



Aziyo Biologics Investor Report

C. Randal Mills, PhD

Chief Executive Officer

Matt Ferguson

Chief Financial Officer

March 6, 2023

Forward-Looking Statements

This presentation of Aziyo Biologics, Inc. (“Aziyo,” “we,” “us,” “our” or the “Company”) (together with any other statements or information that we may make or discuss in connection herewith) contains forward-looking statements. All statements other than statements of historical facts, including but not limited to statements regarding future financial condition, results of operations, including, without limitation, cash flow improvement, business strategies, development plans, industry trends, regulatory activities, market opportunity, competitive position, our pipeline, potential growth opportunities, our products, their targeted effects and expected commercial availabilities, our pipeline and investments in new products and technologies, approvals of future products or product uses, expectations regarding continued acquisitions, ability to close and execute on strategic transactions and the potential results of such transactions are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expect,” “plan,” “aim,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements are based on our management’s current expectations, beliefs and assumptions and on information currently available to us. The future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

The forward-looking statements in this presentation are only predictions. These statements involve known and unknown risks, uncertainties and other important factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements due to various factors, including, but not limited to our ability to enhance our products, expand our product indications and develop, acquire and commercialize additional product offerings; the impact on our business of the recall of a single lot of our FiberCel product and the discontinuation of its sales by our distribution partner; our dependence on our commercial partners and independent sales agents to generate a substantial portion of our net sales; our ability to maintain our relationships with our existing contract manufacturing customers and enter into agreements with new contract manufacturing customers, or if existing contract manufacturing customers reduce purchases of our products; our ability to successfully expand, manage and maintain our direct sales force; our ability to achieve or sustain profitability; the adverse impacts of the novel strain of coronavirus disease, COVID-19 or any other future pandemic, epidemic or outbreak of an infectious disease in the United States or worldwide; adverse changes in general domestic and global economic conditions and instability and disruption of credit markets, including as a result of the current COVID-19 pandemic or any other outbreak of an infectious disease; physician awareness of the distinctive characteristics, benefits, safety, clinical efficacy and cost-effectiveness of our products; the continued and future acceptance of our products by the medical community; our ability to obtain regulatory approval or other marketing authorizations by the FDA and comparable foreign authorities for our products and product candidates; and our ability to obtain, maintain and adequately protect our intellectual property rights and other important factors discussed under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021 and as such risk factors may be updated from time to time in Aziyo’s other filings with the Securities and Exchange Commission (“SEC”), which are accessible on the SEC’s website at www.sec.gov and the Investor Relations page of Aziyo’s website at www.Aziyo.com. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. Except to the extent required by law, we do not undertake to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified.

This presentation includes a discussion of certain non-GAAP financial measures, including non-GAAP gross profit and non-GAAP gross margins. We use the non-GAAP financial measures to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial measures are helpful to investors for supplemental informational purposes. We recommend that you do not rely on any single financial measure to evaluate our business. Reconciliations of these non-GAAP financial measures to the most comparable GAAP financial measure can be found in our Annual Reports on Form 10-K and our Quarterly Reports on Form 10-Q.

This presentation may also contain statistical data, estimates and/or other information or data made by independent parties and/or by us relating to market size and growth, as well about our industry and business. Any such data or information that is based on estimates, forecasts, projections, market research, or similar methodologies, involve a number of assumptions and limitations and are inherently subject to uncertainties, and we have not independently verified the accuracy or completeness of these data. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of our industry or the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

