



## **Confidential Q&A for Employees Do Not Share Outside of Bioventus or Bioness**

### **Strategic Rationale**

#### **Q: Why is Bioventus interested in Bioness?**

A: This acquisition is directly aligned with Bioventus' mission of helping patients regain active lifestyles and driving accretive revenue growth through acquisitions. Bioventus has the opportunity to accelerate growth to the Bioness portfolio by leveraging its existing direct sales force to reach both orthopedic and pain physicians and expanding Bioness' market access and reimbursement processing capabilities, specifically in durable medical equipment.

#### **Q: What is Bioness's business and markets?**

A: Bioness' PNS device, StimRouter®, has been implanted in over 3,000 patients since its launch in 2017 and is sold in 10 countries including the United States. StimRouter is the only PNS device backed by a randomized control trial, in which 53% of the treatment group rated significant improvement to their quality of life.

TalisMann™, a next generation PNS therapy solution, was submitted to the FDA in December. It has 3 times more power delivered at targeted nerve site versus StimRouter – significantly expands types of nerves that can be treated (e.g. small / difficult to locate nerves, damaged nerves, large nerves such as sciatic).

Bioness' patent protected PNS technology is ideally suited to treat pain in the periphery and does not suffer from the power and signal attenuation limitations of competing devices.

Bioness is also the category leader in rehabilitation solutions globally with the broadest portfolio of offerings, including functional electric stimulation exoskeletal devices for both the upper and lower extremities, robotic gait and fall safety systems, and high-tech, interactive software learning and recovery assessment platforms.

#### **Q: How much overlap is there between the two companies' products?**

A: There is no overlap between the suite of products offered by Bioventus and Bioness.

#### **Q: What will be the benefits of this deal?**

A: Bioventus will be able to drive significant growth to Bioness' portfolio by leveraging its existing network of ~300 sales representatives to reach both orthopedic and pain physicians and expanding Bioness' market access and reimbursement processing capabilities, specifically in durable medical equipment. We also expect to identify efficiencies and improve profitability and cash flow, while continuing to invest in new products in both PNS and rehabilitation solutions.

**Q: What are the expected synergies?**

A: Bioventus will always evaluate our overall business and evaluate ways to improve our efficiencies and expect some changes will be made in the next 90 days. We commit to communicating these changes as quickly as possible to any impacted employees.

**Q: Will Bioventus discontinue any Bioness products or exit any of its current markets?**

A: No.

**Process and Timeline**

**Q: What are the next steps after the announcement?**

A: We will integrate our two companies and devise a go-to-market strategy that enables us to accelerate topline growth.

**Q: What does it mean that a transaction has ‘closed’? What does Day 1 mean?**

A: A transaction has closed once the terms of the deal agreement have been executed in line with all legal and financial obligations. Day 1 is the first business day after the transaction has closed when the combined companies operate as a new legal entity. In our case, the transaction closing means that Bioness becomes a part of Bioventus, and Day 1 is the first day that we formally begin to execute integration plans to bring the companies together from an operational perspective.

**Q: What does the timeline for integration look like?**

A: We will share that once the integration team has been put in place and made some initial planning assumptions.

**Q: Will any members of the Bioness Executive Leadership Team join the Bioventus ELT?**

A: No

**Q: Will any members of the Bioness Executive Leadership Team leave?**

A: Todd Cushman will transition into a consulting role and will office offsite. Phil Ranker will leave the company. The others will stay and they and their teams will report into their respective functional leaders at Bioventus.

In addition, Bioness’ CTO, Keith McBride and Rusty Page, its VP of Quality Operations, will be part of our joint Integration Management Office. Key sales leaders at Bioness are expected to remain and report to John Nosenzo, Chief Commercial Officer of Bioventus.

**Q: Who, from each company, is lead contact for the integration and who will lead the overall integration team?**

A: Sarah Caley, Senior Director, Commercial Integration is the contact for Bioventus, [sarah.caley@bioventus.com](mailto:sarah.caley@bioventus.com), and the contact at Bioness will be named shortly.

**Q: When can we expect to hear more detailed communication concerning plans to integrate our two companies?**

A: We will hold regular conference calls and Town Hall meetings as we form these teams, and as we reach decisions. We know that uncertainty is difficult and we will work to move quickly and carefully toward our future state plans, communicating as soon as each step is clear.

**Q: Will there be any input from the employees on process changes, the reasons behind the way we manage our processes?**

A: Yes and we will staff the integration teams with people from both companies. These teams will work to identify the best practices for best processes to ensure a successful integration.

