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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 8-K**

**Current Report**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 4, 2017**

**AXOGEN, INC.**

(Exact name of registrant as specified in its charter)

**Minnesota**

**001-36046**

**41-1301878**

(State or other jurisdiction of  
incorporation)

(Commission File Number)

(IRS Employer Identification No.)

**13631 Progress Boulevard, Suite 400,  
Alachua, Florida**

**32615**

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code

**(386) 462-6800**

(Former name or former address if changed since last report,)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition**

On May 4, 2017, AxoGen, Inc. (“AxoGen”) issued a press release announcing its financial results for the quarter and three months ended March 31, 2017. A copy of the press release is furnished as Exhibit 99.1 to this Current Report.

The information furnished pursuant to Item 2.02 of this Current Report, including Exhibit 99.1 hereto, shall not be considered “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of such section, nor shall it be incorporated by reference into future filings by the Company under the Securities Act of 1933, as amended, or under the Exchange Act, unless the Company expressly sets forth in such future filing that such information is to be considered “filed” or incorporated by reference therein.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u>                             |
|--------------------|--|
| 99.1               | AxoGen, Inc. press release, dated May 4, 2017. |

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**AXOGEN, INC.**

Date: May 4, 2017

By: /s/ Gregory G. Freitag  
Gregory G. Freitag  
General Counsel & Senior VP of  
Business Development

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**EXHIBIT INDEX**

| <u>Exhibit No.</u> | <u>Description</u>                             |
|--------------------|--|
| 99.1               | AxoGen, Inc. press release, dated May 4, 2017. |

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## AxoGen, Inc. Reports 2017 First Quarter Financial Results

*Record Q1 Revenue of \$12.2 million, representing 51% growth over prior year*

**ALACHUA, FL — May 4, 2017** — AxoGen, Inc. (NASDAQ: AXGN), a global leader in developing and marketing innovative surgical solutions for peripheral nerve injuries, today reported financial results and business highlights for the first quarter ended March 31, 2017.

### First Quarter 2017 Financial Results and Recent Business Highlights

- Revenue of \$12.2 million, up 51% compared to \$8.1 million in the first quarter of 2016
- Gross margin of 84.4% compared to 82.7% in the first quarter of 2016
- Net loss for the first quarter of 2017 is \$3.8 million, or \$0.11 per share, compared with a net loss of \$3.7 million, or \$0.12 per share, in the first quarter of 2016
- Adjusted EBITDA loss of \$2.2 million compared to Adjusted EBITDA loss of \$2.3 million in Q1 2016

"We are pleased to complete another successful quarter, with record revenues of \$12.2 million and growth of 51 percent," stated Karen Zaderej, President and Chief Executive Officer. "We are successfully executing against our strategic initiatives and driving awareness and growth in the emerging peripheral nerve repair market."

### Additional First Quarter and Recent Operational Highlights

- Increased active accounts in the first quarter to 465, up 37% from 340 in Q1 2016
- We ended the quarter with 49 direct sales reps and have 50 as of today's call; we also have 20 independent distributors
- Conducted three national education courses in the first quarter, and four year-to-date
- Increased the number of peer reviewed clinical publications for our surgical portfolio by six to a total of 50 year to date
- Conducted a second clinical advisory panel with leading reconstructive breast surgeons - the panel reviewed patient, surgeon, and health care stakeholder perspectives and needs, as well as how the AxoGen portfolio of products may help surgeons overcome current clinical challenges related to restoring breast sensation for women who choose autologous reconstruction following a mastectomy
- Ended the quarter with \$25.9 million in cash compared to \$30 million at the end of 2016. Net cash burn in Q1 was \$4.1 million and includes \$1.2 million payment of the 2016 all-employee annual performance bonus
- Ended the quarter with \$25 million of total bank debt, compared to \$25 million at the end of 2016

"We continue to focus on surgeon education and growing the body of clinical evidence for our nerve repair solutions," added Zaderej. "As a result we are building awareness of peripheral

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nerve repair and expanding usage of our products with innovator and early adopter surgeons, while also working to develop the middle adopter market.”