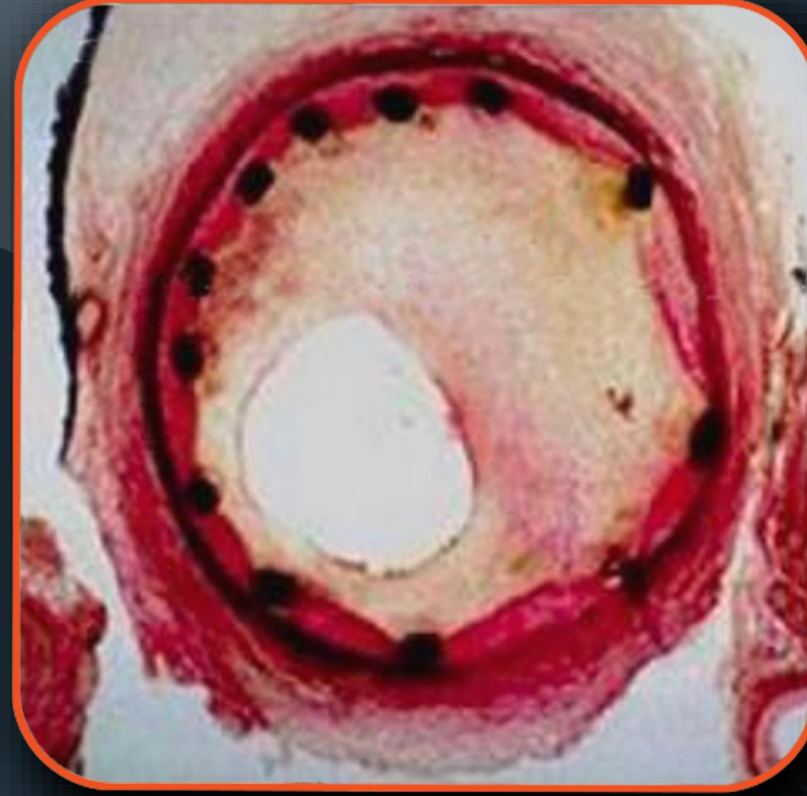
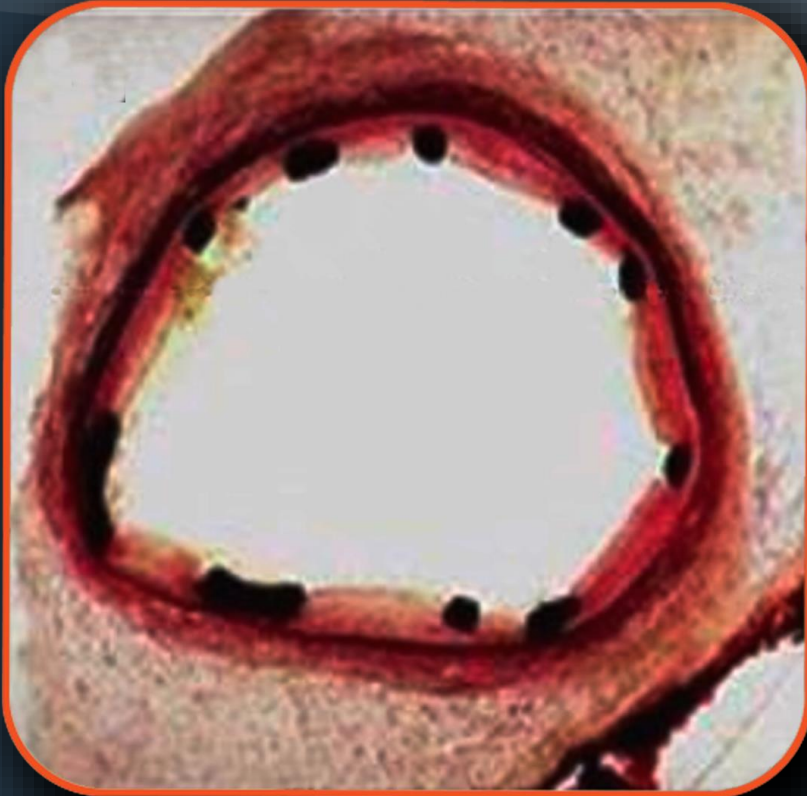
Mission

Humanizing medical devices
for better patient outcomes

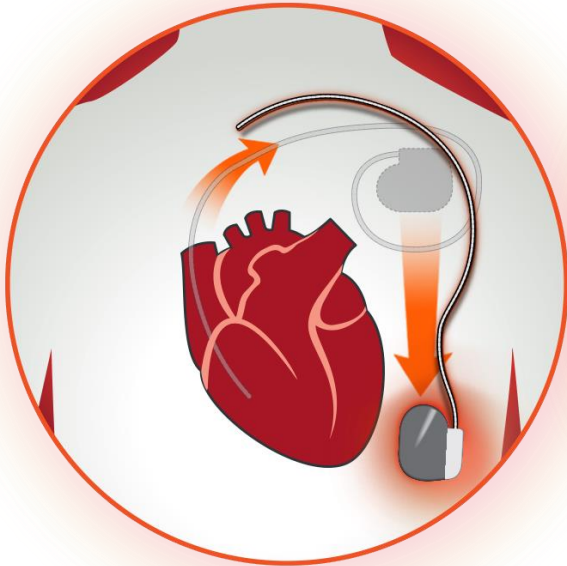
Humanize (verb)

