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## AxoGen Advances its Platform for Nerve Repair at Annual Analyst and Investor Day

*Company Announces Expanded Application to Address Breast Reconstruction Neurotization Following Mastectomy*

*Company Will Continue Developing its Portfolio of Products Toward Future Applications Including the Surgical Management of Pain*

ALACHUA, Fla., Nov. 20, 2017 (GLOBE NEWSWIRE) -- AxoGen, Inc. (NASDAQ:AXGN), a global leader in developing and marketing innovative surgical solutions for peripheral nerve damage, today will outline its broadening platform for nerve repair at the company's annual Analyst and Investor Day in New York City. The company will highlight surgical solutions for nerve damage in its core applications of extremity trauma, nerve compression, and oral and maxillofacial procedures. Additionally, the company will announce its newest application in breast reconstruction neurotization and outline its continued effort to evaluate expansions of the company's portfolio of products in the surgical management of pain.

"AxoGen has evolved from an initial niche product company in a new market to one with a comprehensive platform for nerve repair in an emerging peripheral nerve market," said Karen Zaderej, president and CEO of AxoGen. "We are pleased to partner with surgeons to develop advanced procedures for the repair of peripheral nerves across an increasing range of applications with an expanding portfolio of products."

Adding to its current target markets in upper extremity trauma, carpal and cubital tunnel revision, and oral and maxillofacial procedures, the company will expand its applications to also include:

**Breast reconstruction neurotization**—Breast reconstruction neurotization provides an exciting opportunity for women who choose autologous flap reconstruction following a mastectomy. Using AxoGen's nerve repair portfolio, surgeons can connect peripheral nerves in the autologous flap to nerves in the chest wall enabling sensory nerve regeneration. Historically the sensory nerves were not repaired in these procedures leaving the woman with no sensory restoration. The company believes that the restoration of sensory function is an important physical and quality of life advancement for women facing the challenges of mastectomy and reconstruction.

The company's launch in Breast Reconstruction Neurotization includes partnering with academic centers in the initiation of the Sensation-NOW<sup>™</sup> (Sensation Neurotization Outcomes for Women) clinical registry that will study the physical and quality of life outcomes of breast neurotization. Additionally, the company will partner with clinical

Reference Centers that are also using the AxoGen portfolio of products for Breast Reconstruction Neurotization. AxoGen anticipates adding additional Sensation-NOW™ and Reference Centers over the next few years and will focus its commercial launch on these core centers.

The company currently estimates that the addressable market for Breast Reconstruction Neurotization is \$250 million, which increases the total addressable market across all of its current applications from \$2.0 billion to \$2.2 billion.

**Surgical management of pain** – The company continues to evaluate the application of current and new products in the surgical management of pain. AxoGen recently received FDA clearance for AxoGuard® Nerve Cap, which may provide surgeons with a new option to protect the peripheral nerve end and separate the nerve from the surrounding environment to reduce the development of a symptomatic or painful neuroma. It may be used in both the surgical management of symptomatic neuromas and as a preventative measure at the time of initial surgery to help reduce painful neuroma formation. Today the company will announce the initiation of a clinical study to further evaluate specific procedures and techniques using AxoGuard® Nerve Cap, in anticipation of a potential launch as part of an expanded application in the surgical management of pain.

Today's event will include presentations from both management and surgeon thought leaders regarding the Company's broadening platform for nerve repair and a review of current clinical techniques and data in the development of enhanced procedures for peripheral nerve repair.

"We are excited about the upcoming year and the potential to contribute to helping more patients with peripheral nerve damage," added Zaderej. "AxoGen will continue to develop new nerve repair applications and expand our portfolio of products where we believe we can bring meaningful solutions to current clinical challenges."

### **2017 Financial Guidance**

Management reiterates 2017 annual revenue will grow at least 40% over 2016 revenue and gross margins will remain above 80%.

### **2018 Financial Guidance**

Management expects that 2018 revenue will grow at least 40% over 2017 revenue and gross margins will remain above 80%.

The Company expects to conduct 18 surgeon education programs in 2018, up from 15 in 2017, and expand its direct sales team to at least 60 sales professionals by year-end 2017 and to at least 75 sales professionals by year-end 2018.

### **Analyst and Investor Day Webcast Information**

The program portion of the event will be webcast live beginning at 12:00 noon and can be accessed through the Investors page at [www.axogeninc.com](http://www.axogeninc.com). For those not available to listen to the live broadcast, a replay will be archived for 90 days and available through the Investors page on [www.axogeninc.com](http://www.axogeninc.com). For more information or to RSVP please contact [AxoGenEvents@troutgroup.com](mailto:AxoGenEvents@troutgroup.com).

### **About AxoGen**

AxoGen (AXGN) is the leading company focused specifically on the science, development and commercialization of technologies for peripheral nerve regeneration and repair. We are passionate about helping to restore nerve function and quality of life to patients with peripheral nerve injuries by providing innovative, clinically proven and economically effective repair solutions for surgeons and health care providers. Peripheral nerves provide the pathways for both motor and sensory signals throughout the body. Every day, people suffer traumatic injuries or undergo surgical procedures that impact the function of their peripheral nerves. Damage to a peripheral nerve can result in the loss of muscle or organ function, the loss of sensory feeling, or the initiation of pain.

AxoGen's platform for nerve repair features a comprehensive portfolio of products, including Avance<sup>®</sup> Nerve Graft, an off-the-shelf processed human nerve allograft for bridging severed nerves without the comorbidities associated with a second surgical site, AxoGuard<sup>®</sup> Nerve Connector, a porcine submucosa extracellular matrix (ECM) coaptation aid for tensionless repair of severed nerves, AxoGuard<sup>®</sup> 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, and Avive<sup>®</sup> Soft Tissue Membrane, a minimally processed human umbilical cord membrane that may be used as a resorbable soft tissue covering to separate tissue layers and modulate inflammation in the surgical bed. Along with these core surgical products, AxoGen also offers AcroVal<sup>®</sup> Neurosensory & Motor Testing System and AxoTouch<sup>®</sup> Two-Point Discriminator. These evaluation and measurement tools assist health care professionals in detecting changes in sensation, assessing return of sensory, grip, and pinch function, evaluating effective treatment interventions, and providing feedback to patients on nerve function. The AxoGen portfolio of products is available in the United States, Canada, the United Kingdom, and several other European and international countries.

### **Cautionary Statements 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," "will," and 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 assessment on our internal control over financial reporting, our growth, our 2017 and 2018 guidance, product development, product potential, financial performance, sales growth, product adoption, market awareness of our products, data validation, our visibility at and sponsorship of conferences and educational events. 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.

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