



Bioventus Inc.

Investor Presentations – August 2021



Disclaimer

Forward-Looking Information

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Certain information in this presentation has been obtained from outside sources. While such information is believed to be reliable for the purposes used herein, no representations are made as to the accuracy or completeness thereof and we take no responsibility for such information. Unless otherwise indicated, information contained in this presentation concerning our industry and markets in which we operate is based on information from iData Research, Inc. Management projections, assumptions and estimates of future performance are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data and our knowledge of such industry and markets which we believe to be reasonable. We have not independently verified the accuracy or completeness of the information contained in the industry publications and other publicly available information. These projections, assumptions and estimates are necessarily subject to uncertainty and risk due to a variety of factors.

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Experienced Leadership Team

Ken Reali, Chief Executive Officer

Former CEO of:



Former Executive of:



Greg Anglum

SVP, Chief Financial Officer



Alessandra Pavesio

SVP, Chief Science Officer



John Nosenzo

SVP, Chief Commercial Officer



Tony D'Adamio

SVP, General Counsel



Leigh Ann Stradford

SVP, Chief HR Officer



Katrina Church

Chief Compliance Officer



Chris Yamamoto

SVP, Business Development & Strategy

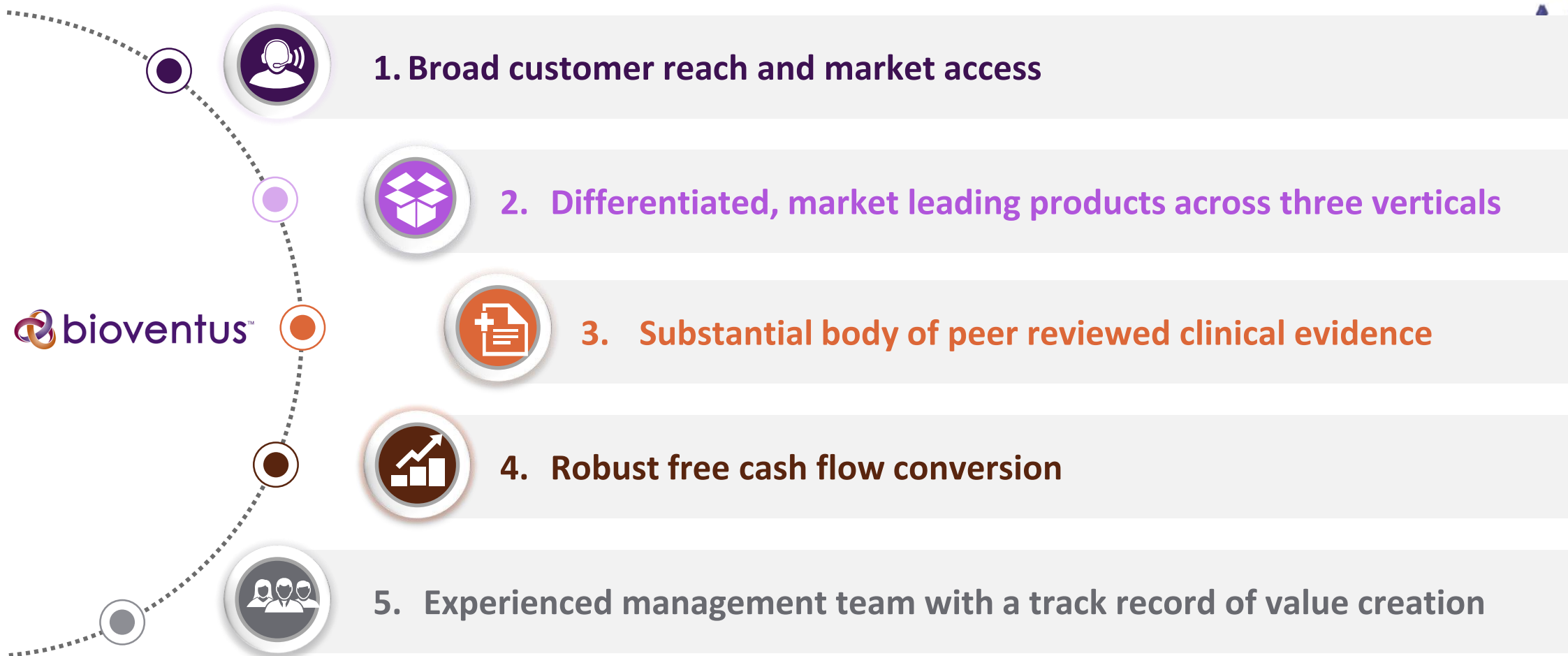


Miguel Beltran-Delgado

SVP, Operations

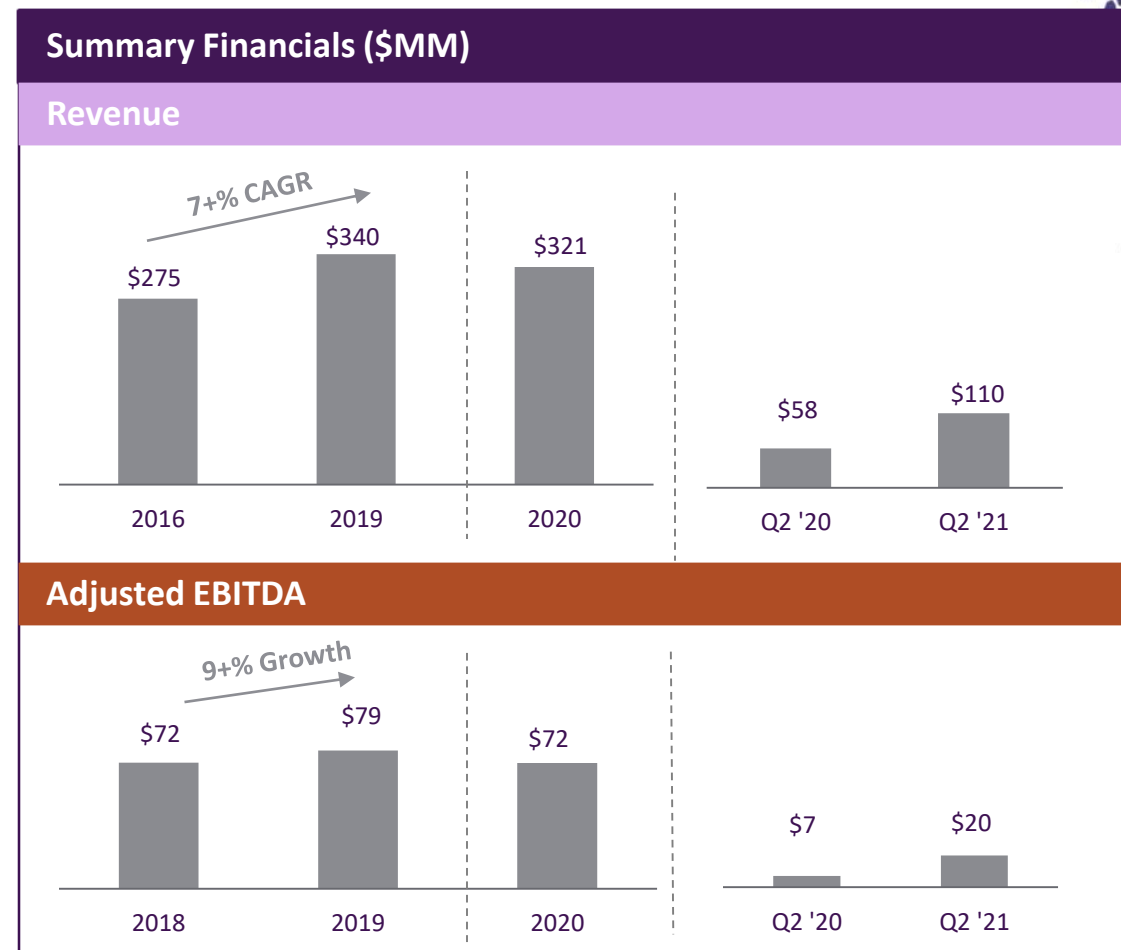


Key Investment Highlights

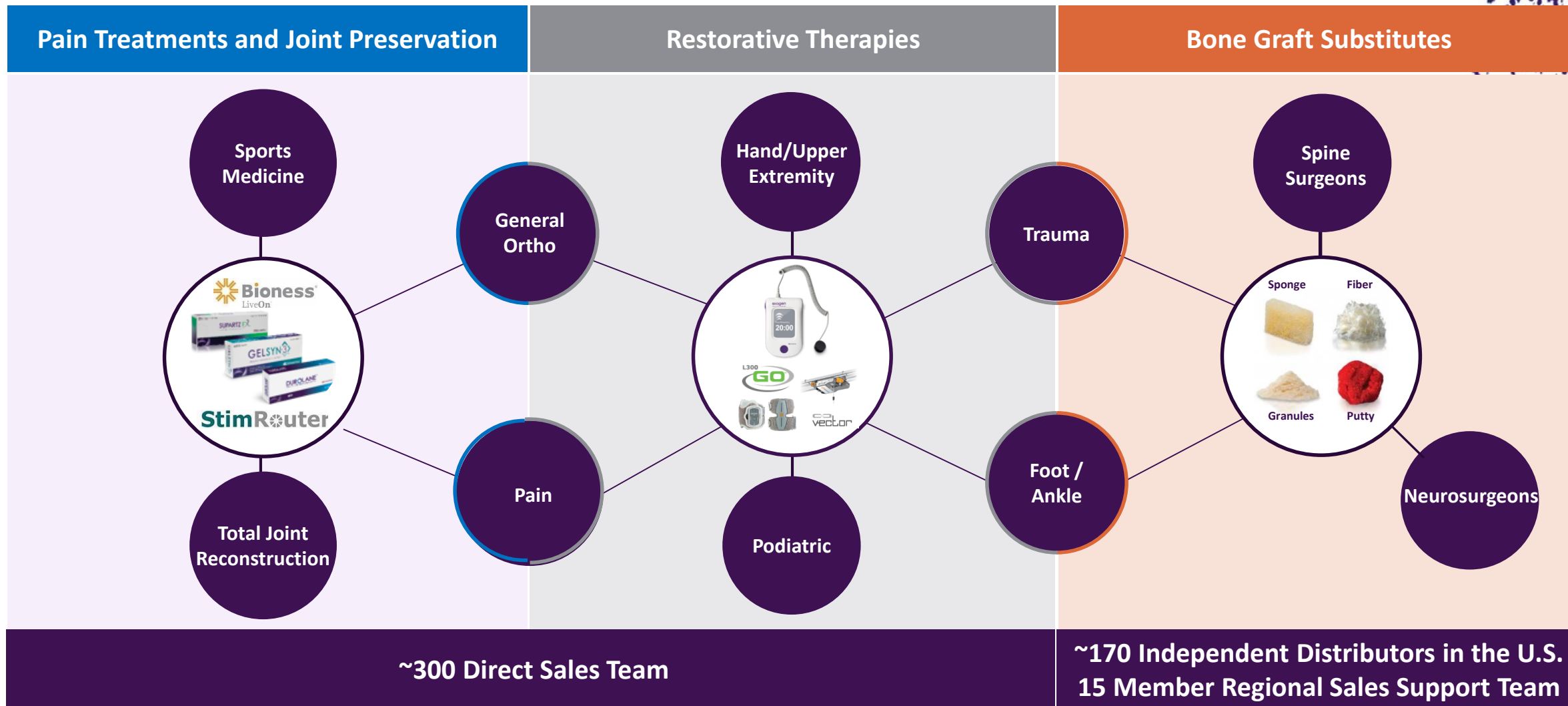


Bioventus At a Glance

- Bioventus offers clinically differentiated, cost efficient, and minimally invasive treatments that engage and enhance the body's natural healing process
 - The only complete portfolio of single, three and five injection HA viscosupplementation therapies and number two player
 - Fastest growing participant in the bone graft substitute market
 - Exogen system is the number one prescribed bone healing treatment for long bone fractures by revenue⁽¹⁾
 - 5 FDA approved and commercialized Advanced Rehabilitation devices focused on restoring extremity utilization through Functional Electrical Stimulation (FES).
 - Recognized technology leader in Peripheral Nerve Stimulation (PNS) to treat post surgical pain within high-growth neuromodulation market.
- An estimated \$13BN+ global market opportunity, with compelling industry dynamics and multiple growth drivers



Broad Customer and Market Access



Bioventus Offers *Clinically Differentiated, Cost Efficient, and Minimally Invasive Treatments* That Engage and Enhance the Body's Natural Healing Processes.....

