

*February 6, 2015***AxoGen (Nasdaq/AXGN/Buy/\$3.16)***Robert M. Wasserman*

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**ARCA biopharma (Nasdaq/ABIO/Buy/\$0.70)**

- 1) **AxoGen (Nasdaq/AXGN/Buy/\$3.16)** – AxoGen pre-released selected financial results for their Q4/2014 quarter earlier this week, including revenues of \$4.79 million, up 61% year-over-year, and for 2014 as a whole the Company posted revenues of \$16.8 million, or an increase of 54% from 2013. Our estimate had been revenues of \$4.48 million for Q4 for AxoGen, or a jump of 50%. AxoGen also related that at the close of the calendar year the Company held \$8.2 million in cash, and that they paid approximately \$0.9 million in financing expenses related to a new \$25 million credit facility signed in late 2014. AxoGen further related that they expect to report complete financial results for their Q4/2014 quarter in early March. In addition, yesterday the Company closed a \$13 million public offering of common shares, issuing 4.7 million shares at \$2.75 per share. AxoGen now has 24.2 million shares outstanding. The proceeds of the offerings are expected to provide sufficient operating capital for this year and next year as well, and potentially until the Company reaches the break-even point. We currently rate shares of AXGN a Buy with a 12-18 month price target of \$5. **RMW**

- 2) **ARCA biopharma (Nasdaq/ABIO/Buy/\$0.70)** – ARCA earlier this week announced the receipt of a patent on methods and compositions of the S-isomer formulation of Gencaro (bucindolol hydrochloride) from the US Patent and Trademark Office (USPTO). The patent, US #8,946,284 is entitled “Methods and Compositions involving (S)-Bucindolol” and provides intellectual property protection in the US for the use of S-isomer Gencaro, which is Gencaro substantially free of the R-stereoisomer, as a potential treatment for right ventricular heart failure, congestive heart failure, angina, myocardial infarction, cardiac arrhythmia, mitral valve prolapse, hypertrophic obstructive cardiomyopathy, or acute dissecting aortic aneurysm. The S-isomer of Gencaro contains the high affinity beta-1 and beta-2 receptor-blocking action as well as nitric oxide generating activity. ARCA currently holds patents in the US and Europe related to the use of Gencaro in patients predicted to have a favorable response to the drug based on genetic polymorphisms in the genes encoding the beta-1 and/or alpha-2C receptors, which could deter potential generic competition until 2025 or 2026. We currently rate shares of ABIO a Buy with a 12-18 month price target of \$3.75. **RMW**

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Ratings Distribution	Company Coverage		Investment Banking	
	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	15	71%	9	60%
Market Perform (Neutral)	6	29%	4	67%
Market Underperform (Sell)	0	0%	0	0%
Total	21	100%	13	62%

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