
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☐ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-36046

Axogen, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Minnesota

(State or other jurisdiction of
incorporation or organization)

13631 Progress Blvd., Suite 400 Alachua, FL

(Address of principal executive offices)

41-1301878

(I.R.S. Employer
Identification No.)

32615

(Zip Code)

386-462-6800

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	AXGN	The Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☐

As of July 31, 2025, the registrant had 46,012,574 shares of common stock outstanding.

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Forward-Looking Statements

From time to time, in reports filed with the United States (“U.S.”) Securities and Exchange Commission (the “SEC”) (including this Quarterly Report on Form 10-Q), in press releases, and in other communications to shareholders or the investment community, Axogen, Inc. (including Axogen, Inc.’s wholly owned subsidiaries, Axogen Corporation, Axogen Processing Corporation, Axogen Germany GmbH and Axogen Europe GmbH, the “Company,” “Axogen,” “we,” “our,” or “us”) may provide forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995, concerning possible or anticipated future results of operations or business developments. 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 the Company is active, as well as its business plans. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “projects,” “forecasts,” “continue,” “may,” “should,” “will,” “goals,” and variations of such words and similar expressions are intended to identify such forward-looking statements.

The forward-looking statements in this Form 10-Q include, but are not limited to, the following:

- Our belief that we will continue to drive growth in the nerve protection category;
- Our expectations around our targeted strategy relating to the expansion of nerve repair indications with a focus on deepening our presence in high-potential accounts;
- Our expectations around the anticipated approval of Avance® Nerve Graft by the U.S. Food and Drug Administration (“FDA”) in September 2025; and
- Our belief that our existing cash and cash equivalents and investments, as well as cash provided by sales of our products will allow us to fund our operations through at least the next twelve months.

The forward-looking statements are and will be subject to risks and uncertainties, which may cause actual results to differ materially from those expressed or implied in such forward-looking statements. Forward-looking statements contained in this Quarterly Report on Form 10-Q should be evaluated together with the many risks and uncertainties that affect the Company’s business and its market, particularly those discussed in the risk factors and cautionary statements set forth in the Company’s filings with the SEC, including as described in “Risk Factors” included in Item 1A and “Risk Factor Summary” included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 (the “2024 Annual Report on Form 10-K”). 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 applicable law, the Company assumes no responsibility to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or otherwise.

PART 1 — FINANCIAL INFORMATION

ITEM 1 — FINANCIAL STATEMENTS

Axogen, Inc. Condensed Consolidated Balance Sheets (unaudited) (In thousands, except share and per share amounts)

	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,036	\$ 27,554
Restricted cash	6,000	6,000
Investments	9,886	5,928
Accounts receivable, net of allowance for doubtful accounts of \$1,144 and \$788, respectively	28,029	24,105
Inventory	36,774	33,183
Prepaid expenses and other assets	2,694	2,447
Total current assets	103,419	99,217
Property and equipment, net	82,392	84,667
Operating lease right-of-use assets	13,527	14,265
Intangible assets, net	6,115	5,579
Total assets	<u>\$ 205,453</u>	<u>\$ 203,728</u>
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 22,770	\$ 28,641
Current maturities of long-term lease obligations	2,210	1,969
Total current liabilities	24,980	30,610
Long-term debt, net of debt discount and financing fees	47,938	47,496
Long-term lease obligations	18,040	19,221
Debt derivative liabilities	2,078	2,400
Other long-term liabilities	141	94
Total liabilities	93,177	99,821
Commitments and contingencies - see Note 13		
Shareholders' equity:		
Common stock, \$0.01 par value per share; 100,000,000 shares authorized; 45,765,290 and 44,148,836 shares issued and outstanding, respectively	457	441
Additional paid-in capital	406,334	394,726
Accumulated deficit	(294,515)	(291,260)
Total shareholders' equity	112,276	103,907
Total liabilities and shareholders' equity	<u>\$ 205,453</u>	<u>\$ 203,728</u>

See Notes to Condensed Consolidated Financial Statements.

Axogen, Inc.
Condensed Consolidated Statements of Operations
(unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenues	\$ 56,662	\$ 47,912	\$ 105,222	\$ 89,289
Cost of goods sold	14,644	12,567	28,271	21,325
Gross profit	42,018	35,345	76,951	67,964
Costs and expenses:				
Sales and marketing	23,804	19,698	44,849	39,513
Research and development	6,853	6,658	12,944	14,066
General and administrative	9,689	9,417	19,147	19,373
Total costs and expenses	40,346	35,773	76,940	72,952
Income (loss) from operations	1,672	(428)	11	(4,988)
Other income (expense):				
Investment income	225	227	497	520
Interest expense	(1,977)	(2,185)	(4,227)	(4,512)
Change in fair value of debt derivative liabilities	480	464	322	529
Other income (expense), net	179	1	142	(105)
Total other expense, net	(1,093)	(1,493)	(3,266)	(3,568)
Net income (loss)	\$ 579	\$ (1,921)	\$ (3,255)	\$ (8,556)
Weighted average common shares outstanding - basic	46,063,092	43,713,313	45,605,419	43,473,541
Weighted average common shares outstanding - diluted	47,980,830	43,713,313	45,605,419	43,473,541
Net income (loss) per common share - basic	\$ 0.01	\$ (0.04)	\$ (0.07)	\$ (0.20)
Net income (loss) per common share - diluted	\$ 0.01	\$ (0.04)	\$ (0.07)	\$ (0.20)

See Notes to Condensed Consolidated Financial Statements.

Axogen, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)
(In thousands)

	Six Months Ended	
	June 30, 2025	June 30, 2024
Cash flows from operating activities:		
Net loss	\$ (3,255)	\$ (8,556)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	3,385	3,177
Amortization of right-of-use assets	184	642
Amortization of intangible assets	133	138
Amortization of debt discount and deferred financing fees	442	444
Provision for bad debts	386	528
Change in fair value of debt derivative liabilities	(322)	(529)
Investment gains	(121)	(33)
Stock-based compensation	8,077	7,826
Change in operating assets and liabilities:		
Accounts receivable	(4,310)	(533)
Inventory	(3,591)	(4,995)
Prepaid expenses and other	(81)	957
Accounts payable and accrued expenses	(5,755)	(6,577)
Operating lease obligations	(542)	(731)
Cash paid for interest portion of financing lease obligations	(2)	(2)
Other long-term liabilities	(77)	143
Net cash used in operating activities	(5,449)	(8,101)
Cash flows from investing activities:		
Purchase of property and equipment	(978)	(1,834)
Purchase of investments	(7,837)	(1,911)
Proceeds from sale of investments	4,000	—
Cash payments for intangible assets	(793)	(739)
Net cash used in investing activities	(5,608)	(4,484)
Cash flows from financing activities:		
Cash paid for debt portion of financing lease obligations	(8)	(4)
Proceeds from exercise of stock options and ESPP stock purchases	3,547	752
Net cash provided by financing activities	3,539	748
Net decrease in cash and cash equivalents, and restricted cash	(7,518)	(11,837)
Cash and cash equivalents, and restricted cash, beginning of period	33,554	37,026
Cash and cash equivalents, and restricted cash, end of period	\$ 26,036	\$ 25,189
Supplemental disclosures of cash flow activity:		
Cash paid for interest	\$ 3,559	\$ 3,758
Supplemental disclosure of noncash investing and financing activities:		
Acquisition of property and equipment change in accounts payable and accrued expenses	\$ 132	\$ 178
Acquisition of intangible assets change in accounts payable and accrued expenses	\$ (124)	\$ 242

See Notes to Condensed Consolidated Financial Statements.