Pain Treatments and Joint Preservation



DUROLANE
hyaluronic acid, stabilized single injection

GELSYN-3
3 injection hyaluronic acid treatment

SUPARTZ FX
sodium hyaluronate



Bone Graft Substitutes

Granules



Putty



Sponge



Fiber



osteoamp
Allogenic Morphogenetic Proteins

signafuse
Bioactive Bone Graft

interface
Bioactive Bone Graft

cellxtract
Autologous Cell and Bone Marrow Extraction

extractor
Autologous Cell and Bone Marrow Extraction

exponent
Demineralized Bone Matrix

osteoatrix
Biphasic Bone Graft

purebone
Demineralized Cancellous

Restorative Therapies

exogen
ultrasound bone healing system



.....we believe our portfolio of products plays a critical role in supporting the body's own healing mechanisms to heal or eliminate pain

We are the **Fastest Growing** and Now the **Second Largest US HA⁽¹⁾ Provider**

Products

- ✓ Knee OA pain relief
- ✓ Complete portfolio offering 1, 3 & 5 injection regimens
- ✓ Long Term Exclusive Distribution Agreements
- ✓ Peripheral Nerve Stimulation (PNS) – alternative to Opioids.

Market

~14MM
OA Patients⁽²⁾

~\$2BN
Global HA Market⁽³⁾

#2
Participant in U.S.
HA Market⁽³⁾

~\$6BN
Global PNS Market⁽⁴⁾

Growth Strategy

Market Expansion:

- Grow share through access and channel expansion
- International growth
- Leverage Orthopedic call points for post-surgical pain with PNS

New Planned Product Introductions:

- Placental Tissue Biologic
- Advanced Knee Repair
- Biologic Shoulder Repair
- Implantable nerve stimulation

M&A Opportunities

- Recent acquisition of Bioness allows for the leverage of our sales force and customer call points in Sports Medicine, Total Joint Reconstruction, Foot/Ankle/Podiatric to expand the market penetration of Bioness products

- 8 -

1. Hyaluronic Acid "HA"
2. Deshpande BR, et al. Number of persons with symptomatic knee osteoarthritis in the US: impact of race and ethnicity, age, sex, and obesity. *Arthritis Care Res* 2016;68:1743-50
3. SmartTRAK Business Intelligence
4. LSI procedure database, clinical literature & McKinsey research

Portfolio of Orthobiologic Products to Supplement Bone Growth

Products

- ✓ Used to supplement bone growth, primarily in spine surgery
- ✓ Differentiated clinical data
- ✓ Can be used in conjunction with any orthopedic fixation and spinal fusion implant

Granules		
Putty		
Sponge		
Fiber		

Market

~\$2.0BN U.S. Market⁽¹⁾

Growing 3.6%-5.6% from 2019 to 2024 according to iData Research⁽¹⁾⁽²⁾

~1.3MM Procedures Used Bone Graft Substitutes in 2019⁽¹⁾

~\$55MM Bioventus Global Sales in 2019

~4% Market Share

Growth Strategy

Market Expansion:

- Grow share through access and channel expansion
- International growth

New product introductions:

- **Signafuse Bioactive Strip**
 - Osteoblastic differentiation compared to other synthetics
 - Focus on Posterolateral Fusion procedure
 - Launched August 2020
- **Flowable OsteoAMP**
 - Designed for enhanced handling characteristics
 - Focus on Minimally Invasive Surgical Spine Fusions
 - Launched July 2021

M&A opportunities

1. As of 2019; iData Research: US Market Report Suite for Orthopedic Biomaterials

2. Bone Graft Substitutes are used in the following procedures: orthopedic spine bone grafting procedures growing at 3.6%; trauma bone graft substitute procedures growing at 4.0%; other surgeries excluding craniomaxillofacial growing at 5.6%

Established Market Leader; Building Clinical Evidence to Expand Label

Products

- ✓ Uniquely Indicated for most nonunion fractures & select fresh fractures
- ✓ 20 minutes / day home treatment



- ✓ Advanced rehab products restore extremity utilization.
- ✓ 17 of top 20 rehab hospitals in US are customers

Market

~\$250MM Long bone stimulation U.S. Market⁽¹⁾

#1

Prescribed Bone Healing Treatment for Long Bones⁽²⁾

~\$1.75B Advanced Rehabilitation Global Market⁽³⁾

Growth Strategy

Market Expansion:

