

Q&A

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Commercial

Q: When discussing the prevention of OAMP “down-class”, what does this mean? Down-class of pricing?

A: Hospital administrations across the US are looking to reduce the cost of their Biologics spend. Many are trying to commoditize the space to help achieve this goal. OsteoAMP is positioned as a premium product but many hospitals and IDNs would like it to be placed in a standard allograft or Demineralized Bone Matrix category. This would dramatically lower the cost of OsteoAMP and degrade the premium value it has to offer. Bioventus does not accept this categorization or pricing. We have lost business as a result and want to ensure we minimize future business loss while accelerating our ability to capture more of the premium market.

Q: What strategies will be implemented to address operational inefficiencies within the surgical business?

A: The operations and commercial teams are partnering together to improve our operational inefficiencies. A cross-function team will meet 2x per week starting this week to address near-term challenges and ensure teams are working on the right mid/long-term solutions. This team is comprised of Supply Chain, Manufacturing, Customer Service, Inventory Management, Sales and Comm Ops, along with Mike Crowe and Andrew Hosmer.

In addition, the Operations team has formed a Tiger Team to address mid to long term improvements needed. This team, led by Christine Trogdon will address critical field inventory/supply/service and communication issues. These issues have been identified in partnership with feedback from the field and customers. The team is making progress on some of our most pressing issues. Some, however, will take until the end of Q2 to resolve.

To ensure our customer facing teams are updated on progress and know what to expect, a weekly communication cadence has been initiated. The first report was sent to the team on Friday. This communication will provide our customer facing teams issue resolution timelines and communication options to address near term customer needs.

Resolving the surgical issues are top priority for everyone in Surgical especially our Operations Team (Mike Crowe, Chris Burcky and Supply Chain team, Brandon Brillhart and the Production/Service Team, Averi Paris and the Customer Service Inventory Management teams). We are announcing that Brandon Brillhart will lead MOC Operations effective March 4. He is a very capable, experienced Med Device Ops leader and will focus on driving production to eliminate backorders and will partner with Chris Burcky and his supply chain team to improve Ops production processes to ensure we prevent backorders in the future. Additionally, Chris Burcky is focused on improving certain supply chains in the Surgical product family to make them more robust and scalable.

Q: What is the plan for investment in R&D for aging Rehab technology products to remain competitive and maintain market share in advanced Rehab technology?

A: R&D investment is essential for the long-term health of our total BVS business. We have a number of Rehab projects that have been proposed and accepted including the upgrade of Vector. Across Bioventus, we have a significant opportunity for growth with our existing portfolio, but we also expect to increase our focus on, and investment in innovation in the months and years ahead while prioritizing the opportunities that drive the biggest benefit for patients, customers, and our business.

Q: Can you please describe the MedEd strategy in more detail for HA and EXOGEN?

A: In prior years, we have financed an active Medical Education program, with science summits, cadaver labs, peer-to-peer educational events, and similar offerings. Going forward, with Commercial defining the key target AREAS, MedEd will tailor its offerings to those areas. While Commercial cannot dictate which exact healthcare professionals to target, the commercial strategy can and should absolutely inform our fields of focus.

Communication

Q: Why use a QR code to a form to ask questions? Why not allow online/remote attendees to ask questions live. Sometimes it's better to have a little back and forth with the questionee and questioner, which now isn't facilitated. I realise this is the first time using Teams, does this mean it's not possible with Teams to have live questions from online attendees?

A: We are currently exploring the complete functionality with Teams since we are now utilizing the platform to host larger, organization wide Town Halls (a first for us). This month, we opted to utilize the anonymous form as we work through those details, but we do anticipate that there will be live Q&A in future Town Halls.

Q: Given our recognition or need for operational excellence and being easier to work with, can you comment on what workstreams we are looking at this year and moving into 2025 around systems, processes, resources, etc.?

A: Excellent question – we have a number of initiatives and workstreams underway to drive our operational excellence. You'll see several of those priorities when your ELT member reviews the detailed strategy work with you (that we referenced during the town hall). However, your question also prompts us to summarize all of the Op Excellence work and communicate it to our employees so that you have a comprehensive understanding. We will develop that and communicate it to you during the next town hall.

Customer Service

Q: It's known that we have an invoicing problem. What person/team is responsible for invoicing appropriately?