Axogen, Inc.
Condensed Consolidated Statements of Changes in Shareholders' Equity
(unaudited)
(In thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount			
Three Months Ended June 30, 2025					
Balance at March 31, 2025	45,512,623	\$ 455	\$ 400,004	\$ (295,094)	\$ 105,365
Net income	—	—	—	579	579
Stock-based compensation	—	—	5,168	—	5,168
Issuance of restricted and performance stock units	113,923	1	(1)	—	—
Exercise of stock options and employee stock purchases under the ESPP	138,744	1	1,163	—	1,164
Balance at June 30, 2025	45,765,290	\$ 457	\$ 406,334	\$ (294,515)	\$ 112,276
Six Months Ended June 30, 2025					
Balance at December 31, 2024	44,148,836	\$ 441	\$ 394,726	\$ (291,260)	\$ 103,907
Net loss	—	—	—	(3,255)	(3,255)
Stock-based compensation	—	—	8,077	—	8,077
Issuance of restricted and performance stock units	1,219,137	12	(12)	—	—
Exercise of stock options and employee stock purchases under the ESPP	397,317	4	3,543	—	3,547
Balance at June 30, 2025	45,765,290	\$ 457	\$ 406,334	\$ (294,515)	\$ 112,276
Three Months Ended June 30, 2024					
Balance at March 31, 2024	43,687,729	\$ 437	\$ 380,650	\$ (287,931)	\$ 93,156
Net loss	—	—	—	(1,921)	(1,921)
Stock-based compensation	—	—	3,907	—	3,907
Issuance of restricted and performance stock units	44,153	—	—	—	—
Exercise of stock options and employee stock purchases under the ESPP	92,856	1	544	—	545
Balance at June 30, 2024	43,824,738	\$ 438	\$ 385,101	\$ (289,852)	\$ 95,687
Six Months Ended June 30, 2024					
Balance at December 31, 2023	43,124,496	\$ 431	\$ 376,530	\$ (281,296)	\$ 95,665
Net loss	—	—	—	(8,556)	(8,556)
Stock-based compensation	—	—	7,826	—	7,826
Issuance of restricted and performance stock units	583,386	6	(6)	—	—
Exercise of stock options and employee stock purchases under the ESPP	116,856	1	751	—	752
Balance at June 30, 2024	43,824,738	\$ 438	\$ 385,101	\$ (289,852)	\$ 95,687

See Notes to Condensed Consolidated Financial Statements.

Axogen, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)
(In thousands, except share and per share amounts)

1. Nature of Business

Axogen, Inc. (together with its wholly-owned subsidiaries, the “Company”) was incorporated in Minnesota. The Company’s business is focused on the science, development and commercialization of the technologies used for peripheral nerve regeneration and repair. The Company’s products include Avance ® Nerve Graft, Axoguard Nerve Connector®, Axoguard Nerve Protector®, Axoguard HA+ Nerve Protector™, Axoguard Nerve Cap® and Avive+ Soft Tissue Matrix™. The Company is headquartered in Florida. The Company has processing, warehousing and distribution facilities in Ohio and Texas.

The Company manages its operations as a single operating segment. Substantially all of the Company’s assets are maintained in the United States (“U.S.”). The Company derives substantially all of its revenues from sales to customers in the U.S.

2. Summary of Significant Accounting Policies

Please see Note 2 - *Summary of Significant Accounting Policies* to the Company’s consolidated financial statements included in the 2024 Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 26, 2025, for a description of all significant accounting policies.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company as of June 30, 2025 and December 31, 2024 and for the three and six months ended June 30, 2025 and 2024. The Company’s condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X and therefore do not include all information and footnotes necessary for a fair presentation of consolidated financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the U.S. (“U.S. GAAP”) and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2024, which are included in the 2024 Annual Report on Form 10-K for the year ended December 31, 2024.

The interim condensed consolidated financial statements are unaudited, and in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation of results for the periods presented. The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the results to be expected for the full year due primarily to the impact of the continued uncertainty of general economic conditions that may impact the Company’s markets for the remainder of fiscal year 2025. All intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents and Concentration

Cash and cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. Certain of the Company’s cash and cash equivalents balances exceed Federal Deposit Insurance Corporation (“FDIC”) insured limits or are invested in money market accounts with investment banks that are not FDIC-insured. The Company places its cash and cash equivalents in what it believes to be credit-worthy financial institutions. As of June 30, 2025, \$19,536 of the cash and cash equivalents balance were not FDIC-insured or were in excess of FDIC limits.

Restricted Cash

Amounts included in restricted cash represent those required to be set aside to meet contractual terms of a lease agreement held by the Company. See Note 8 - *Long-Term Debt, Net of Debt Discount and Financing Fees - Other Credit Facilities*.

The following table provides a reconciliation of Cash and cash equivalents, and Restricted cash reported on the Condensed Consolidated Balance Sheets that sum to the total of the same amounts shown on the Condensed Consolidated Statements of Cash Flows as of the periods presented:

(in thousands)	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 20,036	\$ 27,554
Restricted cash	6,000	6,000
Total Cash and cash equivalents, and Restricted cash shown on the Condensed Consolidated Statements of Cash Flows	<u>\$ 26,036</u>	<u>\$ 33,554</u>

Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2024-03 — *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40) — Disaggregation of Income Statement Expenses* (“ASU 2024-03”), and in January 2025, the FASB issued ASU 2025-01 — *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* (“ASU 2025-01”). ASU 2024-03 requires additional disclosure of the nature of expenses included in the statement of operations as well as disclosures about specific types of expenses included in the expense captions presented in the statement of operations. ASU 2024-03, as clarified by ASU 2025-01, is effective for annual periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Both early adoption and retrospective application are permitted. The Company expects to enhance annual expense disclosures based on the new requirements.

In December 2023, the FASB issued ASU 2023-09 — *Income Taxes (Topic 740) — Improvements to Income Tax Disclosures* (“ASU 2023-09”). The new guidance provides for disclosure on an annual basis of the following: (i) specific categories in the rate reconciliation and (ii) additional information for reconciling items that meet a quantitative threshold of greater than 5% of the amount computed by multiplying pretax income (or loss) by the applicable statutory income tax rate. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 and early adoption is permitted. The Company expects to enhance annual income tax reporting disclosures based on the new requirements.

All other ASUs issued and not yet effective as of June 30, 2025 and through the date of this report, were assessed and determined to be either not applicable or are expected to have minimal impact on the Company’s current or future financial position or results of operations.

3. Inventory

Inventory consists of the following as of the periods presented:

(in thousands)	June 30, 2025	December 31, 2024
Finished goods	\$ 31,266	\$ 27,054
Work in process	1,485	1,325
Raw materials	4,023	4,804
Inventory	<u>\$ 36,774</u>	<u>\$ 33,183</u>

As of June 30, 2025 and December 31, 2024, the Company reserved \$3,679 and \$1,630, respectively, for potential losses relating to inventory.

4. Property and Equipment, Net

Property and equipment, net consist of the following as of the periods presented:

(in thousands)	June 30, 2025	December 31, 2024
Land	\$ 731	\$ 731
Building	60,679	60,679
Leasehold improvements	17,977	17,977
Processing equipment	14,457	13,950
Furniture and equipment	10,798	9,583
Projects in process	857	1,499
Finance lease right-of-use assets	159	159
Property and equipment, at cost	105,658	104,578
Less: accumulated depreciation	(23,266)	(19,911)
Property and equipment, net	\$ 82,392	\$ 84,667

Depreciation expense is as follows for the periods presented:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Depreciation expense	\$ 1,657	\$ 1,657	\$ 3,385	\$ 3,177

5. Intangible Assets, Net

Intangible assets, net consist of the following as of the periods presented:

(in thousands)	June 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:						
Patents	\$ 6,728	\$ (1,239)	\$ 5,489	\$ 6,090	\$ (1,073)	\$ 5,017
Unamortized intangible assets:						
Trademarks	626	—	626	562	—	562
Total intangible assets	\$ 7,354	\$ (1,239)	\$ 6,115	\$ 6,652	\$ (1,073)	\$ 5,579

Amortization expense is as follows for the periods presented:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Amortization expense	\$ 66	\$ 76	\$ 133	\$ 138

As of June 30, 2025, future amortization of patents is as follows:

Year Ending December 31,	(in thousands)
2025 (excluding the six months ended June 30, 2025)	\$ 167
2026	334
2027	334
2028	334
2029	334
Thereafter	3,986
Total	\$ 5,489

6. Fair Value Measurements

The following tables present the Company's fair value hierarchy for its financial assets and liabilities measured at fair value on a recurring basis as of the periods presented:

(in thousands)	June 30, 2025			
	(Level 1)	(Level 2)	(Level 3)	Total
Assets:				
Money market funds ⁽¹⁾	\$ 10,869	\$ —	\$ —	\$ 10,869
U.S. Treasuries	9,886	—	—	9,886
Total assets	\$ 20,755	\$ —	\$ —	\$ 20,755
Liabilities:				
Debt derivative liabilities	\$ —	\$ —	\$ 2,078	\$ 2,078

(1) Money market funds are included in Cash and cash equivalents on the Condensed Consolidated Balance Sheet.