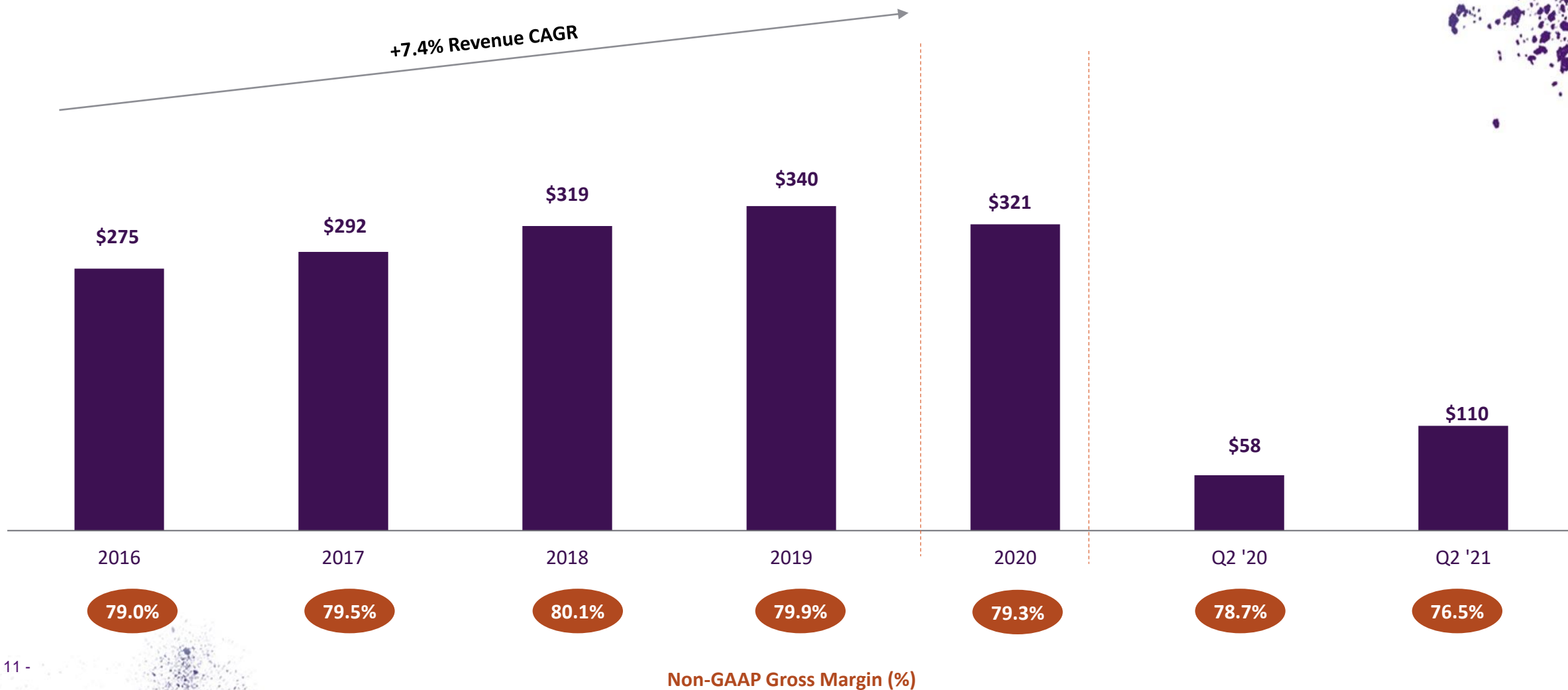
- Expand indications for use
- International growth
- Transition focus from Neuro rehab to Ortho & Neuro rehab
- Recent acquisition of Bioness allows for the leverage of our sales force and customer call points in Total Joint Reconstruction, Foot/Ankle/Podiatric to expand the market penetration of Bioness products

Product Extension:

- **“B.O.N.E.S.” clinical study** - Treatment of fresh fractures to mitigate risk of fracture non-union in pre-disposed patients:
 - 5th Metatarsal – Submitted PMA in Q4 2020
 - Scaphoid – Enrollment complete in Q4 2020
 - Tibia – Expects to complete enrollment in 2021
- **Continuous product improvements**

M&A Opportunities: Opportunities for M&A in Restorative Therapies and in leveraging reimbursement business model

Strong Track Record of Revenue Growth (\$MM)

