



Aziyo Biologics 1st Quarter 2023 Conference Call

C. Randal Mills, PhD

Chief Executive Officer

Matt Ferguson

Chief Financial Officer

May 10, 2023

Forward-Looking Statements

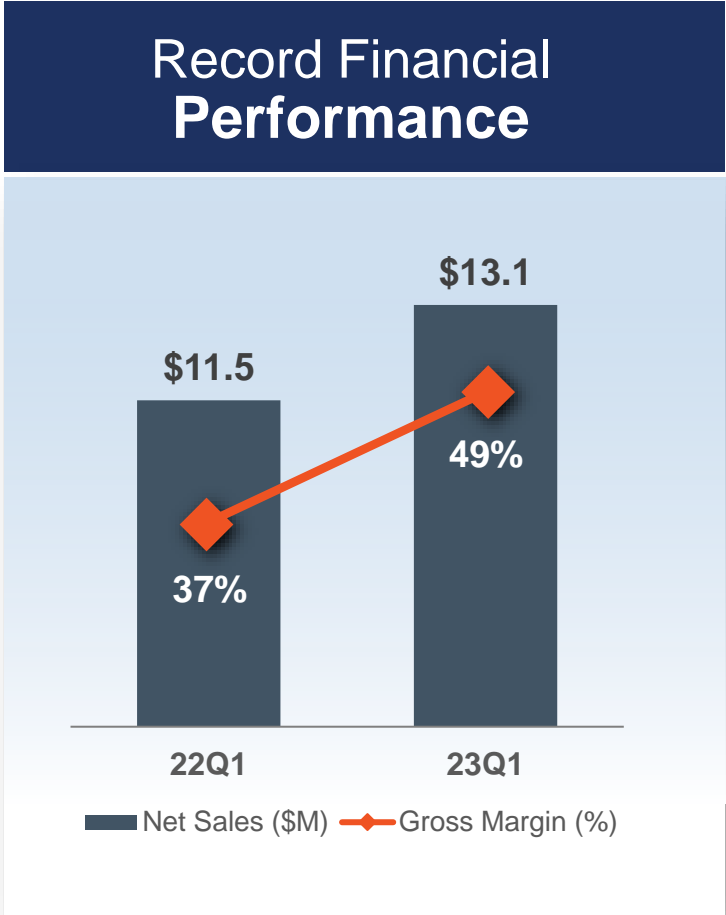
This presentation of Aziyo Biologics, Inc. (“Aziyo,” “we,” “us,” “our” or the “Company”) (together with any other statements or information that we may make or discuss in connection herewith) contains forward-looking statements. All statements other than statements of historical facts, including but 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, 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; the Company’s ability to continue as a going concern; 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” section of Aziyo’s public filings with the Securities and Exchange Commission (“SEC”), including our Annual Report on Form 10-K for the year ended December 31, 2022, as such factors may be updated from time to time in our other filings with the SEC, including, our Quarterly Reports on Form 10-Q, 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. The Appendix to this presentation includes reconciliations of these non-GAAP financial measures to the most comparable GAAP financial measure.

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.