(in thousands)	December 31, 2024			
	(Level 1)	(Level 2)	(Level 3)	Total
Assets:				
Money market funds ⁽¹⁾	\$ 19,399	\$ —	\$ —	\$ 19,399
U.S. Treasuries	5,928	—	—	5,928
Total assets	\$ 25,327	\$ —	\$ —	\$ 25,327
Liabilities:				
Debt derivative liabilities	\$ —	\$ —	\$ 2,400	\$ 2,400

(1) Money market funds are included in Cash and cash equivalents on the Condensed Consolidated Balance Sheet.

The changes in Level 3 liabilities measured at fair value on a recurring basis for the periods indicated were as follows:

(in thousands)	Three Months Ended June 30,	
	2025	2024
Balance at March 31, 2025 and 2024	\$ 2,558	\$ 2,922
Change in fair value included in net income (loss)	(480)	(464)
Balance at June 30, 2025 and 2024	<u>\$ 2,078</u>	<u>\$ 2,458</u>

(in thousands)	Six Months Ended June 30,	
	2025	2024
Balance at December 31, 2024 and 2023	\$ 2,400	\$ 2,987
Change in fair value included in net loss	(322)	(529)
Balance at June 30, 2025 and 2024	<u>\$ 2,078</u>	<u>\$ 2,458</u>

There were no changes in the levels or methodology of the measurement of financial assets or liabilities during the three and six months ended June 30, 2025 and 2024.

The debt derivative liabilities are measured using a “with and without” valuation model to compare the fair value of each tranche of the credit facility the Company has with Oberland Capital and its affiliates (the “Credit Facility”) including the identified embedded derivative features and the fair value of a plain vanilla note with the same terms. The fair value of the Credit Facility including the identified embedded derivative features was determined using a probability-weighted expected return model based on three potential settlement scenarios for the Credit Facility included in the table below. The estimated settlement value of each scenario, which would include any required make-whole payment, is then discounted to present value using a discount rate that is derived based on the initial terms of the Credit Facility at issuance and corroborated utilizing a synthetic credit rating analysis.

The significant inputs that are included in the valuation of the debt derivative liability - first tranche as of the periods presented include:

Input	June 30, 2025	December 31, 2024
Remaining term	2.0 years	2.5 years
Maturity date	June 30, 2027	June 30, 2027
Coupon rate	9.5% - 13.0%	9.5% - 13.0%
Revenue participation payments	Maximum each year	Maximum each year
Discount rate	11.68% ⁽¹⁾	12.22% ⁽¹⁾
Probability of mandatory prepayment event	15.0% ⁽¹⁾	15.0% ⁽¹⁾
Estimated timing of mandatory prepayment event	March 31, 2026 ⁽¹⁾	March 31, 2026 ⁽¹⁾
Probability of optional prepayment event	5.0% ⁽¹⁾	5.0% ⁽¹⁾
Estimated timing of optional prepayment event	December 31, 2025 ⁽¹⁾	December 31, 2025 ⁽¹⁾
Probability of note held-to-maturity ⁽²⁾	80.0% ⁽¹⁾	80.0% ⁽¹⁾

(1) Represents a significant unobservable input.

(2) See Maturity date in table.

The significant inputs that are included in the valuation of the debt derivative liability - second tranche as of the periods presented include:

Input	June 30, 2025	December 31, 2024
Remaining term	3.0 years	3.5 years
Maturity date	June 30, 2028	June 30, 2028
Coupon rate	9.5% - 13.0%	9.5% - 13.0%
Revenue participation payments	Maximum each year	Maximum each year
Discount rate	14.67% ⁽¹⁾	15.48% ⁽¹⁾
Probability of mandatory prepayment event	15.0% ⁽¹⁾	15.0% ⁽¹⁾
Estimated timing of mandatory prepayment event	March 31, 2026 ⁽¹⁾	March 31, 2026 ⁽¹⁾
Probability of optional prepayment event	5.0% ⁽¹⁾	5.0% ⁽¹⁾
Estimated timing of optional prepayment event	December 31, 2025 ⁽¹⁾	December 31, 2025 ⁽¹⁾
Probability of held-to-maturity ⁽²⁾	80.0% ⁽¹⁾	80.0% ⁽¹⁾

(1) Represents a significant unobservable input.

(2) See Maturity date in table.

The fair values of cash, restricted cash, accounts receivable, accounts payable and accrued expenses approximate the carrying values because of the short-term nature of these instruments. The carrying value and fair value of the Credit Facility were \$50,000 and \$51,103 at June 30, 2025 and \$47,496 and \$51,307 at December 31, 2024, respectively. See Note 8 - *Long-Term Debt, Net of Debt Discount and Financing Fees*.

7. Leases

The Company leases administrative, manufacturing, research, and distribution facilities through operating leases. Several leases include fixed payments, including rent and non-lease components such as common area or other maintenance costs.

The components of total operating lease expense are as follows for the periods indicated:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating lease costs	\$ 919	\$ 917	\$ 1,830	\$ 1,826
Short-term lease costs	133	233	262	375
Variable lease costs	(11)	134	48	289
Sublease income	(272)	—	(541)	—
Total operating lease expense	\$ 769	\$ 1,284	\$ 1,599	\$ 2,490

Supplemental balance sheet information related to the operating and financing leases is as follows as of the periods indicated:

(in thousands, except lease term and discount rate)	June 30, 2025	December 31, 2024
Operating Leases		
Right-of-use operating assets	\$ 13,527	\$ 14,265
Current maturities of long-term lease obligations	\$ 2,200	\$ 1,960
Long-term lease obligations	\$ 18,015	\$ 19,191
Financing Leases		
Right-of-use financing assets, net of accumulated amortization ⁽¹⁾	\$ 32	\$ 37
Current maturities of long-term lease obligations	\$ 10	\$ 9
Long-term lease obligations	\$ 25	\$ 30
Weighted average operating lease term:	8.4 years	8.8 years
Weighted average financing lease term:	3.0 years	3.6 years
Weighted average discount rate - operating leases	10.91%	10.95%
Weighted average discount rate - financing leases	13.93%	14.06%

(1) Financing leases are included in Property and equipment, net on the Condensed Consolidated Balance Sheets.

Future minimum lease payments under operating and financing leases at June 30, 2025 are as follows:

(in thousands)		
2025 (excluding the six months ended June 30, 2025)	\$	2,089
2026		4,284
2027		3,120
2028		3,119
2029		3,187
Thereafter		15,386
Total		31,185
Less: Imputed interest		(10,935)
Total lease obligations		20,250
Less: Current maturities of long-term lease obligations		(2,210)
Long-term lease obligations	\$	18,040

Lease modifications

The Company accounts for lease revisions as a lease modification in accordance with FASB Accounting Standards Codification (“ASC”) 842, *Leases* (“ASC 842”), when the modification effectively terminates the existing lease and creates a new lease. No lease modifications were recorded during the three and six months ended June 30, 2025 and 2024.

Sublease Agreement

The Company subleases portions of its headquarters building in Tampa, Florida under two sublease agreements with different sublessees. The first sublease term began August 1, 2024 and expires on October 31, 2031. The Company or the sublessee can terminate the sublease agreement after sixty-three months with twelve months written notice. There is no option to extend the sublease agreement. The second sublease term began on February 1, 2025 and expires on January 31, 2030. The sublessee can terminate the sublease agreement after thirty-six months with six months written notice. The Company accounts for these subleases in accordance with ASC 842.

8. Long-Term Debt, Net of Debt Discount and Financing Fees

Long-term debt, net of debt discount and financing fees consists of the following as of the periods indicated:

(in thousands)	June 30, 2025	December 31, 2024
Credit Facility - first tranche	\$ 35,000	\$ 35,000
Credit Facility - second tranche	15,000	15,000
Less: unamortized debt discount and deferred financing fees	(2,062)	(2,504)
Long-term debt, net of debt discount and financing fees	\$ 47,938	\$ 47,496

Credit Facility

On June 29, 2023, the Company amended its Credit Facility with Oberland Capital and its affiliates, TPC Investments II LP and Argo LLC (collectively, the “Lender”), to transition the base interest rate from the three-month London Interbank Offered Rate to the forward-looking term rate based on the secured overnight financing rate as set by the Federal Reserve Bank of New York plus 0.10% (“Adjusted SOFR”). The Company obtained the first tranche of \$35,000 at closing on June 30, 2020. On June 30, 2021, the second tranche of \$15,000 was drawn down by the Company.