**Q: Do you expect any restructuring during the integration of our two companies?**

A: Naturally, some restructuring will occur and we will keep you fully informed as the plans become clear. This will allow us to invest further in the innovations developed at Bioness and Bioventus.

**Q: How will this affect our daily operations?**

A: We will strive for minimal disruption to our business and work hard to make this a seamless integration for our customers and patients served by Bioness. How we communicate externally will be different as Bioventus is a public company.

### **Current Business & Products, Customers, Suppliers & Markets**

**Q: How will the deal affect established business relationships among current Bioness and Bioventus customers and suppliers?**

A: For now, business will continue as usual for both of our companies. Over the coming months, we will keep our collective customers and suppliers updated on our progress toward full integration of our two companies.

**Q: What are the customer communication plans?**

A: All customers were notified of the transaction on Days 1 and 2, and the integration team and commercial leaders of both companies will further develop additional communication. In the meantime, please continue to serve our customers and do not speculate beyond the contents of the press release announcing the news. Any further inquiries from customers should be directed to commercial leaders.

**Q: Who answers questions from media or other external inquiries?**

A: It is important that you not speak with media, analysts or researchers that are seeking information. Direct any of those inquiries to Tom Hill, Director of Corporate Communications, Bioventus, [thomas.hill@bioventus.com](mailto:thomas.hill@bioventus.com).

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**Q: Should I make contact with my counterpart at Bioness?**

A: No, not unless advised to by your manager or a leader of the integration team.

**Q: Should I continue with all my existing meetings and calls?**

A: Yes, for now it is business as usual.

**Q: Are our other plans for other business development activities on hold while we integrate Bioness into Bioventus?**

A: No and this experience will support our expertise to continue to grow inorganically and continue to invest in other business development opportunities.

**Q: Will we maintain an office in California where Bioness's headquarters is currently located?**

A: We expect to maintain a presence in California.

**Q: Will we continue to work with distributors who sell Bioness products OUS?**

A: Yes.

**Q: Will my budget at Bioness stay intact or grow?**

A: Budgets will be reviewed by Bioventus leaders within the functions and moving forward, any budget requests will be approved by these same functional leaders as well.

**Q: Will our territories be merged or do we continue to have the same geography we currently have?**

A: This will be evaluated more fully by the integration teams, and any changes will be communicated.

**Q: Will we continue to offer the same products we do today? If not, which ones will go away and what criteria will there be for eliminating?**

A: We intend to continue selling all of the products Bioventus and Bioness currently offer.

**Q: How will we handle regular meetings moving forward, such as any planning meetings, MedEd, Meetings with KOLs, etc.?**

A: Until further notice you should manage 2021 activities necessary to achieve your objectives for the year. Longer range planning meetings should be discussed with your manager for guidance.

**Q: Will duplicate departments be relocated?**

A: The integration teams will evaluate current state and define future organizations. Until that time, please continue to focus on serving existing customers and achieving current objectives.

**Q: Will the Bioness sites in Zwijndrecht in the Netherlands or Hod HaSharon, Israel be relocating or closing?**

A: Our integration team will be making these decisions over the next 90 days. However, we don't expect any changes to the Hod HaSharon, Israel location.

**Q: Should I hire for any open positions or are we in a hiring freeze at this time?**

A: Each Executive Leadership Team member will be working with people leaders on their teams to determine if any positions should be put on hold within Bioventus and Bioness.

**Q: How many customers does Bioventus share with Bioness?**

A: We will share this once customer analysis is completed.

**Q: How many direct sales reps does Bioness have in the US? Globally?**

A: 40 Direct Outside Sales and 20 Inside Sales within FES and another ~15 that sell implantables. OUS sales is conducted through distribution agreements.

**Q: Where does Bioness have a presence globally?**

A: Valencia, CA, Zwijndrecht, The Netherlands and Hod HaSharon, Israel.

**Q: What are the top products Bioness offers its customers?**

A: StimRouter®, L300 Go™, H200 Wireless, Vector Gait & Safety, BITS (Bioness Integrated Therapy System). TalisMann is coming in later in 2021.

**Q: How many direct sales reps does Bioventus have in the US? Globally?**

A: ~230 sales reps for OA joint pain, minimally invasive trauma in the US and another 36 OUS. In the US, Bioventus also has ~17 sales reps managing its bone graft substitute business for spine and trauma surgeons and much of those sales is conducted through distribution agreements.