1. To make compatible with or for use in a person
2. The recognition of a human life

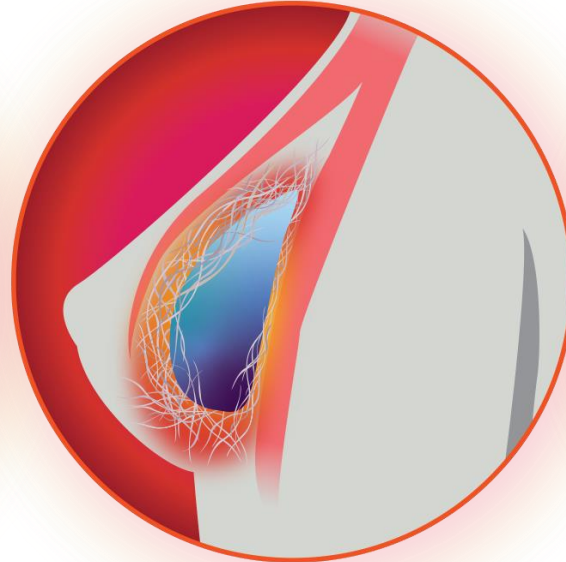
Coronary Stenting's Instructive History



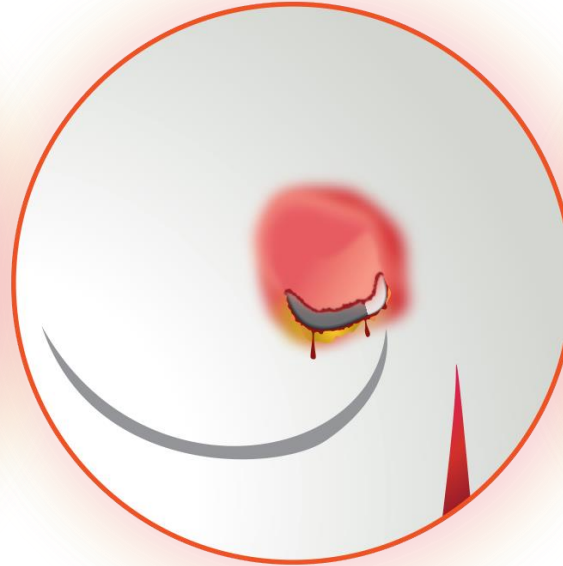
Mechanisms of Failure



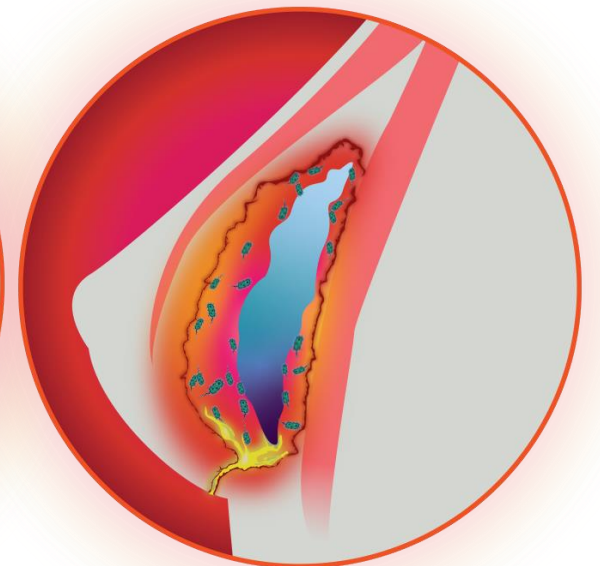
1 Migration



2 Fibrosis



3 Erosion



4 Infection

These Failures Create **Opportunities** in Markets Addressed by

CanGaroo[®]

SimpliDerm[™]

710,000 Procedures Annually

PATIENTS

11-42%

Complication
Rate



PHYSICIANS

91,700

Surgical
Reinterventions



PAYERS

\$7.5B

Added Medical
Costs

*Per year, U.S. only. On label markets for CanGaroo and SimpliDerm product families.
CIED, spinal stimulation (back pain), urinary incontinence, breast reconstruction.