Each tranche under the Credit Facility requires quarterly interest payments for seven years. Interest is calculated as 7.5% plus the greater of Adjusted SOFR or 2.0% (11.90% at June 30, 2025), provided that the interest rate shall never be less than 9.5%. Each tranche of the Credit Facility has a term of seven years from the date of issuance (with the first tranche issued on June 30, 2020, maturing on June 30, 2027, and the second tranche issued on June 30, 2021, maturing on June 30, 2028). In connection with the Credit Facility, the Company entered into a revenue participation agreement (the “Revenue Participation Agreement”) with the Lender, which provided that, among other things, a quarterly royalty payment as a percentage of the Company’s net revenues, up to \$70 million in any given year, after April 1, 2021, ending on the date upon which all amounts owed under the Credit Facility have been paid in full. This structure results in approximately 1.5% per year of additional interest payments on the outstanding loan amount. The Company recorded \$232 and \$309 as interest expense for this Revenue Participation Agreement for the three months ended June 30, 2025 and 2024, respectively, and \$756 for the six months ended June 30, 2025 and 2024. The Company pays the quarterly debt interest on the last day of the quarter and for the three months ended June 30, 2025 and 2024 paid \$1,504 and \$1,631, respectively, and \$2,993 and \$3,265 for the six months ended June 30, 2025 and 2024, respectively, to the Lender. As of June 30, 2025, the Company was in compliance with all financial covenants. The borrowings under the Credit Facility are secured by substantially all of the assets of the Company.

Embedded Derivatives

The debt derivative liabilities are recorded at fair value, with the change in fair value reported in Change in fair value of derivatives on the Condensed Consolidated Statements of Operations at each reporting date. The fair values of the debt derivative liabilities were \$2,078 and \$2,400 at June 30, 2025 and December 31, 2024, respectively. See Note 6 - *Fair Value Measurements*.

Unamortized Debt Discount and Financing Fees

The unamortized debt discount consists of the remaining initial fair values of the embedded derivatives related to the Credit Facility.

The financing fees for the Credit Facility were \$642 and were recorded as a contra liability to Long-term debt on the Condensed Consolidated Balance Sheets.

Amortization of debt discount and deferred financing fees for the three months ended June 30, 2025 and 2024 was \$22 and for the six months ended June 30, 2025 and 2024, was \$442 and \$444, respectively.

Other Credit Facilities

The Company had restricted cash of \$6,000 at both June 30, 2025 and December 31, 2024, which represents collateral for an irrevocable standby letter of credit.

9. Stock-Based Compensation

The Company's stock-based compensation plans are described in Note 11 - *Stock-Based Compensation* to the Company's consolidated financial statements included in the 2024 Annual Report on Form 10-K for the year ended December 31, 2024.

During the six months ended June 30, 2025, the following stock-based awards were granted to officers and employees. All awards were granted under the 2019 Amended and Restated Long-Term Incentive Plan, with the exception of the inducement shares awarded as material inducement of employment to new employees entering into employment with the Company in accordance with Nasdaq Listing Rule 5635(c)(4).

Type of Award	Quarter Awarded	Target Shares or Units	Weighted Average Grant Date Fair Value
Restricted Stock Units ⁽¹⁾	1st Quarter	583,300	\$ 18.77
	2nd Quarter	541,069	\$ 14.60
Performance Stock Units ⁽²⁾⁽³⁾	1st Quarter	526,300	\$ 22.58
	2nd Quarter	95,500	\$ 17.30
Inducement Shares ⁽⁴⁾			
Restricted Stock Units	1st Quarter	103,000	\$ 18.52
Restricted Stock Units	2nd Quarter	45,000	\$ 17.81
Performance Stock Units	1st Quarter	58,000	\$ 22.36

- (1) Restricted Stock Units ("RSUs") awarded to certain officers and employees during the first and second quarters of 2025 vest 50% after 24 months and an additional 25% on the third and fourth anniversaries of the grant date. Included in the second quarter RSUs are 103,767 units awarded to the Board of Directors for their annual fee vesting in one year from the date of the award. Upon vesting, the outstanding number of RSUs vested are converted into common stock.
- (2) Performance Stock Units ("PSUs") were awarded to certain executive officers and other employees during the first and second quarters with a target of 545,300 shares and performance metrics tied to the Company's revenue compounded annual growth rate ("CAGR") from 2025 through 2028 and total shareholder return ("TSR") relative to its peers ("CAGR TSR PSUs") with a payout ranging from 0% to 200% upon achievement of specific revenue CAGR and relative TSR goals. The CAGR TSR PSUs vest at the end of the three-year period upon determination of the results at the end of the performance period. PSUs were awarded during the second quarter to certain employees with a target of 69,500 shares with performance metrics tied to the achievement of sales quota goals.
- (3) 7,000 BLA PSUs were awarded to an employee related to his work on the Biologics License Application ("BLA") for Avance Nerve Graft during the first quarter. The number of shares was allocated to certain milestones related to the BLA approval by the FDA. The performance measure is based upon achieving each of the specific milestones and will vest upon achieving each of the milestones but not sooner than one year after the grant date.
- (4) Inducement shares were issued to certain employees as a material inducement to entering into employment with the Company during the first and second quarters of 2025 in accordance with Nasdaq Listing Rule 5635(c)(4). The RSUs vest 50% after 24 months and an additional 25% on the third and fourth anniversaries of the grant date. The PSUs granted are TSR PSUs that are tied to the Company's share price targets with a payout range from 0% to 200% upon achievement of specific average share prices over a 30 day trading period immediately preceding the end of the performance period of February 22, 2024 through February 22, 2027. The performance measure is based upon achieving each of the specific milestones and the awards will vest upon achieving each of the milestones but not sooner than one year after the grant date.

Total stock-based compensation expense is as follows for the periods indicated:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Stock-based compensation expense	\$ 5,168	\$ 3,907	\$ 8,077	\$ 7,826

10. Net Income (Loss) Per Common Share

The following reflects the net income (loss) attributable to common shareholders and share data used in the basic and diluted net income (loss) per common share computations using the two-class method for the periods indicated:

(in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income (loss)	\$ 579	\$ (1,921)	\$ (3,255)	\$ (8,556)
Denominator:				
Weighted average shares outstanding - basic	46,063,092	43,713,313	45,605,419	43,473,541
Weighted average shares outstanding - diluted	47,980,830	43,713,313	45,605,419	43,473,541
Net income (loss) per common share - basic	\$ 0.01	\$ (0.04)	\$ (0.07)	\$ (0.20)
Net income (loss) per common share - diluted	\$ 0.01	\$ (0.04)	\$ (0.07)	\$ (0.20)
Anti-dilutive shares excluded from the calculation of diluted income (loss) per share ⁽¹⁾				
Stock options	748,086	4,239,311	783,482	4,113,080
Restricted and performance stock units	1,597,709	1,433,829	822,060	439,583

(1) Common equivalent shares for the three months ended June 30, 2024 and six months ended June 30, 2025 and 2024 are not included in the diluted per share calculations as they would be anti-dilutive if the Company were in a net income position.

11. Income Taxes

The Company has no recorded income tax expense or income tax benefit for the three and six months ended June 30, 2025 and 2024 due to the generation of fiscal year net operating losses, the benefits of which have been fully reserved.

Deferred income taxes are accounted for using the balance sheet approach, which requires recognition of deferred tax assets and liabilities for the expected future consequences of temporary differences between the financial reporting basis and the tax basis of assets and liabilities as measured by enacted state and federal tax rates. A valuation allowance is provided to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more-likely-than-not that a portion or none of the deferred tax assets will be realized. As of June 30, 2025 and December 31, 2024, management assessed the realizability of deferred tax assets. After consideration of all the evidence, including reversal of deferred tax liabilities, future taxable income and other factors, management determined that a full valuation allowance was necessary as of June 30, 2025 and December 31, 2024. A portion of the net operating loss carryforwards may expire due to limitations imposed by Section 382 of the Internal Revenue Code ("IRC"). In addition, future utilization of the available net operating loss carryforwards may be limited under IRC Section 382 as a result of changes in ownership.