**Q: Where does Bioventus have a presence globally?**

A: Durham, NC, Memphis, TN, Hoofddorp, The Netherlands, and Mississauga, Ontario, Canada.

**Q: What are the top products Bioventus offers its customers?**

A: EXOGEN® Ultrasound Bone Healing System, DUROLANE®, GELSYN-3™, SUPARTZ FX®, OSTEOAMP®, OSTEOAMP Select Fibers, SIGNAFUSE®, OSTEOMATRIX+®.

**Employment/Employee Centric Questions**

**Q: Do you expect any layoffs? If so, how many employees will be affected and when would they be notified?**

A: We do expect there will be changes and timing of any changes is currently unknown. Communication to any affected individuals will occur in a timely fashion and directly to employees first. Until then, we ask that you focus on your goals for 2021.

**Q: If there are layoffs, will there be severance, job placement assistance, etc., provided?**

A: Yes.

**Q: What will you do to avoid having employees leave the Bioness Organization?**

A: Communication and transparency will be critical during the integration of our two companies. Our focus will be to make our decisions quickly and inform employees as soon as reasonably possible. Our plan is to gain synergies and not disrupt the growth of either business therefore, our leaders will be key in sharing information and keeping a pulse on their employees.

**Q: Overall, how will Bioness employees be affected by the integration between our two companies?**

A: Bioventus will always evaluate our overall business and evaluate ways to improve our efficiencies and expect some changes will be made in the next 90 days. We commit to communicating these changes as quickly as possible to any impacted employees.

**Q: When will I learn more about my position and possible future opportunities?**

A: The integration planning teams will share a timeline of milestones and provide regular updates as the integration gets underway.

**Q: Will Bioness employees become Bioventus employees?**

A: Yes on Day 1. In addition, those employees will remain on current compensation plans for the next year.

**Q: If the offices/departments are moved, will I lose my job because I cannot move even though I could do my job remotely?**

A: We will communicate any decision influencing remote working opportunities and the integration between our two companies as soon as they are made.

**Q: Why should I hang around when I do not know if I will have a job or not once the integration is complete?**

A: We understand the concern and are committed to communicating any changes that may affect employment for as soon as is practical. In the meantime, we hope that you decide to remain with us serving patients and clinicians.

**Q: Will we get a separation package if we don't get to stay on with the company but do stay until our job ends?**

A: Yes.

**Q: How many redundancies are to be expected?**

A: That is unknown, as no decisions have been made at this time.

**Q: Do some employees need to sign a new employment contract?**

A: Not at this time.

**Q: Will this create opportunities for employees at Bioness to change jobs or even change job functions?**

A: Possibly. More will be known as the integration of our two companies gets underway.

**Q: Will Bioness people be offered jobs at equivalent levels within Bioventus?**

A: Current roles will remain unchanged at this time. Any changes resulting from the integration process will be communicated as soon as practical.

**Q: Will Bioness employees' compensation & benefits change with Bioventus?**

A: Bioness employees' compensation remains unchanged and their 401K plan will change due to IRS guidelines. All other benefits are currently under evaluation and decision will be made in 90 days.

**Q: Will policies and procedures remain the same as are currently in place?**

A: Bioventus strives to be compliant with all policies and we ask that you begin to follow our [Code of Compliance & Ethics](#). If there are questions, speak to an integration leader.

**Q: As the integration of our two companies evolves, will any Bioness employees have to interview for our current/future jobs with Bioventus?**

A: These decisions have not been made and they will be communicated to the impacted employees once any decisions are made.

**Q: Will we be moving some parts of the Bioness and employees to other locations?**

A: We expect field sales will be unaffected and that some relocation will occur in selected office-based functions. This will be communicated as soon as is practical.

**Q: Will our years of service at Bioness count towards years of service at Bioventus?**

A: Yes.

**Q: Will our PTO and Sick Time remain unchanged? Are we going to be grandfathered in for PTO?**

A: The benefits remain unchanged at this time.

**Q: Are there options for Bioness employees to buy stock in Bioventus?**

A: They will be allowed to buy Bioventus stock through the Employee Stock Purchase Plan.