The unique ability of

Biologics

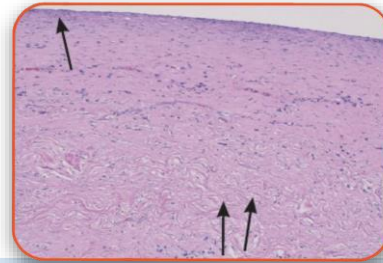
to solve these problems

A Platform of Biologic Materials

Complications across medical devices

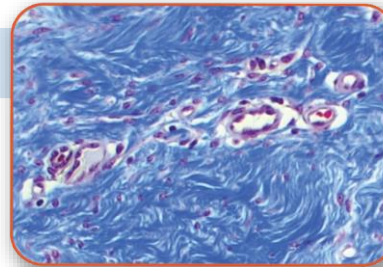
- 1 Migration
- 2 Fibrosis
- 3 Erosion

CanGaroo®
Porcine derived extracellular matrix (ECM)



CanGaroo at 16 weeks

SimpliDerm™
Human derived acellular dermal matrix (hADM)



SimpliDerm at 16 weeks

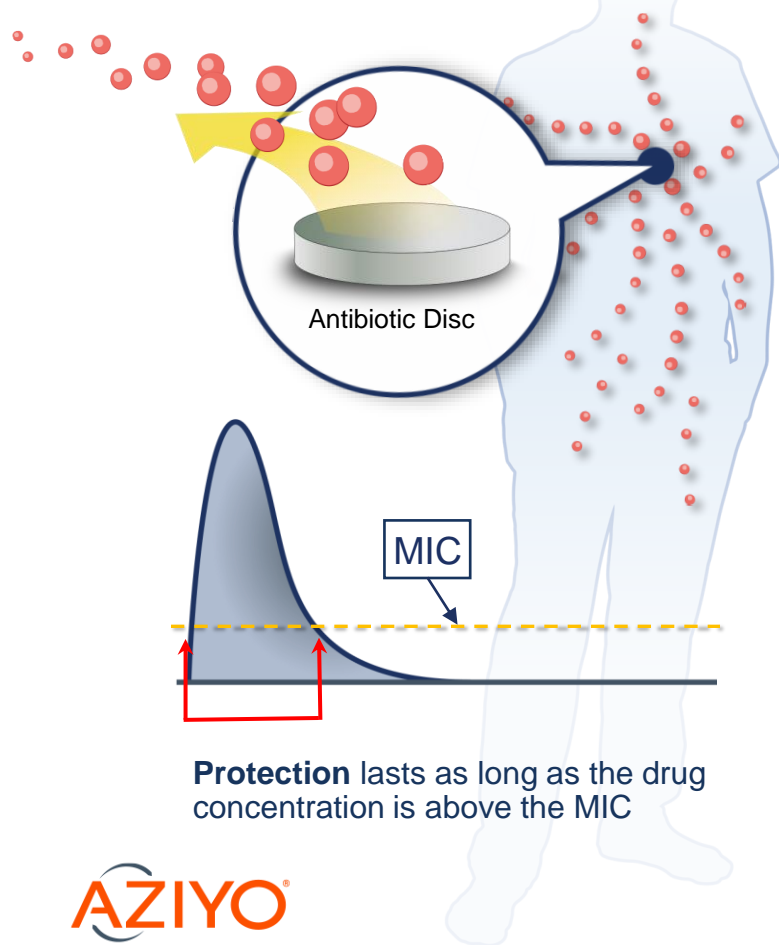
Benefits of biological materials

- ✓ Stabilizes device with additional anchoring points
- ✓ Reduces inflammation, promotes healthy wound healing
- ✓ Thicker layer to reduce erosion and decrease patient discomfort