A: The Customer Service teams are responsible for invoicing and have a goal of reducing errors in 2024. The primary reasons for inaccurate invoices are incorrect data in the system on tax exempt status and pricing. This results in invoices having the wrong tax amount or the wrong price for the product. Another key issue we are working to improve is PO number received which is either invalid or same PO number is received for more than one order, and this creates a duplicate shipment / invoicing. This is also why it is so critical for the sales teams to provide accurate and complete information upon receiving the order from our customers. We currently have work streams working to remediate these system issues and will be tracking improvements.

February 29, 2024

Town Hall

Finance

Q: When will there be an earnings call?

A: Tuesday, March 12th at 8:30am EST. There will be a link to access the call on the Investor Relations section of www.bioventus.com.

Q: Is there a plan/vision in place for establishing a common platform for both Domestic & International Business Process leads to discuss and have a unified and standard ERP practices to reduce duplicate system designs for the similar business processes?

A: We recognize this is a challenge and are committed to developing unified systems and processes. This is being addressed in different workstreams today: Project Hydra, fully integrating Misonix and assessing our different CRM systems. These different workstreams will create efficiencies by establishing common tools across the globe and streamlining workflows that are consistent for both our international and US teams.

HR

Q: Is there space available for trainings in all facilities?

A: Yes, we do have conference rooms in all facilities that can be used for training. Our new site in Memphis probably has the most space available for larger groups and we are already leveraging that site for Exogen® new hire training.

Q: If we have concerns or questions, how do you suggest we raise these topics within the organization?

A: The questions and concerns that may be on your mind are important to us as a leadership team and a business. If they are on your mind, then chances are they may be on someone else's mind. We welcome your questions and, at the same time, the opportunity to engage those with questions in helping generate the solutions. Your questions and engagement help shape our future business and culture.

When your respective ELT member reviews our Bioventus strategy and priorities with you, please share your feedback and ideas. Similarly, in each town hall we will continue to devote time to answering questions and listening to suggestions and ideas. Please continue to raise your voice during our town halls.

If you have questions/concerns about culture or how we work together, feel free to reach out to your HR Business Partner, the Culture Champions or one of the Field Sales Advisory Boards. The latter groups are really focused on identifying opportunities and related solutions to help us strengthen our organization. If you have questions/concerns around compliance or an HR matter, you are always welcome to reach out to your HR Business Partner and/or the Compliance team or, if you prefer, you may access the Bioventus Ethics and Advice Line to file confidential, anonymous reports.

International

Q: As a global meeting, is there a plan to include the international updates as well as OUS currently do not hold any townhall meetings for some time now.

A: Yes, there will be international updates at future town halls. The International Leadership Team is currently going through a process of developing a strategic plan that focuses on driving growth in both direct and indirect markets, and also selecting the highest market growth opportunities and defining the commercial priorities to execute on these opportunities. We will also consider having separate International Town Halls periodically to complement the global town halls.

Regulatory/Quality

Q: Can you share the significance of our harmonized QMS focus?

A: Efficiency and compliance. Use of a single process allows product and people to be able to support across the company. It will help with regulatory and certification down the line. It is difficult to work in three systems doing things differently which can lead to compliance issues.

Q: Will we use Smart Solve for all our Product lines going forward or will we switch to a new QMS?

A: Yes, we will use SmartSolve as our eQMS going forward.

Rob

Q: One of our questions when you first visited Memphis was around the challenges you see ahead for us. It was early to ask but in your first months, do you have opportunities for us now that you can share?

A: Thanks for your question – we have significant opportunities to accelerate the growth in each of our businesses while also improving our operational efficiency to drive better profitability. Our ELT has worked hard on the strategy to accelerate profitable growth and that will be shared it with you shortly. We also have an opportunity to significantly improve our 2-way communication across the company to ensure all team members are aware of our key activities, challenges, and progress AND so that you our team can help shape our future. This will be an ongoing effort for us. I'm happy to discuss our challenges and opportunities in more detail in our next town hall, or perhaps the next time I visit Memphis and try some of the BBQ we talked about!

Q: When will you visit Europe?

A: Mid-April and I cannot wait to engage with the team in person. Overall, I see tremendous potential in our international business, and I look forward to helping the team unlock our full potential in EMEA.

Q: Rob, excited for your leadership. Is there an expectation that we will undergo changes to organization structure and find ways / means to increase investment in R&D and speed up new products and development pipelines across the business verticals?

A: Thanks – I'm excited to be here! At this point I am getting up to speed and entering each discussion with customers and our internal team with an open mind about our future strategy. We have significant growth potential with our existing portfolio and near-term pipeline, but I also expect us to increase our focus on and investment in innovation in the months and years ahead.