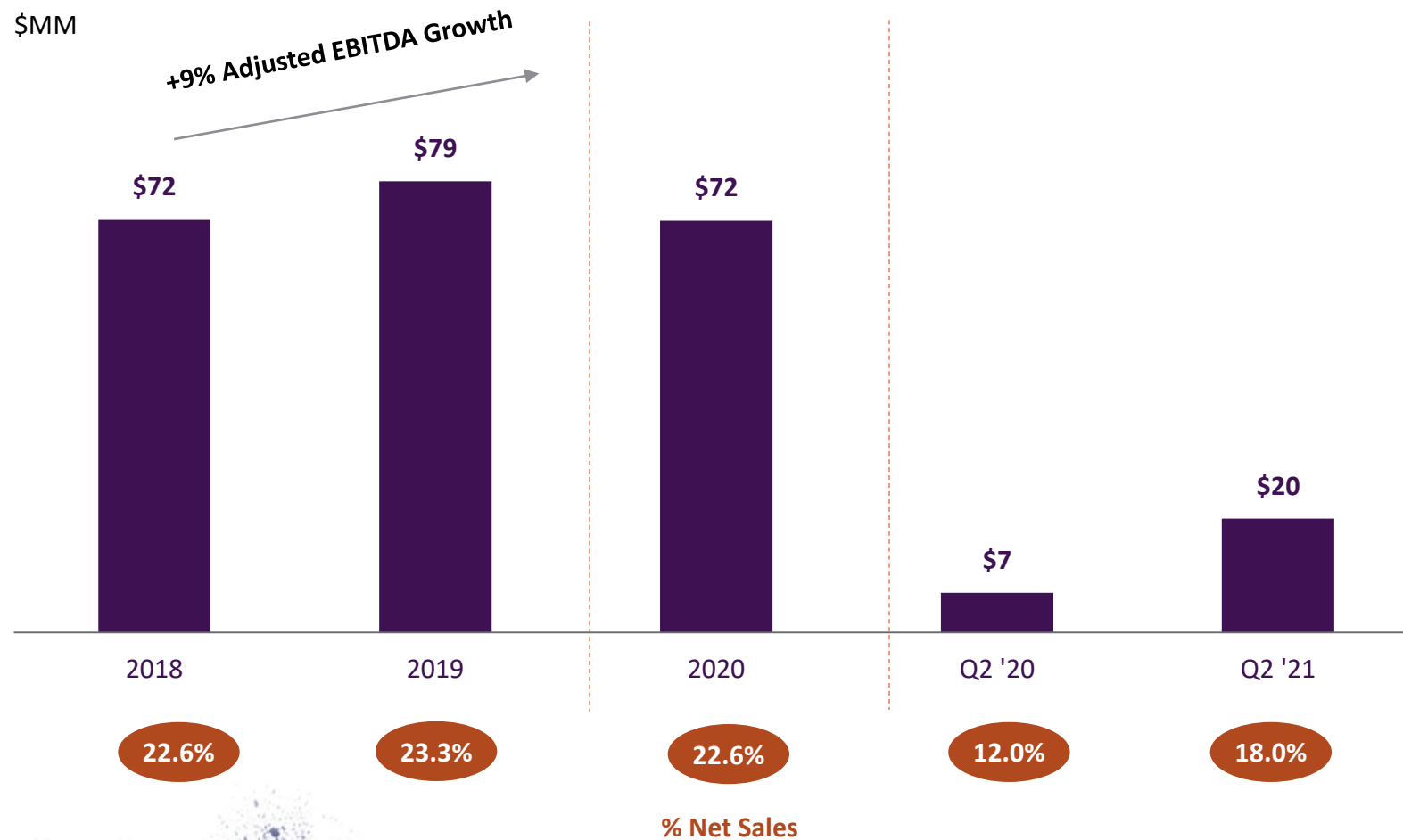


Strong Track Record of Improving Profitability

Adjusted EBITDA

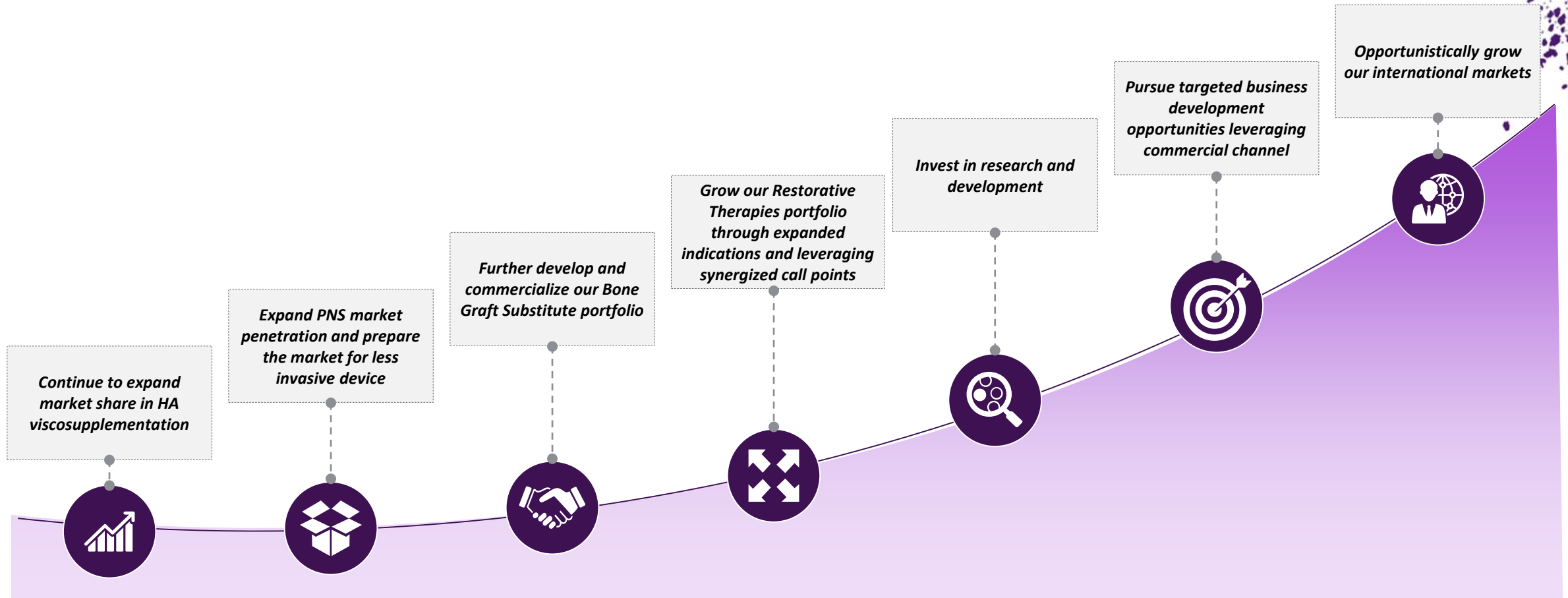
\$MM

+9% Adjusted EBITDA Growth



- ✓ ~70%+ Gross Margins
- ✓ Expanding Operating Margin
- ✓ Strong Cash Position (\$136MM at end of Q2 '21)
- ✓ >90% of EBITDA converts to free cash flow

Strategy to Continue Building a Market-leading Company





Bioventus' Acquisition of Misonix



Transaction Details

Transaction Terms

- Misonix stockholders will receive aggregate consideration reflecting \$10.50 in cash and 1.0524 shares of Bioventus Class A common stock per outstanding share of Misonix common stock (subject to election and proration among stockholders), valuing Misonix at \$28.00 per share
- Implies total transaction value of \$534M, or 6.7x expected 2021 sales

Structure and Financing

- Misonix shareholders to own 25% of Bioventus after the transaction
- Cash consideration to be financed through cash on hand and incremental debt facility
- Pro forma year-end 2021 net leverage of 3.6x at closing with a path to steady debt paydown

Governance and Approvals

- Bioventus Board of Directors to be expanded to include 11 members, including two nominees from the Misonix Board: Stavros Vizirgianakis and Patrick Beyer