Introducing Drug-Eluting Biologics

Metals and Synthetics Alone

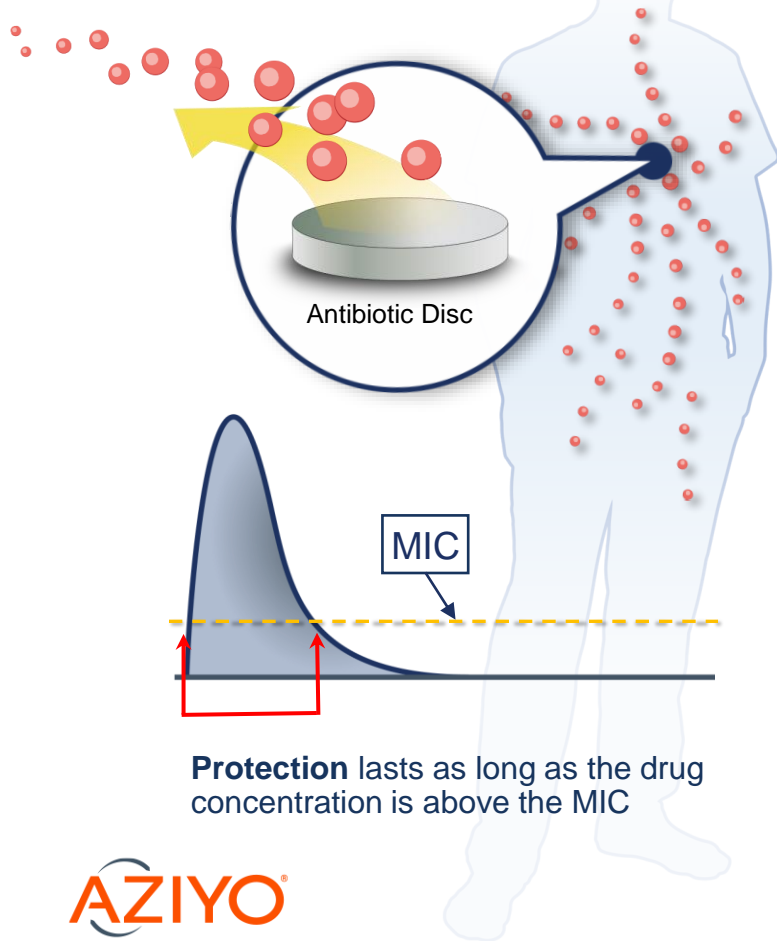
Antibiotic from polymer **distributes systemically**



Introducing Drug-Eluting Biologics

Metals and Synthetics Alone

Antibiotic from polymer **distributes systemically**

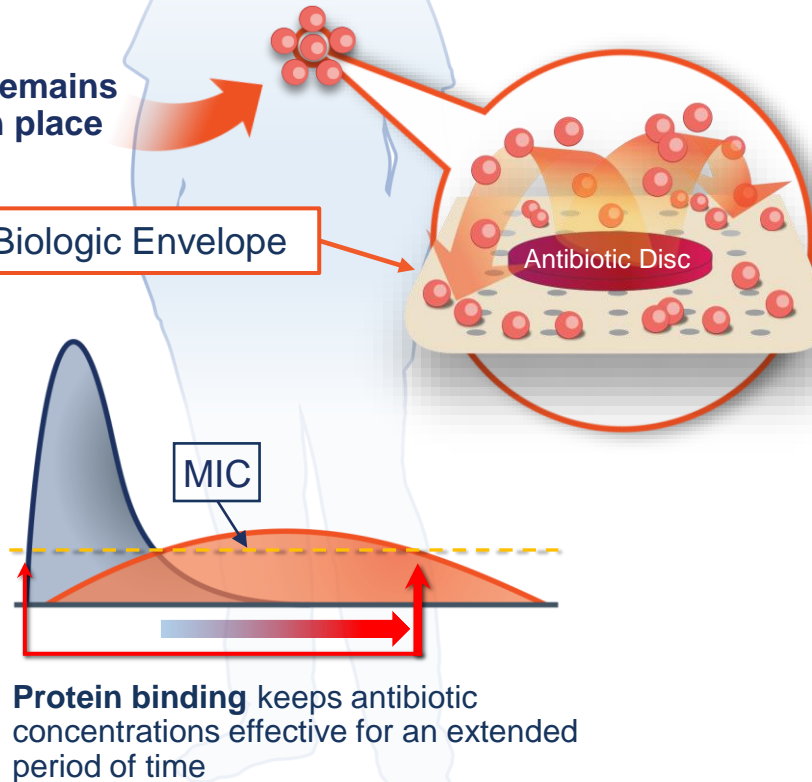


With a Biologic

Liberated antibiotic **binds back to protein contained within the biologic**, prolonging protection