In the normal course of business, the Company is subject to examination by taxing authorities throughout the U.S. The Company's remaining open tax years subject to examination by federal tax authorities include the years ended December 31, 2021 through 2024. The Internal Revenue Service is currently examining the Company's 2021 federal income tax return. The Company's remaining open tax years subject to examination by state and foreign tax authorities include the years ended December 31, 2020 through 2024. However, for tax years 2004 through 2017, federal and state taxing authorities may examine and adjust loss carryforwards in the years in which those loss carryforwards are ultimately utilized.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act ("OBBBA"). The OBBBA makes permanent key elements of the Tax Cuts and Jobs Act of 2017, including 100% bonus depreciation, domestic research cost expensing, and the business interest expense limitation. The Company is currently evaluating the provisions of the new law and the potential effects on its condensed consolidated financial statements and additional disclosures will be provided in future periods as the impacts of the legislation are determined.

12. Segments

The Company determines its operating segments in accordance with FASB ASC 280, *Segment Reporting* (“ASC 280”). ASC 280 defines operating segments as components where discrete financial information is regularly reviewed by the chief operating decision maker (“CODM”), which for the Company is the Chief Executive Officer, to determine resource allocation and assess performance. As such, based on the way the CODM monitors and makes decisions affecting operations, the Company has concluded that it has one operating and reportable segment. The CODM is regularly provided with only the consolidated expenses as noted on the face of the Condensed Consolidated Statements of Operations. As the Company has only one operating segment and is managed on a consolidated basis, the measure of profit or loss is consolidated net income or loss. The metrics are used to review operating trends, to perform analytical comparisons between periods and to monitor budget to actual variances.

13. Commitments and Contingencies

Service Agreements

The Company pays Community Blood Services (doing business as Solvita) (“Solvita”) a facility fee for the use of cleanrooms, manufacturing, storage, and office space and for services in support of its tissue processing including for routine sterilization of daily supplies, providing disposable supplies and microbial services, and office support pursuant to a License and Services Agreement, as amended (the “Solvita Agreement”). Pursuant to the Solvita Agreement, the Company recorded expenses of \$ 213 and \$281 for the three months ended June 30, 2025 and 2024, respectively, and \$453 and \$473 for the six months ended June 30, 2025 and 2024, respectively, within Cost of goods sold in the Company’s Condensed Consolidated Statements of Operations. The Solvita Agreement was amended on December 31, 2023 extending the term through December 31, 2026. The Solvita Agreement may be terminated by either party by providing an eighteen month written notice. The Company utilizes Solvita for processing and packaging of Avive+ Soft Tissue Matrix.

Distribution and Supply Agreements

In August 2008, the Company entered into an exclusive distribution agreement with Cook Biotech Incorporated (acquired on January 31, 2024 by RTI Surgical, Inc. and rebranded on December 17, 2024 as Evergen) (“Evergen”), to distribute the Axoguard Nerve Connector and Axoguard Nerve Protector products worldwide and the parties subsequently amended the agreement on August 4, 2023. The distribution agreement expires on December 31, 2030. The distribution agreement establishes a formula for the transfer cost of the Axoguard Nerve Connector and Axoguard Nerve Protector products and requires certain minimum purchases by the Company, although, through mutual agreement, the parties have not established such minimums; and, to date, have not enforced such provision. Under the distribution agreement, the Company provides purchase orders to Evergen, and Evergen fulfills the purchase orders. The distribution agreement allows for termination provisions for both parties. The loss of the ability to sell the Axoguard Nerve Connector and Axoguard Nerve Protector products could have a material adverse effect on the Company’s business until other replacement products would be available.

In June 2017, the Company entered into the Nerve End Cap Supply Agreement (the “Supply Agreement”) with Evergen whereby Evergen is the exclusive contract manufacturer of the Axoguard Nerve Cap, and the parties subsequently amended the agreement on August 4, 2023. The Supply Agreement expires on December 31, 2030. The Supply Agreement establishes the terms and conditions in which Evergen will manufacture the product for the Company. Under the Supply Agreement, the Company provides purchase orders to Evergen and Evergen fulfills the purchase orders. The Supply Agreement allows for termination provisions for both parties. The loss of the Company’s ability to sell the Axoguard Nerve Cap product could have a material adverse effect on the Company’s business until other replacement products would become available.

In May 2023, the Company entered into the Supply and Manufacturing Agreement (the “HA+ Supply Agreement”) with Evergen whereby Evergen is the exclusive contract manufacturer of the Axoguard HA+ Nerve Protector. The HA+ Supply Agreement expires on July 1, 2030. The HA+ Supply Agreement establishes the terms and conditions in which Evergen will manufacture, package, label and deliver the product to the Company. Under the HA+ Supply Agreement, the Company provides purchase orders to Evergen, and Evergen fulfills the purchase orders. The HA+ Supply Agreement allows for termination provisions for both parties. The loss of the Company’s ability to sell the Axoguard HA+ Nerve Protector product could have a material adverse effect on the Company’s business until other replacement products would become available.

Insurance Financing Agreements

The Company finances some of its commercial insurance policies. Outstanding payments owed under the insurance financing agreements are included in Prepaid expenses and other assets on the Condensed Consolidated Balance Sheets. The

amounts owed under the insurance financing agreements were \$897 and \$1,255 as of June 30, 2025 and December 31, 2024, respectively.

Processing Facilities

The Company is highly dependent on the continued availability of its processing facilities at its Axogen Processing Center (the “APC Facility”) in Vandalia, Ohio and the facility it leases from Solvita in Dayton, Ohio and could be harmed if the physical infrastructure of these facilities is unavailable for any prolonged period of time.

Certain Economic Development Grants

The Company obtained certain economic development grants from state and local authorities totaling up to \$2,685 including \$1,250 of cash grants to offset costs to acquire and develop the APC Facility. Certain of these economic development grants were subject to fixed asset investments and job creation milestones by December 31, 2024 and have clawback clauses if the Company does not meet the job creation milestones. The Company has not met certain job creation milestones and has requested a reduction or waiver of clawbacks or extensions from the grant authorities to extend the job creation milestones evaluation date from December 31, 2024 and the expiration date to December 31, 2026. During the three months ended June 30, 2025, the Company received notice from certain grant authorities waiving any action in connection with the December 31, 2024 job creation milestones evaluation date and extending the evaluation period through the Company’s next annual report. The Company is continuing discussions with grant authorities regarding the evaluation, expiration and clawbacks of the job creation milestones. The Company could be obligated to pay back up to approximately \$950 as of June 30, 2025 related to these grants. As of June 30, 2025, the Company has received \$1,250 in cash grants related to these economic development grants.

Fair Value of the Debt Derivative Liabilities

The fair value of the debt derivative liabilities is \$2,078 as of June 30, 2025. The fair value of the debt derivative liabilities was determined using a probability-weighted expected return model based upon three potential settlement scenarios for the Credit Facility. The estimated settlement value of each scenario includes any required make-whole payment, and then discounted to present value using a discount rate that is derived based upon the initial terms of the Credit Facility at issuance and corroborated utilizing a synthetic rating analysis. The calculated fair values under the three scenarios are then compared to the fair value of a plain vanilla note, with the difference reflecting the fair value of the debt derivative liabilities. The Company estimated the make-whole payments required under each scenario according to the terms of the Credit Facility to generate an internal rate of return equal to 11.5% through the scheduled maturity dates, less the total of all quarterly interest and royalty payments previously paid to the Lender. The calculation utilized the XIRR function in Microsoft Excel as required by the Credit Facility. If the debt is not prepaid but instead is held to its scheduled maturities, the Company’s estimate of the make-whole payment for the first tranche and second tranche of the Credit Facility due on June 30, 2027 and June 30, 2028, respectively, are approximately zero. The Company has consistently applied this approach since the inception of the debt agreement on June 30, 2020.