2023 Q1 Highlights



Recent Strategic Partnerships

ProxiCor™ | VasCure®
Exclusive distribution partnership with:
LeMaitre®

SimpliDerm™
Distribution partnership with:
sientra

CanGaroo FDA Update

CanGaroo® RM
BIOENVELOPE

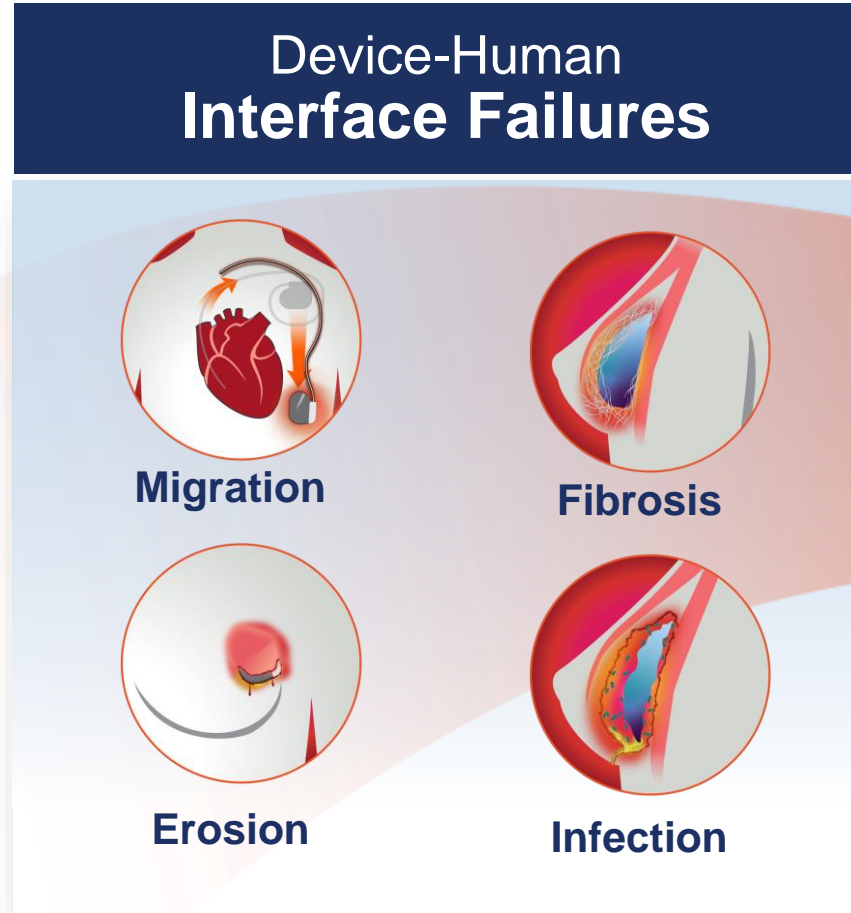
Productive meeting with FDA

Development work on-track for resubmission

Mission

Humanizing medical devices
for better patient outcomes

Device-Human Interface Failures Create Real Problems



Leads to

91,700

Surgical
Reinterventions

\$7.5B

Added Medical
Costs

In SimpliDerm
and CanGaroo Markets*

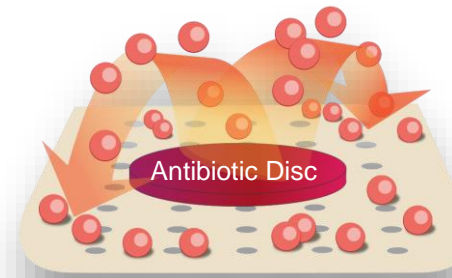
Biologics + Drug Elution Technology = Powerful New Tool in Regenerative Medicine

Unique Benefits of Biologics

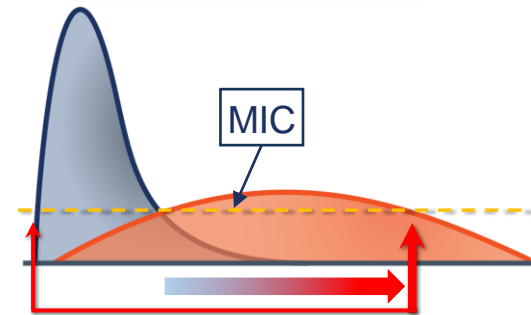
- ✓ **Prevents Migration** – stabilizes device with additional anchoring points
- ✓ **Reduces Fibrosis** – reduces inflammation, promotes healthy wound healing
- ✓ **Averting Erosion** – thicker layer to reduce erosion and decrease patient discomfort



Drug Elution



Protein binding
keeps antibiotic concentrations effective for an extended period of time