Remains in place

Biologic Envelope

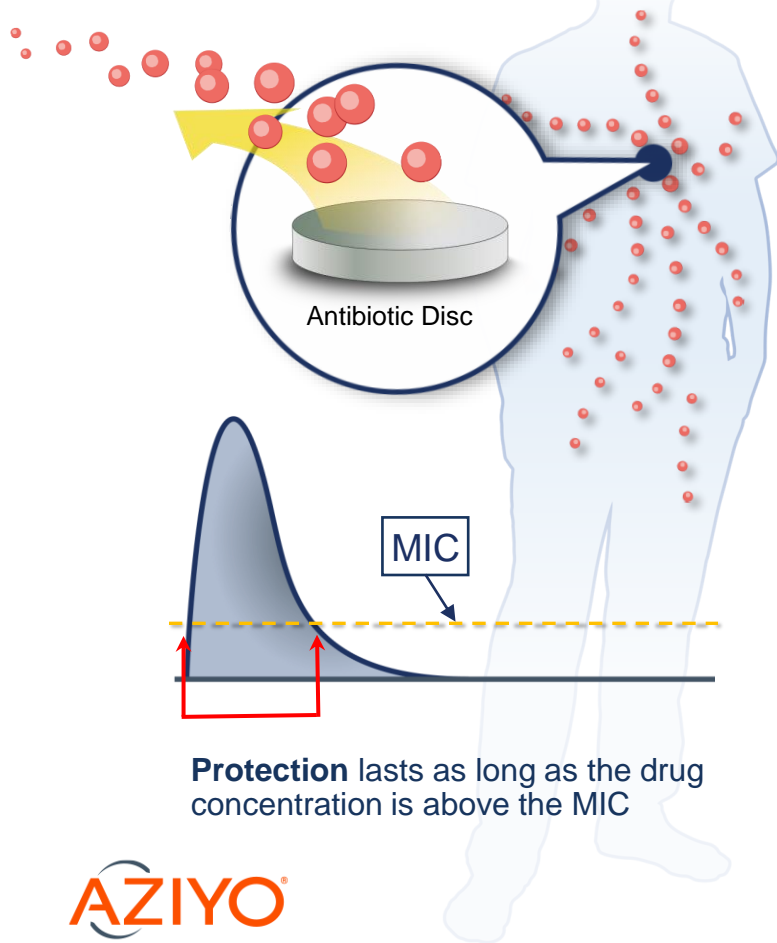


Note: Curves shown are to aid in visualization only.

Introducing Drug-Eluting Biologics

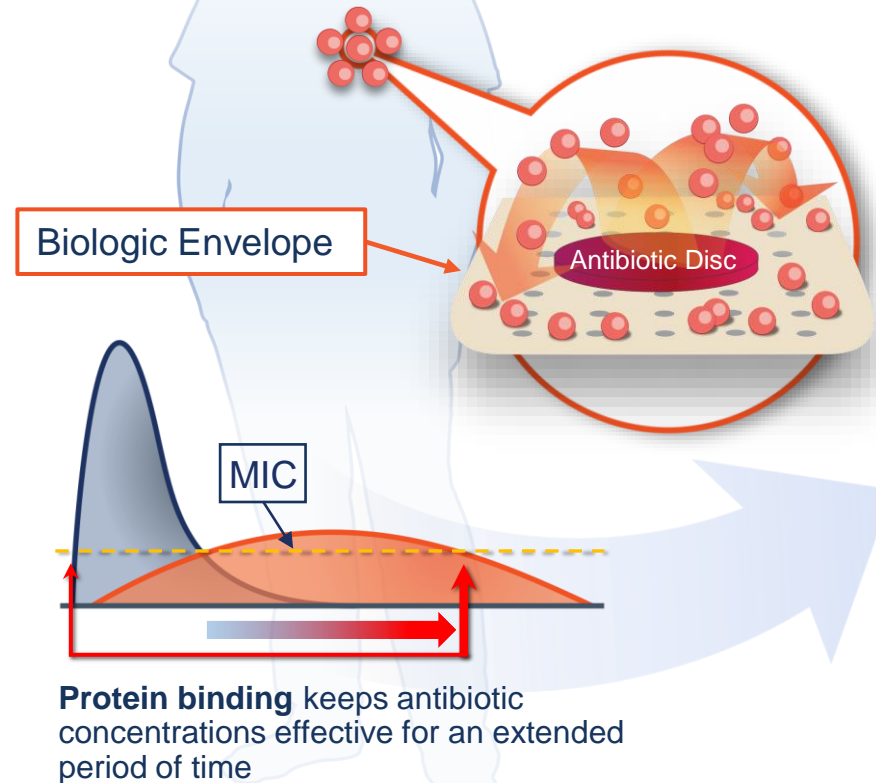
Metals and Synthetics Alone

Antibiotic from polymer **distributes systemically**



With a Biologic

Liberated antibiotic **binds back to protein contained within the biologic**, prolonging protection