- Smith & Nephew, EW Healthcare Partners, Stavros Vizirgianakis, SV Health Investors, and 1315 Capital have executed agreements to vote in favor of the transaction

Timing

- Expected closing in Q4 2021, subject to regulatory and shareholder approvals and other customary closing conditions



Platform technology that enables additional organic and inorganic expansion opportunities

Highly complementary product offerings leveraging combined sales infrastructure to drive revenue acceleration

Accelerates top-line growth with strong financial returns

Expected annualized cost synergies of \$20M by end of 2023

**Expected
~\$500M
Pro forma
'21 Rev.**

**Expected
Double-Digit
Revenue
Growth**

**~\$15B
TAM**

The "New" Bioventus

	Pain Treatments	Restorative Therapies	Surgical Solutions	
Products				
Expected Pro forma '21 Rev.	~\$215M	~\$170M	~\$115M	
TAM	\$2B Global HA \$6B Global PNS ~\$8B	\$350M Global Bone Healing \$1.75B Global Rehabilitation \$1B Wound Care ~\$3B	\$2.7B US Orthobiologics \$600M Bone Resection \$250M Tumor Aspiration ~\$3.6B	
Call Point Synergies				

Compelling Shareholder Value Creation



Transformational Scale and Robust Growth

- Approximately \$500M of forecasted pro forma 2021 revenues expected to grow double-digits
- Enhanced sales force leverage in both spine surgical and wound care



