generally alleges the same purported misconduct as alleged in the Ciarciello case. On May 13, 2025, the defendants filed a motion to transfer the Hyung case to the United States District Court for the District of Delaware, pursuant to the forum selection clause in Bioventus's certificate of incorporation, or in the alternative, to dismiss the case. On July 1, 2025, the Court granted the motion to transfer and transferred the Hyung case to the District of Delaware. The plaintiff subsequently filed a notice of appeal of that order to the United States Court of Appeals for the Fourth Circuit on July 16, 2025. On July 25, 2025, the plaintiff filed a joint stipulation to voluntarily dismiss the appeal. On July 8, 2025, the plaintiff filed an amended complaint in the District of Delaware, captioned Hyung v. Reali, et al., No. 1:25-cv-00806-RGA (D. Del.). The defendants filed a motion to dismiss the Hyung case on October 10, 2025. On May 8, 2026, the Court granted the motion to dismiss and dismissed the Hyung case without prejudice.

On June 1, 2026, plaintiff Hyung refiled a derivative complaint against certain of Bioventus' current and former officers and directors, (in which the Company is a nominal defendant), in the United States District Court for the District of Delaware, captioned Hyung v. Reali, et al., No. 1:26-cv-00635-JCG (D. Del.). Like the prior complaint, which was dismissed, Hyung asserts breaches of fiduciary duties, unjust enrichment, mismanagement, and waste, and generally alleges the same purported misconduct as alleged in the Ciarciello case. On July 21, 2026, the defendants filed a motion to stay the case or, in the alternative, to dismiss the complaint. On August 19, 2026, the parties submitted a joint stipulation to stay the proceedings in light of the settlement in principle reached in the In re Bioventus Inc. Stockholder Derivative Litigation, No. 2025-0192-LWW and In re Bioventus Inc. Derivative Litigation, No.: 1:23-cv-01099-RGA (D. Del.) cases.

The Company believes the claims alleged in the above actions, including the pending derivative matters, lack merit and intends to defend itself vigorously. Except as described above, the outcomes of these matters are not presently determinable, and any loss is neither probable nor reasonably estimable.

Item 1A. Risk Factors.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors and other cautionary statements described under the heading Risk Factors included in our 2025 10-K, as updated by our subsequent Quarterly Report on Form 10-Q for the quarter ended June 27, 2026, which could materially affect our businesses, financial condition, or future results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may adversely affect our business, financial condition, or future results. There have been no material changes in our risk factors from those described in our 2025 10-K and Quarterly Report on Form 10-Q for the quarter ended June 27, 2026.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities.

(a) None.

(b) None.

(c) None.

Item 3. Defaults Upon Senior Securities.

Not Applicable.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

Insider Trading Arrangements

During the quarter ended September 26, 2026, none of our directors or officers (as defined in Rule 16a-1 (f) under the Exchange Act) adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (as such terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits.

Exhibit No.	Description	Form	File No.	Exhibit	Filing Date	Filed / Furnished Herewith
31.1	Certification of President and Chief Executive Officer pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended					*
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended					*
32	Certification of President and Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					***
101.SCH	Inline XBRL Taxonomy Extension Schema Document					***
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					***
101.DEF	Inline XBRL Extension Definition Linkbase Document					***
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					***
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					***
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith

** Furnished herewith

*** Submitted electronically herewith

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned duly authorized.

BIOVENTUS INC.

November 2, 2026
Date

/s/ Mark L. Singleton
Mark L. Singleton
Senior Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATIONS

I, Robert E. Claypoole, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bioventus Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Robert E. Claypoole

Name: Robert E. Claypoole

Title: President and Chief Executive Officer (Principal Executive Officer)

Date: November 2, 2026

Exhibit 31.2

CERTIFICATIONS

I, Mark L. Singleton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bioventus Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Mark L. Singleton

Name: Mark L. Singleton

Title: Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: November 2, 2026

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, in connection with the Quarterly Report on Form 10-Q of Bioventus Inc. (the Company) for the quarter ended September 26, 2026, as filed with the Securities and Exchange Commission on the date hereof (the Report), each of Robert E. Claypoole, President and Chief Executive Officer of the Company and Mark L. Singleton, Senior Vice President and Chief Financial Officer of the Company, hereby certifies, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert E. Claypoole

Name: Robert E. Claypoole
Title: President and Chief Executive Officer (Principal Executive Officer)

/s/ Mark L. Singleton

Name: Mark L. Singleton
Title: Senior Vice President and Chief Financial Officer (Principal Financial Officer)

Date: November 2, 2026