The Company has become aware that the Lender may have an alternative interpretation of the calculation of the make-whole payments that the Company believes does not properly utilize the same methodology utilized by the XIRR function in Microsoft Excel as described in the Credit Facility. Under the Credit Facility, the Company has the option to hold payment obligations until maturity or at anytime prepay, in whole or in part, its obligations, including the Revenue Participation Agreement, by making a payment in the amount using the alternative interpretation of the calculation, generating an internal rate of return of 11.5% of the outstanding principal amount, reduced by the sum of the interest and principal previously paid and all amounts paid under the Revenue Participation Agreement. The Company estimates the top end of the range of the make-whole payments if the debt is held to its scheduled maturities under an alternative interpretation to be approximately \$9,000 for the first tranche of the Credit Facility due on June 30, 2027 and approximately \$3,000 for the second tranche of the Credit Facility due on June 30, 2028. Further, if the debt is prepaid prior to its scheduled maturity dates and subject to the alternative interpretation, the make-whole payments would be larger than the amounts herein. Under the alternative interpretation of the calculation, if the Credit Facility was to be prepaid in whole as of June 30, 2025, the make-whole payment, in excess of the outstanding principal of the Credit Facility, is estimated to be approximately \$26,900.

Other Commitments

Certain executive officers of the Company are parties to employment contracts. Such contracts have severance payments for certain conditions including change of control.

Legal Proceedings

The Company is and may be subject to various claims, lawsuits and proceedings in the ordinary course of the Company's business. Such matters are subject to many uncertainties and outcomes are not predictable with assurance. While there can be no assurances as to the ultimate outcome of any legal proceeding or other loss contingency involving the Company, in the opinion of management, such claims are either adequately covered by insurance or otherwise indemnified, or are not expected individually or in the aggregate, to result in a material, adverse effect on the Company's financial condition, results of operations or cash flows. However, it is possible that the Company's results of operations, financial position and cash flows in a particular period could be materially affected by these contingencies.

ITEM 2 – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the related notes thereto appearing elsewhere in this report and our consolidated financial statements for the year ended December 31, 2024, included in our 2024 Annual Report on Form 10-K. All dollar amounts in the discussion and analysis, unless noted otherwise, are presented in thousands.

Unless the context otherwise requires, all references in this report to “Axogen,” the “Company,” “we,” “us” and “our” refer to Axogen, Inc., and its wholly owned subsidiaries Axogen Corporation (“AC”), Axogen Processing Corporation, Axogen Europe GmbH and Axogen Germany GmbH.

Overview

We are the leading company focused specifically on the science, development and commercialization of technologies for peripheral nerve regeneration and repair. We are passionate about providing the opportunity to restore nerve function and quality of life for patients with peripheral nerve injuries. We provide innovative, clinically proven and economically effective repair solutions for surgeons and healthcare 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.

Product Portfolio

Our platform for peripheral nerve repair features a comprehensive portfolio of products, including:

- Avance® Nerve Graft, a biologically active off-the-shelf processed human nerve allograft for bridging severed peripheral nerves without the comorbidities associated with a second surgical site.
- Axoguard Nerve Connector®, a porcine (pig) 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 minimizing soft tissue attachments.
- Axoguard HA+ Nerve Protector™, a porcine submucosa ECM base layer coated with a proprietary hyaluronate-alginate gel, a next-generation technology designed to enhance nerve gliding and provide short- and long-term protection for peripheral nerve injuries.
- Axoguard Nerve Cap®, a porcine submucosa ECM product used to protect a peripheral nerve end and separate the nerve from the surrounding environment to reduce the development of symptomatic or painful neuroma.
- Avive+ Soft Tissue Matrix™, a multi-layer amniotic membrane allograft used to protect and separate tissues in the surgical bed during the critical phase of tissue healing.

Our portfolio of products is currently available in the U.S., Canada, Germany, the United Kingdom, Spain, South Korea and several other countries.

We derive substantially all of our revenues from sales of our nerve repair products to customers in the U.S.

Our strategy remains focused on deepening our presence in high-potential accounts, specifically Level 1 trauma centers and academic-affiliated hospitals with a high number of trained microsurgeons. We will drive growth in these accounts through targeted expansion of nerve repair indications and driving deeper adoption of our nerve repair algorithm across multiple surgical specialties.

Business Outlook

We are subject to risks and exposures from the evolving macroeconomic environment, including financial market volatility, geopolitical tensions and escalating trade disputes with U.S. trading partners. While our direct exposure to current tariffs is limited, risk lies in the potential for these disputes to cause a broader trade war, resulting in general economic instability and uncertainty that could cause our net revenue to fluctuate. We are actively assessing steps to mitigate potential

adverse effects; however, if these measures are not effective in addressing wider economic disruption, our business, financial condition, results of operations and liquidity could be materially adversely affected.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act (“OBBA”). The OBBA makes permanent key elements of the Tax Cuts and Jobs Act of 2017, including 100% bonus depreciation, domestic research cost expensing, and the business interest expense limitation. We are currently evaluating the impact of the OBBA.

Summary of Operational and Business Highlights

- Revenues were \$56,662 for the quarter ended June 30, 2025, an increase of \$8,750 or 18.3% compared to the quarter ended June 30, 2024.
- Gross profit was \$42,018 for the quarter ended June 30, 2025, an increase of \$6,673 or 18.9% compared to the quarter ended June 30, 2024.
- Expanded coverage and reimbursement for nerve repair for peripheral nerve injuries using synthetic conduits or allografts by an estimated approximately 10 million new covered lives during 2025; bringing the total new lives covered in 2025 to an estimated approximately 17 million which brings coverage amongst private payers to more than 55%.
- The FDA accepted the filing of the Company’s Biologics License Application (“BLA”) for Avance® Nerve Graft on November 1, 2024, and assigned a Prescription Drug User Fee Act goal date of September 5, 2025. During the second quarter of 2025, we completed the following regulatory milestones to support our anticipated approval in September 2025: the late-cycle meeting with the FDA, pre-licensing inspection, and sponsor inspection under the FDA’s Bioresearch Monitoring program.

Results of Operations

Comparison of the Three Months Ended June 30, 2025 and 2024

The following table sets forth, for the periods indicated, our results of operations expressed as dollar amounts and percentage of total revenue:

(dollars in thousands)	Three Months Ended June 30,			
	2025		2024	
	Amount	% of Revenue	Amount	% of Revenue
Revenues	\$ 56,662	100.0 %	\$ 47,912	100.0 %
Cost of goods sold	14,644	25.8	12,567	26.2
Gross profit	42,018	74.2	35,345	73.8
Costs and expenses:				
Sales and marketing	23,804	42.0	19,698	41.1
Research and development	6,853	12.1	6,658	13.9
General and administrative	9,689	17.1	9,417	19.7
Total costs and expenses	40,346	71.2	35,773	74.7
Income (loss) from operations	1,672	3.0	(428)	(0.9)
Other income (expense):				
Investment income	225	0.4	227	0.5
Interest expense	(1,977)	(3.5)	(2,185)	(4.6)
Change in fair value of debt derivative liabilities	480	0.9	464	1.0
Other income, net	179	0.3	1	—
Total other expense, net	(1,093)	(1.9)	(1,493)	(3.1)
Net income (loss)	\$ 579	1.0 %	\$ (1,921)	(4.0)%

Revenues

Revenues for the three months ended June 30, 2025 increased \$8,750, or 18.3%, to \$56,662, as compared to \$47,912 for the three months ended June 30, 2024. The increase in revenues was driven by an increase in unit volume of approximately 12.2%, as well as the net impact of changes in price and product mix of approximately 3.1% and 3.0%, respectively.

Gross Profit

Gross profit for the three months ended June 30, 2025 increased \$6,673, or 18.9%, to \$42,018, as compared to \$35,345 for the three months ended June 30, 2024. Gross margin as a percentage of revenues was 74.2% and 73.8% for the three months ended June 30, 2025 and 2024, respectively. Higher margins, driven by lower inventory write-offs and shipping costs on products sold, increased gross margin by 0.9%, partially offset by higher product costs that lowered gross margin by 0.5%.