Significant Synergy Potential

- Expected annualized cost synergies of \$20M by end of 2023
- Potential for significant revenue synergies through expanded commercial reach and highly complementary product offerings and call points



Compelling Financial Returns

- Significantly enhances long-term revenue growth
- Accretive to adjusted EBITDA in the first full year after completion and accretive to adjusted EBITDA margin by the second full year after completion
- Expected ROIC in line with or above WACC by Year 5



Attractive Capital Deployment

- Pro forma year-end 2021 net leverage of 3.6x at closing with path to steady debt paydown
- Combined offerings and commercial reach create platform for additional value creation and capital deployment



Appendix

Pain Treatments and Joint Preservation: Development and Pipeline

motys

- Placental tissue biologic in development to address knee osteoarthritis.
- Received IND Approval in Q4 2020.
- Commenced clinical studies in Q1 2021 to pursue a BLA.

CartiHeal Agili-C™

- CartiHeal’s Agili-C technology is the only off-the-shelf aragonite scaffold implant designed to address osteochondral defects in the knee
- Potentially unlocks applications for the millions of patients in the global knee cartilage repair market, which we estimate at over \$1.3 billion
- Granted FDA **breakthrough device** designation in Q4’20 for the treatment of certain knee-joint surface lesions
- Option to acquire this technology from CartiHeal upon PMA approval
- Submitted CartiHeal’s non-clinical PMA Module in Q1’21 & expects to complete its Modular PMA submission in Q4’21

PROcuff™ Bioimplant

- Bio-inductive collagen implant for regeneration of tendon tissue in the rotator cuff
- 534,000 rotator cuff injuries surgically repaired in the US in 2020, at least 25% of which are in-scope⁽¹⁾
- Have completed a pilot sheep implantation study
- Expects to submit 510(K) in 2022

TalisMann

- TalisMann is a next generation, less invasive, implantable PNS, offering more localized access to smaller nerve areas, enabling targeted treatment.
- Patent protected Electric Field Conduction (EFC) delivery method, overcoming RF attenuation.
- ~8 million extremity surgeries each year in the US alone ⁽²⁾
- Expects FDA clearance in 2022

Bioventus Biologic Portfolio for Pain Treatments and Joint Preservation



Non GAAP Reconciliations

Reconciliation of Net Income to Adjusted EBITDA (unaudited)

(\$, thousands)	Twelve Months Ended			Six Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2018	July 3, 2021	June 27, 2020
Net income	14,722	8,113	4,443	13,748	4,506
Depreciation and amortization	28,642	30,316	29,238	14,663	14,513
Income tax expense (benefit)	1,192	1,576	1,664	1,641	(71)
Interest expense (income)	9,751	21,579	19,171	(1,195)	5,215
Equity compensation	10,103	10,844	14,325	(16,559)	(6,771)
COVID-19 benefits, net	(4,123)	-	-	-	(1,101)
Succession and transition charges	5,609	-	-	344	4,574
Foreign currency impact	(117)	8	234	(64)	40
Acquisition and integration costs	467	-	-	5,029	-
Inventory step-up costs	-	-	-	2,106	-
Equity loss in unconsolidated investments	-	-	-	901	-
Change in fair value of contingent consideration	-	-	(739)	641	-
Impairment related to variable interest entity	-	-	-	7,043	-
Restructuring costs	563	575	1,373	-	-
Impairment of intangible assets	-	-	489	-	-
Other non-recurring costs	5,633	6,177	1,973	2,659	283
Adjusted EBITDA	72,443	79,188	72,171	30,957	21,188

Reconciliation of Gross Profit to Non-GAAP Gross Profit and Gross Margin to Non-GAAP Gross Margin (unaudited)

(\$, thousands)	Twelve Months Ended					Three Months Ended	
	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	June 27, 2020	July 3, 2021
Gross Profit	194,112	209,958	235,009	249,206	233,518	40,349	76,313
<i>Gross Margin</i>	70.7%	71.9%	73.6%	73.3%	72.7%	69.5%	69.5%
Depreciation & Amortization included in cost of goods sold	22,760	22,296	20,614	22,399	21,167	5,292	5,618
Inventory step-up costs	-	-	-	-	-	-	2,106
Non-GAAP Gross Profit	216,872	232,254	255,623	271,605	254,685	45,640	84,038
<i>Non-GAAP Gross Margin</i>	79.0%	79.5%	80.1%	79.9%	79.3%	78.7%	76.5%