Drug Binding

Provides >6 log kill of pathogens introduced **two weeks after** elution

S. aureus

MRSA

S. epidermidis

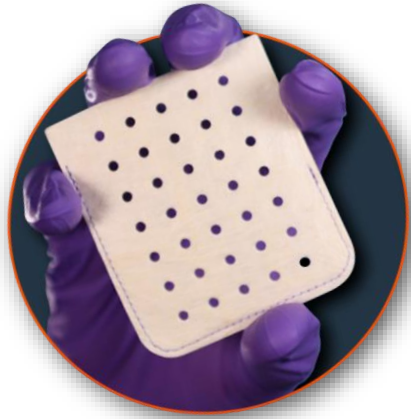
S. lugdunensis

A. baumannii

E. coli

S. maltophilia

Note: Curves shown are to aid in visualization only.



CanGaroo® RM BIOENVELOPE

Patented porcine-derived extracellular matrix (ECM)
eluting rifampin and minocycline

Creating the first **drug-eluting biologic** for infection control

- Current offering provides device stabilization and erosion protection
- Introducing **CanGarooRM** – the first drug-eluting biologic envelope – currently under FDA review
- Market strategy – partner with major CIED player for efficient adoption
- Expand into the neuro, pain, and sleep apnea markets

\$600M
OPPORTUNITY

in CIED
envelope market
with **only two**
players



SimpliDerm™

Patented human-derived acellular dermal matrix (hADM)

Rapidly taking share in an established market

- Market leader acquired by major pharma company
- Capturing share with direct reps and distributors
- Potential to add in implant partner for accelerated distribution
- Will expand our RM drug elution technology to address 9-12% post op infection rate

\$500M OPPORTUNITY

to improve
outcomes
in breast
reconstruction

Strong Pipeline to Fuel Commercial Growth

On Market

CanGaroo®

- Pacemakers

SimpliDerm™

- Breast Reconstruction

\$1.1B

Pending Approval Under Current Label

CanGaroo® RM

*Drug-eluting biologic to
reduce infection rate*

- Sleep Apnea
- Spinal Cord Stimulators
- Vagus Nerve Stimulators
- Deep Brain Stimulators

+\$500M

In Development

SimpliDerm™ RM

*Drug-eluting biologic for
breast reconstruction*

- Breast implants

+\$900M

CanGaroo® MAX

*Next generation of drug-
eluting biologic*

- LVADs
- Shunts
- Stents
- Ports

+\$1.8B

Financial Performance

Preliminary Q4 and FY2022 (pre-release as of 1/9/2023)

- **2022 net sales \$49.0-\$49.2 million; 15%-16% growth¹**
- Q4 net sales of \$12.5-\$12.7 million; 15%-17% YoY growth
 - **CanGaroo & SimpliDerm combined growth ~30%**

Q4 2022 Financing

- Equity raise: \$11.2 million gross proceeds
- Debt facility additional tranche of \$4.0 million
- Pro forma 9/30/22 cash balance of \$22.0 million²
- Pro forma common shares outstanding of 16.1 million

Notes

1. Excludes \$4.9 million of discontinued product sales in 2021
2. 9/30/23 cash balance of \$8.1 million + net proceeds of equity and debt financings

Poised for Transformational 2023

Real Company

- **\$49.0-49.2M:** Record revenue in 2022
- **30%:** Growth in proprietary products
- **50K:** Aziyo surgeries annually

Favorable Dynamics

- Anticipate having first Drug-eluting biologic
- Total addressable market >\$4.3B
- Platform for rapid and efficient expansion into adjacent markets

Multiple Near-Term Milestones

- ✓ CanGaroo RM **approval**
- ✓ CanGaroo RM **partner**
- ✓ SimpliDerm **expansion**
- ✓ Continued topline **growth**
- ✓ Driving towards **profitability**

Thank you!