Costs and Expenses

Following is a summary of the change in costs and expenses for the three months ended June 30, 2025:

(dollars in thousands)	Total costs and expenses	Sales and marketing	Research and development	General and administrative
For the three months ended June 30, 2024	\$ 35,773	\$ 19,698	\$ 6,658	\$ 9,417
Change from:				
Compensation costs	3,167	2,797	(58)	428
Marketing program costs	912	912	—	—
Travel costs	522	423	40	59
Occupancy related costs	(434)	(32)	(119)	(283)
Professional services fees and expenses	(160)	28	380	(568)
Research and development project costs ⁽¹⁾	(50)	—	(50)	—
Other costs and expenses	616	(22)	2	636
Total change	4,573	4,106	195	272
For the three months ended June 30, 2025	\$ 40,346	\$ 23,804	\$ 6,853	\$ 9,689
Percentage change	12.8 %	20.8 %	2.9 %	2.9 %

(1) Product development costs and expenses represented approximately 53% and 52% of total research and development costs and expenses for the three months ended June 30, 2025 and 2024, respectively. Clinical trial costs and expenses represented approximately 47% and 48% of total research and development costs and expenses for the three months ended June 30, 2025 and 2024, respectively.

Other Expense, Net

Other expense, net for the three months ended June 30, 2025 decreased \$400, or 26.8%, to \$1,093, as compared to \$1,493 for the three months ended June 30, 2024. The decrease in other expense, net was primarily due to increases of (i) \$178 in other income and (ii) \$16 in the change in fair value of the debt derivative liabilities and a decrease of \$208 in interest expense.

Income Taxes

We had no income tax expense or benefit during the three months ended June 30, 2025 and 2024 due to the incurrence of fiscal year net operating losses in both periods, the benefits of which have a full valuation allowance. From time to time, we receive notices of examination of prior tax filings from federal and state authorities. The Internal Revenue Service is currently examining our 2021 federal income tax return. We do not believe that there are any material additional tax expenses or benefits.

Comparison of the Six Months Ended June 30, 2025 and 2024

The following table sets forth, for the periods indicated, our results of operations expressed as dollar amounts and percentage of total revenue:

(dollars in thousands)	Six Months Ended June 30,			
	2025		2024	
	Amount	% of Revenue	Amount	% of Revenue
Revenues	\$ 105,222	100.0 %	\$ 89,289	100.0 %
Cost of goods sold	28,271	26.9	21,325	23.9
Gross profit	76,951	73.1	67,964	76.1
Costs and expenses:				
Sales and marketing	44,849	42.6	39,513	44.3
Research and development	12,944	12.3	14,066	15.8
General and administrative	19,147	18.2	19,373	21.7
Total costs and expenses	76,940	73.1	72,952	81.7
Income (loss) from operations	11	—	(4,988)	(5.6)
Other income (expense):				
Investment income	497	0.5	520	0.6
Interest expense	(4,227)	(4.0)	(4,512)	(5.1)
Change in fair value of debt derivative liabilities	322	0.3	529	0.6
Other income (expense), net	142	0.1	(105)	(0.1)
Total other expense, net	(3,266)	(3.1)	(3,568)	(4.0)
Net loss	\$ (3,255)	(3.1)%	\$ (8,556)	(9.6)%

Revenues

Revenues for the six months ended June 30, 2025 increased \$15,933, or 17.8%, to \$105,222, as compared to \$89,289 for the six months ended June 30, 2024. The increase in revenues was primarily driven by an increase in unit volume of approximately 11.8%, as well as the net impact of changes in price and product mix of approximately 3.0% and 2.5%, respectively.

Gross Profit

Gross profit for the six months ended June 30, 2025 increased \$8,987, or 13.2%, to \$76,951, as compared to \$67,964 for the six months ended June 30, 2024. Gross margin as a percentage of revenues was 73.1% and 76.1% for the six months ended June 30, 2025 and 2024, respectively. Lower margins on products sold, driven by higher product costs, lowered gross margin by 2.8% and an increase in inventory write-offs lowered gross margin by 0.5%. These decreases were partially offset by an increase of 0.4% from lower shipping costs on products sold.

Costs and Expenses

Following is a summary of the change in costs and expenses for the six months ended June 30, 2025:

(dollars in thousands)	Total costs and expenses	Sales and marketing	Research and development	General and administrative
For the six months ended June 30, 2024	\$ 72,952	\$ 39,513	\$ 14,066	\$ 19,373
Change from:				
Compensation costs	2,925	3,486	(477)	(84)
Marketing program costs	1,167	1,167	—	—
Travel costs	888	733	96	59
Professional services fees and expenses	41	47	483	(489)
Research and development project costs ⁽¹⁾	(1,005)	—	(1,005)	—
Occupancy related costs	(751)	(159)	(208)	(384)
Other costs and expenses	723	62	(11)	672
Total change	3,988	5,336	(1,122)	(226)
For the six months ended June 30, 2025	\$ 76,940	\$ 44,849	\$ 12,944	\$ 19,147
Percentage change	5.5 %	13.5 %	(8.0) %	(1.2) %

- (1) The decrease in research and development costs and expenses was primarily due to product development and clinical expenses. Product development costs include spending for a number of specific programs, including the non-clinical expenses related to the BLA for Avance Nerve Graft. Product development costs and expenses represented approximately 56% and 57% of total research and development costs and expenses for the six months ended June 30, 2025 and 2024, respectively. Clinical trial costs and expenses represented approximately 44% and 43% of total research and development costs and expenses for the six months ended June 30, 2025 and 2024, respectively.

Other Expense, Net

Other expense, net for the six months ended June 30, 2025 decreased \$302, or 8.5%, to \$3,266, as compared to \$3,568 for the six months ended June 30, 2024. The decrease in other expense, net was primarily due to decreases of (i) \$285 in interest expense and (ii) \$247 in other expense. These decreases were partially offset by decreases of (i) \$207 in the change in fair value of the debt derivative liabilities and (ii) \$23 in investment income.

Income Taxes

We had no income tax expense or benefit during the six months ended June 30, 2025 and 2024 due to the incurrence of net operating losses in both periods, the benefits of which have a full valuation allowance. From time to time, we receive notices of examination of prior tax filings from federal and state authorities. The Internal Revenue Service is currently examining our 2021 federal income tax return. We do not believe that there are any material additional tax expenses or benefits.

Critical Accounting Estimates

In preparing our financial statements in accordance with generally accepted accounting principles, there are certain accounting policies, which may require substantial judgment or estimation in their application. We believe our accounting policies for Inventories, Derivative Instruments and Stock-based Compensation, as well as the others set forth in Note 2 - *Summary of Significant Accounting Policies* in the Notes to the Consolidated Financial Statements in our 2024 Annual Report on Form 10-K, are critical to understanding our results of operations and financial condition. See Critical Accounting Estimates in our 2024 Annual Report on Form 10-K. Actual results could differ from our estimates and assumptions, and any such differences could be material to our results of operations and financial condition. During the quarter covered by this report, there have been no material changes to the accounting estimates and assumptions previously disclosed.

Liquidity and Capital Resources

As of June 30, 2025, our principal sources of liquidity were our cash and cash equivalents and investments totaling \$29,922. Our cash equivalent is comprised of a money market mutual fund and our investments consist of U.S. Treasuries. Our cash and cash equivalents and investments decreased \$3,560 to \$29,922 from \$33,482 at December 31, 2024, primarily as a result of paying annual bonuses and the expenses incurred in connection with conducting our national sales meeting in the first quarter of 2025, partially offset by collections of receivables and proceeds from the exercise of stock options.

On June 30, 2025 and December 31, 2024, our current assets exceeded our current liabilities by \$78,439 and \$68,607, respectively, and we had a current ratio of 4.1x and 3.2x, respectively. Based on current estimates, we believe that our existing cash and cash equivalents and investments, as well as cash provided by sales of our products, will allow us to fund our operations through at least the next twelve months from the date of issuance of the accompanying financial statements.

Cash Flow Information

The following table presents a summary of cash flows from operating, investing and financing activities for the periods indicated:

(in thousands)	Six Months Ended June 30,	
	2025	2024
Net cash (used in) provided by:		
Operating activities	\$ (5,449)	\$ (8,101)
Investing activities	(5,608)	(4,484)
Financing activities	3,539	748
Net decrease in cash and cash equivalents, and restricted cash	\$ (7,518)	\$ (11,837)

Net Cash Used in Operating Activities

Net cash used in operating activities was \$5,449 and \$8,101 during the six months ended June 30, 2025 and 2024, respectively. The decrease in net cash used in operating activities of \$2,652, or 32.7%, was due a decrease in net loss of \$5,301, partially offset by the net unfavorable change of \$2,588 in working capital accounts and noncash charges of \$29.