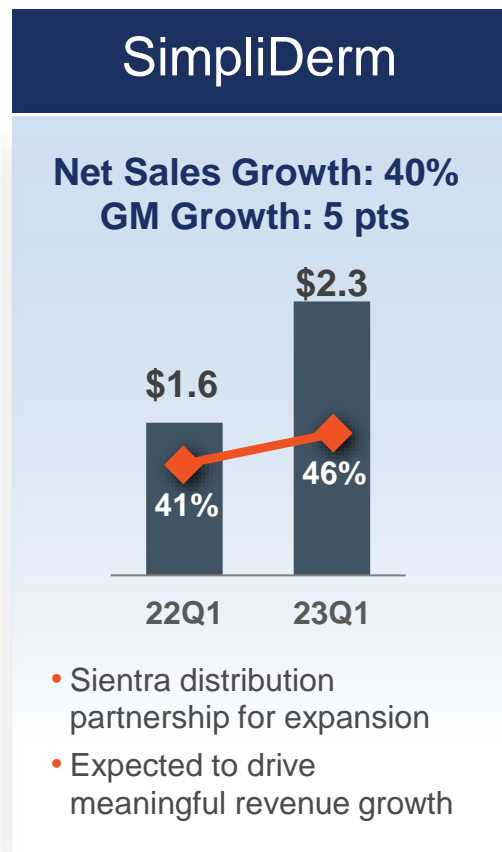
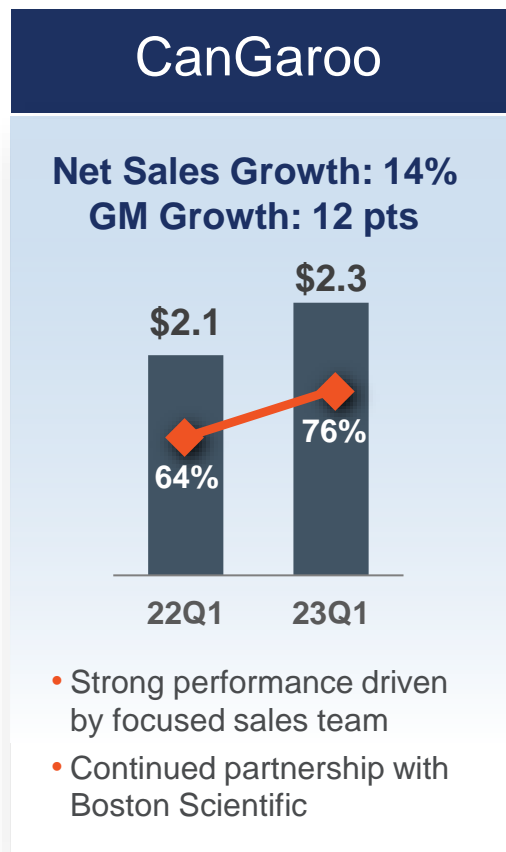


Infection Prophylaxis
prolonged release of antibiotics for extended protection

Note: Curves shown are to aid in visualization only.

Strong Performance and Growth Across All Four Business Units

← Drive Strategic Growth | Drive Cash Flow →



Financial Update

Matt Ferguson, Chief Financial Officer

- Strong growth with net sales of \$13.1 million, a 14% increase over 22Q1
- Gross profit of \$6.3 million, a 48% increase over 22Q1
- Gross margin of 49% vs. 37% in 22Q1, an increase of 11 percentage points
 - Non-GAAP gross margin of 55% vs. 45% in 22Q1
- Operating expense of \$12.7 million vs. \$11.2 million in 22Q1
- Net loss of \$8.0 million vs. \$8.1 million in 22Q1
- Cash balance of \$11.8 million as of 3/31/2023

Priorities

1. Drive

Topline Growth

of

CanGaroo[®]

and

SimpliDerm[™]

2. Improve

Cash flow

through

GM and OpEx
improvements

3. Gain

FDA Clearance

of

CanGaroo[®] RM

Q&A