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

Updates Value of the Market Opportunity in Existing Applications from \$2.2 Billion to \$2.7 Billion

Announces Market Development and Clinical Initiatives for Expanded Application in the Surgical Treatment of Chronic Neuropathic Pain

ALACHUA, Fla., Nov. 19, 2018 (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.

"AxoGen has established itself as a leader in the peripheral nerve repair market and we are continuing to invest in the commercial and physical infrastructure to support our long-term sustainable growth in this developing market," said Karen Zaderej, Chairman, CEO and President of AxoGen. "In our 10+ years of experience, we've seen expansion of the algorithm, and growing surgeon acceptance of the value of our differentiated portfolio of products, to treat patients suffering from debilitating nerve injuries across a broad set of applications."

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.

Key Updates Include:

- **Update value of the market opportunity in existing applications of the peripheral nerve repair market from \$2.2 billion to \$2.7 billion.** This change is primarily driven by updated assumptions for net procedure values, and increased prevalence of Connector Assisted Repair in trauma cases.
- **Market development and clinical initiatives in the surgical treatment of chronic neuropathic pain.** AxoGen believes that the surgical treatment of pain represents a market expansion opportunity as surgeons and patients seek a solution for chronic neuropathic pain. Surgeons will now have the tools to treat one of the causes of chronic neuropathic pain by removing the source of the pain, a symptomatic neuroma, and repairing the resulting deficit with the AxoGen portfolio of products for nerve repair.

AxoGen estimates that the total addressable market could be more than \$2 billion

across many applications for the surgical treatment of pain. The Company will focus initially on orthopedic and trauma procedures which are estimated to be approximately \$1 billion of the larger opportunity.

In 2019, the Company expects to begin several market development and clinical initiatives to support a broader commercial launch, including:

- Piloting referral tools and education with three reference centers
- Initiating three separate clinical studies
- Launching AxoGuard[®] Nerve Cap in the second half of 2019

“We are excited to begin these initiatives which we believe will provide a potential solution for chronic neuropathic pain and allow us to develop a deliberate go-to-market strategy in this important application,” said Zaderej. “Our initial applications are a natural practice extension for many of our existing surgeon customers and provides them with the opportunity to treat additional clinical problems.”

“We are seeing growing surgeon awareness of the demonstrated clinical consistency and meaningful recovery outcomes reported from our data,” continued Zaderej. “We believe this awareness will continue to drive adoption across our current and expanding applications, anchored with our Avance[®] Nerve Graft, a biologically active nerve therapy. The FDA’s recent RMAT designation of Avance[®] Nerve Graft further highlights both the strength of the existing clinical data within the RANGER[®] registry and the significant unmet medical need for improved therapies to treat nerve injuries.”

2018 Financial Guidance

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

The Company reiterates its expectation to conduct 18 surgeon education programs in 2018 and continues to expect its direct sales team will expand to at least 80 sales representatives by year-end 2018.

2019 Financial Guidance

Management reiterates 2019 annual revenue will grow at least 35% over 2018 revenue and gross margins will remain above 80%.

The Company is announcing that it expects to conduct 25 surgeon education programs in 2019 and to expand its direct sales team to at least 115 sales representatives by year-end 2019.

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. 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. For more information or to RSVP please contact 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 peripheral nerve function and quality of life to patients with physical damage or discontinuity to peripheral nerves 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. Physical damage to a peripheral nerve, or the inability to properly reconnect peripheral nerves, can result in the loss of muscle or organ function, the loss of sensory feeling, or the initiation of pain.

AxoGen's platform for peripheral nerve repair features a comprehensive portfolio of products, including Avance[®] Nerve Graft, an off-the-shelf biologically active processed human nerve allograft for bridging severed peripheral 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 peripheral nerves, AxoGuard[®] Nerve Protector, a porcine submucosa ECM product used to wrap and protect damaged peripheral nerves and reinforce the nerve reconstruction while preventing soft tissue attachments, and Avive[®] 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[®] Neurosensory & Motor Testing System and AxoTouch[®] 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 peripheral 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 2018 and 2019 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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