## 2017 Financial Guidance

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

## Upcoming Investor Events

Members of the AxoGen senior management team will participate at the following upcoming conferences and events:

- Jefferies Global Healthcare Conference in New York City on June 6
- JMP Securities Conference in New York City on June 21-22

## Conference Call

The Company will host a conference call and webcast for the investment community today at 4:30 p.m. 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 listening to the conference call live via the Internet can do so by visiting the Investors page of the Company’s website at [www.axogeninc.com](http://www.axogeninc.com) and clicking on the webcast link on the Investors home page.

Following the conference call, a replay will be available on the Company’s website at [www.axogeninc.com](http://www.axogeninc.com) under Investors.

## About AxoGen

AxoGen (AXGN) is a global leader in innovative surgical solutions for peripheral nerve injuries. AxoGen is the only company focused specifically on the science, development and commercialization of technologies for peripheral nerve regeneration and repair. We are passionate about restoring 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 portfolio of products 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, 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, 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 nerve function. The AxoGen portfolio of

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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 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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**AXOGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

|  | <b>March 31,<br/>2017</b> | <b>December 31,<br/>2016</b> |
|--|---------------------------|------------------------------|
|  | <u>(unaudited)</u>        |                              |
| <b>Assets</b>  |                           |                              |
| <b>Current assets:</b>   |                           |                              |
| Cash and cash equivalents  | \$ 25,913,765             | \$ 30,014,405                |
| Accounts receivable, net   | 8,383,925                 | 8,052,203                    |
| Inventory  | 5,850,730                 | 5,458,840                    |
| Prepaid expenses and other   | 749,437                   | 511,804                      |
| <b>Total current assets</b>  | <u>40,897,857</u>         | <u>44,037,252</u>            |
| <b>Property and equipment, net</b>   | 1,484,279                 | 1,494,247                    |
| <b>Intangible assets</b>   | 890,688                   | 828,979                      |
|  | <u>\$ 43,272,824</u>      | <u>\$ 46,360,478</u>         |
| <b>Liabilities and Shareholders' Equity (Deficit)</b>  |                           |                              |
| <b>Current liabilities:</b>  |                           |                              |
| Borrowings under revolving loan agreement  | \$ 3,976,320              | \$ 4,025,023                 |
| Accounts payable and accrued expenses  | 6,660,267                 | 7,002,165                    |
| Current maturities of long term obligations  | 22,913                    | 20,899                       |
| Deferred revenue, current  | 35,250                    | 33,282                       |
| <b>Total current liabilities</b>   | <u>10,694,750</u>         | <u>11,081,369</u>            |
| <b>Long Term Obligations, net of current maturities and deferred financing fees</b>                                  | 20,276,634                | 20,265,745                   |
| <b>Deferred lease</b>  | 89,888                    | —                            |
| <b>Deferred revenue</b>  | 86,818                    | 92,215                       |
| <b>Total liabilities</b>   | <u>31,148,090</u>         | <u>31,439,329</u>            |
| <b>Shareholders' equity (deficit):</b>   |                           |                              |
| Common stock, \$.01 par value; 50,000,000 shares authorized; 33,063,960 and 33,008,865 shares issued and outstanding | 330,639                   | 330,088                      |
| Additional paid-in capital   | 133,439,943               | 132,474,884                  |
| Accumulated deficit  | <u>(121,645,848)</u>      | <u>(117,883,823)</u>         |
| <b>Total shareholders' equity</b>  | <u>12,124,734</u>         | <u>14,921,149</u>            |
|  | <u>\$ 43,272,824</u>      | <u>\$ 46,360,478</u>         |



**AXOGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

|  | <b>Three Months ended March 31,</b> |                       |
|--|-------------------------------------|-----------------------|
|  | <b>2017</b>                         | <b>2016</b>           |
| <b>Revenues</b>  | \$12,241,073                        | \$ 8,111,759          |
| <b>Cost of goods sold</b>                                      | 1,915,648                           | 1,405,591             |
| <b>Gross profit</b>  | <u>10,325,425</u>                   | <u>6,706,168</u>      |
| <b>Costs and expenses:</b>                                     |                                     |                       |
| Sales and marketing  | 8,610,482                           | 6,205,875             |
| Research and development                                       | 1,411,136                           | 978,340               |
| General and administrative                                     | 3,504,039                           | 2,144,757             |
| <b>Total costs and expenses</b>                                | <u>13,525,657</u>                   | <u>9,328,972</u>      |
| <b>Loss from operations</b>                                    | <u>(3,200,232)</u>                  | <u>(2,622,804)</u>    |
| <b>Other expense:</b>  |                                     |                       |
| Interest expense   | (507,549)                           | (1,003,027)           |
| Interest expense — deferred financing costs                    | (44,491)                            | (30,810)              |
| Other expense  | (9,753)                             | (19,450)              |
| <b>Total other expense</b>                                     | <u>(561,793)</u>                    | <u>(1,053,287)</u>    |
| <b>Net loss</b>  | <u>\$ (3,762,025)</u>               | <u>\$ (3,676,091)</u> |
| Weighted Average Common Shares outstanding — basic and diluted | 33,026,433                          | 29,994,066            |
| <b>Loss Per Common share — basic and diluted</b>               | <u>\$ (0.11)</u>                    | <u>\$ (0.12)</u>      |

**AXOGEN, INC.**  
**RECONCILIATION OF GAAP FINANCIAL MEASURES TO NON-GAAP FINANCIAL**  
**MEASURES**  
**(unaudited)**

|   | Three Months ended March |                      |
|---|--------------------------|----------------------|
|   | 2017                     | 2016                 |
| <b>Net loss</b>                             | <u>\$(3,762,025)</u>     | <u>\$(3,676,091)</u> |
| Depreciation and amortization expense       | 108,359                  | 78,856               |
| Amortization expense of intangible assets   | 23,189                   | 16,016               |
| Income Taxes                                | 9,801                    | 21,427               |
| Interest expense                            | 507,549                  | 1,003,027            |
| Interest expense — deferred financing costs | 44,491                   | 30,810               |
| <b>EBITDA — non GAAP</b>                    | <u>\$(3,068,636)</u>     | <u>\$(2,525,955)</u> |
| Non Cash Stock Compensation Expense         | 848,589                  | 182,955              |
| <b>Adjusted EBITDA — non GAAP</b>           | <u>\$(2,220,047)</u>     | <u>\$(2,343,000)</u> |

**AXOGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

|  | <u>Three Months ended March 31.</u> |                      |
|--|-------------------------------------|----------------------|
|  | <u>2017</u>                         | <u>2016</u>          |
| <b>Cash flows from operating activities:</b>                                 |                                     |                      |
| Net loss   | \$ (3,762,025)                      | \$ (3,676,091)       |
| Adjustments to reconcile net loss to net cash used for operating activities: |                                     |                      |
| Depreciation   | 108,359                             | 78,856               |
| Amortization of intangible assets  | 23,189                              | 16,016               |
| Amortization of deferred financing costs                                     | 44,491                              | 30,810               |
| Provision for bad debt   | 34,747                              | 80,651               |
| Share-based compensation   | 848,589                             | 182,955              |
| Interest added to note payable   | —                                   | 71,950               |
| Change in assets and liabilities:  |                                     |                      |
| Accounts receivable  | (366,469)                           | (588,243)            |
| Inventory  | (391,890)                           | (581,980)            |
| Prepaid expenses and other   | (237,633)                           | (274,114)            |
| Accounts payable and accrued expenses  | (341,899)                           | 55,479               |
| Deferred revenue   | 86,459                              | (5,396)              |
| <b>Net cash used for operating activities</b>                                | <u>(3,954,082)</u>                  | <u>(4,609,107)</u>   |
| <b>Cash flows from investing activities:</b>                                 |                                     |                      |
| Purchase of property and equipment   | (98,391)                            | (402,927)            |
| Acquisition of intangible assets   | (84,898)                            | (85,416)             |
| <b>Net cash used for investing activities</b>                                | <u>(183,289)</u>                    | <u>(488,343)</u>     |
| <b>Cash flows from financing activities:</b>                                 |                                     |                      |
| Borrowing on revolving loan  | 11,247,114                          | —                    |
| Payments on revolving loan   | (11,295,817)                        | —                    |
| Repayments of long term debt   | (5,158)                             | —                    |
| Debt issuance costs  | (26,429)                            | —                    |
| Proceeds from exercise of stock options                                      | 117,021                             | 136,702              |
| <b>Net cash provided by financing activities</b>                             | <u>36,731</u>                       | <u>136,702</u>       |
| Net increase (decrease) in cash and cash equivalents                         | (4,100,640)                         | (4,960,748)          |
| <b>Cash and cash equivalents, beginning of year</b>                          | 30,014,405                          | 25,909,500           |
| <b>Cash and cash equivalents, end of period</b>                              | <u>\$ 25,913,765</u>                | <u>\$ 20,948,752</u> |
| <b>Supplemental disclosures of cash flow activity:</b>                       |                                     |                      |
| Cash paid for interest   | \$ 505,020                          | \$ 900,410           |

**AXOGEN, INC.**  
**RECONCILIATION OF GAAP FINANCIAL MEASURES TO NON-GAAP FINANCIAL MEASURES**  
**(unaudited)**

|   | Quarter Ended<br>March 31,<br>2016 | Quarter Ended<br>June 30,<br>2016 | Quarter Ended<br>September 30,<br>2016 | Quarter Ended<br>December 31,<br>2016 | Year Ended<br>December 31,<br>2016 | Quarter Ended<br>March 31,<br>2017 |
|---|------------------------------------|-----------------------------------|--|---------------------------------------|------------------------------------|------------------------------------|
| <b>Net loss</b>                             | \$ (3,676,091)                     | \$ (2,802,696)                    | \$ (2,305,373)                         | \$ (5,626,984)                        | \$ (14,411,144)                    | \$ (3,762,025)                     |
| Depreciation and amortization expense       | 78,856                             | 88,734                            | 95,543                                 | 98,484                                | 361,617                            | 108,359                            |
| Amortization expense of intangible assets   | 16,016                             | 16,017                            | 16,017                                 | 26,821                                | 74,871                             | 23,189                             |
| Income Taxes                                | 21,427                             | —                                 | —                                      | —                                     | —                                  | 9,801                              |
| Interest expense                            | 1,003,027                          | 1,163,413                         | 1,089,134                              | 2,130,694                             | 5,386,268                          | 507,549                            |
| Interest expense — deferred financing costs | 30,810                             | 32,696                            | 31,748                                 | 780,135                               | 875,389                            | 44,491                             |
| <b>EBITDA — non GAAP</b>                    | <b>\$ (2,525,955)</b>              | <b>\$ (1,501,836)</b>             | <b>\$ (1,072,931)</b>                  | <b>\$ (2,590,850)</b>                 | <b>\$ (7,712,999)</b>              | <b>\$ (3,068,636)</b>              |
| Non Cash Stock Compensation Expense         | 182,955                            | 569,834                           | 293,575                                | 343,913                               | 1,390,277                          | 848,589                            |
| <b>Adjusted EBITDA — non GAAP</b>           | <b>\$ (2,343,000)</b>              | <b>\$ (932,002)</b>               | <b>\$ (779,356)</b>                    | <b>\$ (2,246,937)</b>                 | <b>\$ (6,322,722)</b>              | <b>\$ (2,220,047)</b>              |

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