Net Cash Used in Investing Activities

Net cash used in investing activities for the six months ended June 30, 2025 was \$5,608 compared to \$4,484 for the six months ended June 30, 2024. The unfavorable change in net cash used in investing activities of \$1,124 was primarily due to the purchase of \$7,837 of investments, offset by the sale of \$4,000 of investments during the six months ended June 30, 2025, compared to purchases of \$1,911 of investments during the six months ended June 30, 2024, and the decrease in purchases of property and equipment of \$856.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was \$3,539 and \$748 for the six months ended June 30, 2025 and 2024, respectively, an increase of \$2,791 due primarily to the increase in proceeds from the exercise of stock options.

Credit Facilities

As of June 30, 2025, we had \$50,000 outstanding in indebtedness under the Credit Facility with \$35,000 maturing on June 30, 2027 and \$15,000 maturing on June 30, 2028. Quarterly interest only and revenue participation payments are due through each of the maturity dates. Interest is calculated as 7.5% plus the greater of the forward-looking term rate based on the secured overnight financing rate as set by the Federal Reserve Bank of New York plus 0.10% ("Adjusted SOFR") or 2.0% (11.90% as of June 30, 2025). Revenue participation payments are calculated as a percentage of our net revenues, up to \$70,000 in any given year, adding approximately 1.5% per year of additional interest payments on the outstanding indebtedness. Upon each maturity date or upon such date earlier repayment occurs, we will repay the principal balance and provide a make-whole payment calculated to generate an internal rate of return to the lender equal to 11.5%, less the total of all quarterly interest and revenue participation payments previously paid. See Note 8 - *Long-Term Debt, Net of Debt Discount and Financing Fees* and Note 13 - *Commitments and Contingencies* in the Notes to the Condensed Consolidated Financial Statements in this Form 10-Q.

Sources of Capital

Our expected future capital requirements may depend on many factors including expanding our customer base and sales force and timing and extent of spending in obtaining regulatory approval and introduction of new products. Additional sources of liquidity available to us include issuance of additional equity securities through public or private equity offerings, debt financings or from other sources. The sale of additional equity may result in dilution to our shareholders. There is no assurance that we will be able to secure funding on terms acceptable to us, or at all. The increasing need for capital could also make it more difficult to obtain funding through either equity or debt. Should additional capital not become available to us as needed,

we may be required to take certain actions, such as slowing sales and marketing expansion, delaying regulatory approvals, or reducing headcount.

Contractual Obligations and Commitments

Contractual Obligations (in thousands)	2025 Remaining	2026-2027	2028-2029	Thereafter	Total
Credit Facility principal ⁽¹⁾	\$ —	\$ 35,000	\$ 15,000	\$ —	\$ 50,000
Credit Facility interest ⁽²⁾	2,975	9,816	892	—	13,683
Credit Facility revenue participation payments ⁽³⁾	232	1,512	231	—	1,975
Operating and financing lease obligations ⁽⁴⁾	2,089	7,404	6,306	15,386	31,185
Insurance financing agreements ⁽⁵⁾	897	—	—	—	897
Total	\$ 6,193	\$ 53,732	\$ 22,429	\$ 15,386	\$ 97,740

(1) See Note 8 - *Long-Term Debt, Net of Debt Discount and Financing Fees* and Note 13 - *Commitments and Contingencies* in the Notes to the Condensed Consolidated Financial Statements in this Form 10-Q.

(2) Calculated using the forecasted interest rates used in the valuation of the debt derivative liabilities. See Note 6 - *Fair Value Measurements* in the Notes to the Condensed Consolidated Financial Statements in this Form 10-Q.

(3) See Note 8 - *Long-Term Debt, Net of Debt Discount and Financing Fees* in the Notes to the Condensed Consolidated Financial Statements in this Form 10-Q.

(4) See Note 7 - *Leases* in the Notes to the Condensed Consolidated Financial Statements in this Form 10-Q.

(5) See Note 13 - *Commitments and Contingencies* in the Notes to the Condensed Consolidated Financial Statements in this Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion of our market risks, refer to Item 7A, “Quantitative and Qualitative Disclosures about Market Risk,” included in our 2024 Annual Report on Form 10-K.

We have interest rate exposure as a result of the Credit Facility. As of June 30, 2025, the outstanding principal amount of our loans under the Credit Facility was \$50,000. Interest on our loans under the Credit Facility is calculated as 7.5% plus the greater of Adjusted SOFR or 2.0% (11.90% at June 30, 2025); provided that the interest rate shall never be less than 9.5%. Changes in the Adjusted SOFR rate may therefore affect our interest expense associated with the Credit Facility. An increase of 100 basis points in interest rates would increase interest expense by approximately \$500 annually based on the amounts currently outstanding and would not materially affect our results of operations.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that are designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission (the “SEC”)’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, and Board of Directors, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable assurance of achieving the desired objectives, and we necessarily are required to apply our judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures.

Our management, including our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2025, and concluded that our disclosure controls and procedures were effective.

Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended June 30, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting (as defined in Rules 13a-15(d) or 15d-15(f) of the Exchange Act).

PART II –OTHER INFORMATION

ITEM 1 – LEGAL PROCEEDINGS

As disclosed in Note 13 - *Commitments and Contingencies* in the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q, we are engaged in certain legal proceedings, and the disclosure set forth in Note 13 - *Commitments and Contingencies* relating to legal proceedings is incorporated herein by reference.

ITEM 1A - RISK FACTORS

There have been no material changes to the risk factors disclosed in our 2024 Annual Report on Form 10-K. Any investment in our business involves a high degree of risk. Before making an investment decision, you should carefully consider the information we include in this Quarterly Report on Form 10-Q, including our unaudited interim condensed consolidated financial statements and accompanying notes, our Annual Report on Form 10-K for the year ended December 31, 2024, including our financial statements and related notes contained therein, and the additional information in the other reports we file with the SEC. These risks may result in material harm to our business and our financial condition and results of operations. In this event, the market price of our common stock may decline, and you could lose part or all of your investment. Additional risks that we currently believe are immaterial may also impair our business operations. Our business, financial condition and future prospects and the trading price of our common stock could be harmed as a result of any of these risks.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 - MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5 - OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the Company's quarter ended June 30, 2025, no director or officer adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement as such terms are defined under Item 408 of Regulation S-K.

ITEM 6 - EXHIBITS

Exhibit Number	Description	Filings Referenced for Incorporation by Reference
10.1*	Separation Agreement, dated May 7, 2025, between the Company and Nir Naor	May 5, 2025, Form 8-K, Exhibit 10.1
10.2*	Employment Agreement, dated May 7, 2025, between the Company and Lindsey Hartley	May 5, 2025, Form 8-K, Exhibit 10.2
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith
32	Certifications of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith
101.INS	XBRL Instance Document – The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	Filed herewith
101.LAB	Inline XBRL Extension Labels Linkbase.	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	Filed herewith
104	Cover Page Interactive Data File – The cover pages do not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	Filed herewith

* Management contract or compensatory plan or arrangement.

SIGNATURES

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 thereunto duly authorized.

AXOGEN, INC.

Dated: August 5, 2025

/s/ Michael Dale

Michael Dale
Chief Executive Officer and President
(Principal Executive Officer)

Dated: August 5, 2025

/s/ Lindsey Hartley

Lindsey Hartley
Chief Financial Officer
(Principal Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Michael Dale, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Axogen, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2025

/s/ Michael Dale

Michael Dale
Chief Executive Officer and President

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Lindsey Hartley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Axogen, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2025

/s/ Lindsey Hartley

Lindsey Hartley
Chief Financial Officer

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (SUBSECTIONS (A) AND (B) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE)

In connection with the Quarterly Report on Form 10-Q (the “Report”) of Axogen, Inc. (the “Company”), Michael Dale, Chief Executive Officer and President of the Company, and Lindsey Hartley, Chief Financial Officer of the Company, each certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 5, 2025

/s/ Michael Dale

Michael Dale
Chief Executive Officer and President
(Principal Executive Officer)

/s/ Lindsey Hartley

Lindsey Hartley
Chief Financial Officer
(Principal Financial Officer)