**Q: How will the 401K transfers be handled for Bioness employees?**

A: For US employees, a new 401K plan will be offered as part of the transition. The Bioness plan was terminated upon close of the business transaction. More detail about the 401K plan will be sent to you via email and employees will have the choice between the following:

- Roll over funds into a Bioventus plan
- Take a distribution from the plan and put into another qualified plan to avoid tax penalty for early withdrawal
- Take a distribution from the plan and do not put into another qualified plan – becomes taxable income

**Q: What if I have a 401(k) loan with Bioness?**

A: If you currently have a 401(k) loan with Bioness you will have the opportunity to rollover your loan into the Bioventus 401(k) plan if you also rollover your account balance into the Bioventus 401(k) plan. If you do not rollover your loan into the Bioventus 401(k) plan the outstanding balance is immediately due and payable. If you have a 401(k) loan more information will be sent to you.

**Q: Will I be automatically enrolled in the Bioventus 401(k) plan?**

A: Yes. The Bioventus 401(k) plan includes an auto enrollment feature meaning if you do not take any action, you will be enrolled in the plan approximately 35 days after you become eligible for the plan at a 6% contribution rate.

**Q: What if I want to contribute more or less than 6% or even opt out of the 401(k) plan?**

A: The IRS limits the total amount individuals can contribute each year. When you enroll, determine the year-to-date amount previously deferred into your prior 401(k). The 2021 annual limits are \$19,500 plus those age 50 and older may contribute an additional \$6,500 in catch up contributions. You should contact Fidelity at 1-800-835-5098 or at [www.401k.com](http://www.401k.com) to request a contribution change. The Bioventus 401(k) plan number is 37810.

**Q: What does Bioventus contribute to an employee's 401(k) plan?**

A: Bioventus matches 100% of the first four percent and 50% of the next two percent of your pre-tax contributions up to the amounts allowable by IRS guidelines. The plans allows for a discretionary company contribution (referred to as the Bioventus Profit Sharing Plan) and if the company's Adjusted Global EBITDA is between 106% and 108% of target for 2021, Bioventus in its discretion, may make a discretionary contribution to the 401(k) plan.

**Q: Will we have the opportunity to develop and grow within in Bioventus as former Bioness employees?**

A: Yes. Our leadership team is committed to talent development at Bioventus.

**Q: What is the culture of both companies?**

A: Some obvious common themes of our cultures are high value for patients we serve, integrity in all that we do, and entrepreneurial approach. We look forward to our collective culture evolving as part of the integration process.

**Q: How will we manage cultural differences?**

A: We believe that culture is important. Although we don't anticipate significant cultural differences due to common values across both companies, such as focus on creating value for patients, integrity in all we do and entrepreneurial approach, naturally there may be some differences between our two organizations. Current plans to better understand and manage cultural differences are in development and will be communicated as soon as practical.

**Branding and IT Related**

**Q: What will happen to the Bioness company and product brand names?**

A: Between now and completing the integration of our two companies, we expect to evaluate branding needs to ensure that the newly acquired assets, including brand names, are best represented in the market.

**Q: What will the anticipated timeline be for company name changes/business card changes/logo changes be for Bioness employees?**

A: This will be decided and communicated when appropriate, until then it is business as usual.

**Q: What steps do I, as the site manager of this Bioness site/sales director, need to take now to get the new company name on all of my signs, wearables, stationery, etc.**

A: Please take no action at this time.

**Q: Do new employees at Bioness need to use new stationary as of legal closing of the agreement?**

A: No, new stationary will not be needed as they will continue to be Bioness as before, just now being a wholly owned subsidiary of Bioventus.

**Q: What are the plans for integrating IT? Which changes will occur first and when?**

A: This will be part of the work of the integration team. Once decisions have been made, we will communicate as appropriate.

**Q: How will our computer software systems change?**

A: This will be decided and communicated when appropriate.

**Q: When are Bioness emails going to be changed to the new company domain?**

A: This will be decided and communicated when appropriate.

**Research & Development:**

**Q: What does the research pipeline of Bioness look like?**

A: TalisMann, a next generation PNS therapy solution will be available in the near term and as the global category leader in rehabilitation solutions, the Bioness team continues to innovate around next generation functional electric stimulation exoskeletal devices and software for learning and recovery assessment.

**Q: Will we suspend work on any R&D programs at Bioness?**

A: We will evaluate the projects based on priority as we do at Bioventus, related to ROI, unmet need, market potential, etc.

**Q: How much of the Bioness portfolio is patent protected?**

A: Bioness has an extensive portfolio with more than 55 issued patents (domestic and international).

**Q: Will you move R&D capabilities at Bioness to other Bioventus sites?**

A: Nothing has been evaluated and one of the core capabilities Bioness has is its R&D function, and we want that group to focus on and continue their important work.