

March 5, 2015



## **AxoGen, Inc. Reports 61% Revenue Growth for the 2014 Fourth Quarter**

**AXGN fourth quarter revenue reaches \$4.79 million and full year 2014 revenue increases 54% to \$16.8 million. Company Introduces full year 2015 revenue guidance to exceed \$24 million.**

Alachua, FL (PRWEB) March 05, 2015

AxoGen, Inc. (NASDAQ: AXGN), a leading medical technology company focused on the peripheral nerve repair market, reported record revenue of \$4.79 million for the fourth quarter ended December 31, 2014 compared to \$2.98 million in the year-ago fourth quarter demonstrating the Company's successful execution of its growth strategies.

"Our strong fourth quarter revenue growth reflects the market's growing acceptance of our peripheral nerve repair products which is driving increased surgeon adoption of our unique product portfolio – Avance® Nerve Graft, AxoGuard® Nerve Connector and AxoGuard® Nerve Protector," commented Karen Zaderej, AxoGen Chief Executive Officer. "2014 was a pivotal year for AxoGen and positions the Company well for continued success in 2015. Entering this year, our strengthened balance sheet provides us with the resources to further invest in our marketing and sales initiatives and we are confident we will continue to successfully execute our strategies and deliver growth."

### **2014 Fourth Quarter Financial Results**

For the fourth quarter ended December 31, 2014, revenues totaled \$4.79 million, a 61% increase compared to \$2.98 million in the prior year fourth quarter. The Company reported gross margin of 80%, similar to the fourth quarter of 2013. Net loss was \$6.5 million, or \$(0.35) per share, compared to a net loss of \$4.1 million, or \$(0.24) per share, for the fourth quarter of 2013. The total net loss includes one-time interest expenses and the write off of non-cash deferred financing charges totaling \$2.5 million that were related to the extinguishment of the PDL Royalty Contract. The weighted average common shares outstanding for the 2014 fourth quarter were approximately 18.6 million shares compared to 17.3 million shares in the 2013 fourth quarter.

### **Full Year Financial Results**

For the full year ended December 31, 2014, AxoGen increased revenue 54% to \$16.8 million compared with \$10.9 million for the comparable period of 2013. Gross margin for the full year expanded to 79.5% compared with 77.7% for the full year ended December

31, 2013. Total operating expenses were \$23.2 million compared to \$18.1 million for 2013 and the operating loss was \$9.8 million versus \$9.6 million for the year ago period. Net loss was \$17.7 million, or \$(0.99) per share, compared to a net loss of \$14.6 million, or \$(1.08) per share for 2013. The weighted average common shares outstanding for the 2014 full year were approximately 17.7 million shares compared to 13.5 million shares in 2013.

As of December 31, 2014, cash and cash equivalents totaled \$8.2 million. Subsequent to the end of the fourth quarter, in February 2015, the Company raised \$13.6 million, net of expenses, in a public stock offering increasing its current cash and cash equivalents to over \$20 million.

## 2015 Guidance

Based on the market's increasing awareness of AxoGen's product portfolio, continued expansion of its sales footprint and current sales pipeline, the Company currently anticipates 2015 full year revenue to exceed \$24 million and annual gross margin in the mid to high 70% range.

## Conference Call

The Company will host a conference call and webcast for the investment community on Friday, March 6, 2015 at 8:30 AM ET. Investors interested in participating by phone are invited to call toll free at 1.877.407.0993 or use the direct dial-in number 1.201.689.8795. Those interested in joining via the webcast, should visit <http://axogeninc.equisolvewebcast.com/q4-2014> .

Following the conference call, a replay will be available on the Company's website at <http://www.AxoGenInc.com>, under 'Investors.'

## About AxoGen, Inc.

AxoGen (NASDAQ: AXGN) is a leading medical technology company dedicated to peripheral nerve repair. AxoGen's portfolio of regenerative medicine products is available in the United States, Canada and several other countries and includes Avance® Nerve Graft, an off-the-shelf processed human nerve allograft for bridging severed nerves without the comorbidities associated with a second surgical site, AxoGuard® Nerve Connector, a porcine submucosa extracellular matrix ("ECM") coaptation aid for tensionless repair of severed nerves, and AxoGuard® Nerve Protector, a porcine submucosa ECM product used to wrap and protect injured peripheral nerves and reinforce the nerve reconstruction while preventing soft tissue attachments.

Avance® Nerve Graft is processed in the United States by AxoGen. AxoGuard® Nerve Connector and AxoGuard® Nerve Protector are manufactured in the United States by Cook Biotech Incorporated, and are distributed worldwide exclusively by AxoGen. AxoGen maintains its corporate offices in Alachua, Florida and is the parent of its wholly owned operating subsidiary, AxoGen Corporation.

## Cautionary Statement Concerning Forward-Looking Statements

This Press Release contains "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations or predictions of future conditions, events or results based on various assumptions and management's estimates of trends and economic factors in the markets in which we are active, as well as our business plans. Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "projects", "forecasts", "continue", "may", "should", variations of such words and similar expressions are intended to identify such forward-looking statements. The forward-looking statements may include, without limitation, statements regarding our growth, market size, product development, product potential, or regulatory activity. The forward-looking statements are subject to risks and uncertainties, which may cause results to differ materially from those set forth in the statements. Forward-looking statements in this release should be evaluated together with the many uncertainties that affect AxoGen's business and its market, particularly those discussed in the risk factors and cautionary statements in AxoGen's filings with the Securities and Exchange Commission. Forward-looking statements are not guarantees of future performance, and actual results may differ materially from those projected. The forward-looking statements are representative only as of the date they are made, and, except as required by law, AxoGen assumes no responsibility to update any forward-looking statements, whether as a result of new information, future events or otherwise.