



Aziyo Biologics 4th Quarter 2022 Conference Call

C. Randal Mills, PhD

Chief Executive Officer

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Chief Financial Officer

March 22, 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; 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” in our Annual Report on Form 10-K for the year ended December 31, 2021, as such factors have been updated by Aziyo’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 and may be updated from time to time in Aziyo’s other filings with the SEC, including without limitation, Aziyo’s Annual Report on Form 10-K for the year ended December 31, 2022 to be filed 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. 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.

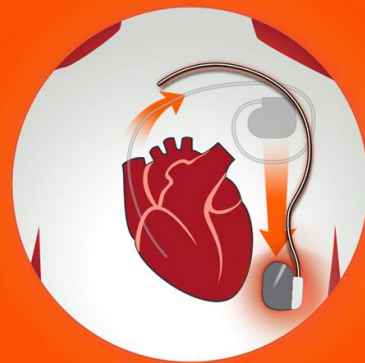
Today's Discussion

- 1** FY22 Performance
- 2** CanGaroo RM FDA letter
- 3** SimpliDerm Distribution Partnership

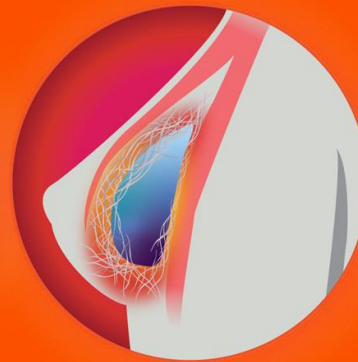
Mission

Humanizing medical devices
for better patient outcomes

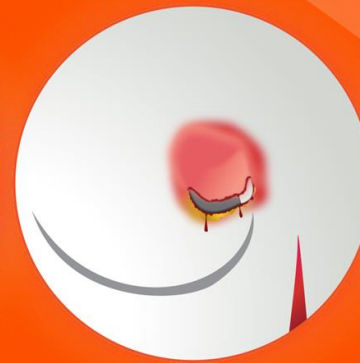
Mechanisms of Failure



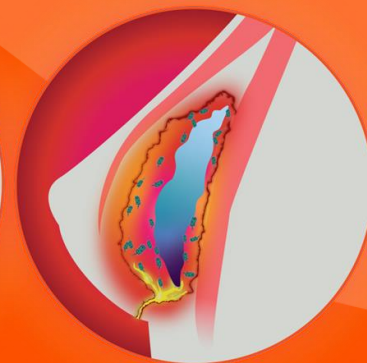
1 Migration



2 Fibrosis



3 Erosion



4 Infection

These Failures Create Market Opportunities

CanGaroo®

SimpliDerm™

710,000 Procedures Annually

PATIENTS

11-42%

Complication
Rate



PHYSICIANS

91,700

Surgical
Reinterventions

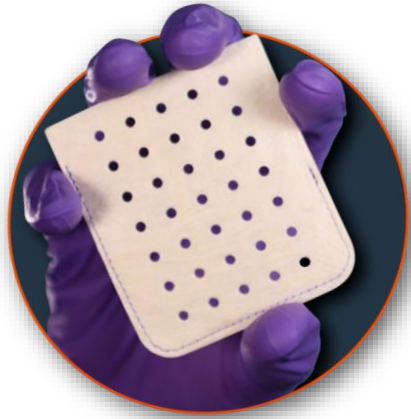


PAYERS

\$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.



CanGaroo[®] RM

BIOENVELOPE

Porcine-derived extracellular matrix eluting rifampin and minocycline

Creating the first **drug-eluting biologic**

- **CanGaroo** – current offering provides device stabilization and erosion protection
- Market strategy – partner with major CIED player for efficient adoption
- Expand into the neuro, pain, and sleep apnea markets
- **CanGaroo RM** – next generation drug-eluting biologic envelope; plan to resubmit for FDA review

\$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
- Launched partnership with Sientra 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

Financial Update

Matt Ferguson, Chief Financial Officer

Q4 2022 Results

- Net sales: \$12.7 million
- 17% growth, driven by CanGaroo and SimpliDerm which grew 30% over prior year period
- Gross margin grew to 39% from 31% on GAAP basis year-over-year
- On a non-GAAP basis, gross margin grew to 46% from 39% year-over-year
- Operating expenses: \$13.8 million
- Other income: \$5.0 million
- Net loss: \$5.4 million

FY 2022 Results

- Net sales: \$49.2 million; record revenue
- 4% growth compared to prior year period
- 16% growth*
- FY22 revenue and growth by business:
 - CIED Protection: \$9.1 million, 15%
 - Women's Health: \$7.5 million, 48%
 - Orthobiologics*: \$25.3 million, 15%
 - Cardiovascular: \$7.3 million, -3%
- Cash position as of 12/31/2022: \$17.0 million

Priorities

- 1 Run our 4 business units to maximize efficiency and GM**
- 2 Gain FDA Clearance of CanGaroo RM**
- 3 Improve the profitability of our business through strategic partnerships**

Q&A