CryoLife Acquires Distribution Rights and Purchase Option for Genesee BioMedical's PhotoFix™ Bovine Pericardial Patch

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Anticipates U.S. Commercial Launch in October 2014

ATLANTA, Aug. 7, 2014 /PRNewswire/ -- CryoLife, Inc. (NYSE: CRY), a leading medical device and tissue processing company focused on cardiac and vascular surgery, announced today that it has acquired the distribution rights to PhotoFix, a bovine pericardial patch stabilized using a dye-mediated photo-fixation process that requires no glutaraldehyde from Genesee BioMedical, Inc., a Denver, Colorado-based manufacturer of cardiac surgery instruments and devices. CryoLife expects to launch PhotoFix through its U.S. sales force in October 2014.

Under terms of the agreement, CryoLife acquired the distribution rights to PhotoFix for an upfront cash payment. Genesee will manufacture PhotoFix and is expected to begin providing inventory to CryoLife in the fourth quarter of 2014. CryoLife also obtained an option to acquire the PhotoFix product line at a predetermined price beginning in March 2015.

PhotoFix, which was last commercially available in 2010, has received U.S. Food and Drug Administration (FDA) 510(k) clearance and is indicated for use in intracardiac repair, including ventricular repair and atrial repair; great vessel repair and suture line buttressing; and pericardial closure. PhotoFix is complementary to CryoLife's portfolio of implantable living human tissues for use in cardiac and vascular surgeries.

Pedro del Nido, MD, chief of cardiac surgery at Boston Children's Hospital, said, "I am pleased that PhotoFix will once again be available as an option to treat my patients. I've used PhotoFix and was very impressed with the results. I believe it should be a primary option for cardiac surgeons for reconstruction and repair in pediatric and congenital heart patients when native tissues are not available."

Steven G. Anderson, chairman, president, and CEO of CryoLife, said, "We believe that Genesee's PhotoFix bovine pericardial patch has the potential to become the product of choice for pediatric cardiac surgeons, as it already had impressive levels of use at leading U.S. institutions. PhotoFix's unique photo-fixation process does not use glutaraldehyde, which is used in competitive products and has been associated with calcification and mechanical degradation of the tissue in patients. PhotoFix is a strong addition to our existing product offerings, and we can see it becoming a leading option in the market as we build adoption with our anticipated October 2014 U.S. commercial launch."

Woody Mathison, president and CEO of Genesee BioMedical, said, "It's a pleasure to announce our distribution agreement with CryoLife. We believe that the experienced CryoLife sales force is the best partner for PhotoFix, and we look forward to seeing commercial progress through the remainder of the year, with further expansion in 2015."

Based on public information available on competitive products, CryoLife estimates that the U.S. market for biological patches, such as PhotoFix, used in cardiac and vascular surgical procedures is currently between $30 million and $40 million per year.

About CryoLife

CryoLife, Inc. is a leader in medical device manufacturing and distribution and in the processing and distribution of implantable living human tissues for use in cardiac and vascular surgeries. It operates throughout the U.S. and internationally. CryoLife manufactures and distributes BioGlue® Surgical Adhesive, an FDA-approved adjunct to sutures and staples for use in adult patients in open surgical repair of large vessels. BioGlue is also CE marked in Europe for use in soft tissue repair and has received additional marketing approvals in several other countries throughout the world. CryoLife's BioFoam® Surgical Matrix is CE marked in Europe for use as an adjunct to hemostasis in cardiovascular surgery and on abdominal parenchymal tissues (liver and spleen) when control of bleeding by ligature or conventional methods is ineffective or impractical. CryoLife distributes PerClot®, a powdered hemostat, in Europe and other select international countries. CryoLife has received FDA 510(k) clearance for a topical version of PerClot and is conducting a pivotal clinical trial in the U.S. for potential FDA approval of the surgical version of PerClot. CryoLife, through its subsidiary Cardiogenesis Corporation, specializes in the treatment of coronary artery disease for severe angina using a laser console system and single-use, fiber-optic handpieces to perform a surgical procedure known as Transmyocardial Revascularization (TMR). CryoLife and its subsidiary Hemosphere, Inc. market the HeRO® Graft, which is a solution for end-stage renal disease in certain hemodialysis patients. CryoLife distributes ProCol®, a natural biological graft derived from a bovine mesenteric vein that provides vascular access for end-stage renal disease hemodialysis patients, which is approved for sale in the U.S. CryoLife's CryoValve® SG pulmonary heart valve, processed using CryoLife's proprietary SynerGraft® technology, has FDA 510(k) clearance for the replacement of diseased, damaged, malformed, or malfunctioning native or prosthetic pulmonary valves. CryoLife's CryoPatch® SG pulmonary cardiac patch has FDA 510(k) clearance for the repair or reconstruction of the right ventricular outflow tract (RVOT), which is a surgery commonly performed in children with congenital heart defects.

Statements made in this press release that look forward in time or that express management's beliefs, expectations, or hopes are forward-looking

statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the views of management at the time such statements are made and are subject to a number of risks, uncertainties, estimates, and assumptions that may cause actual results to differ materially from current expectations. These statements include those regarding: the ability of Genesee BioMedical to manufacture PhotoFix per FDA regulations, anticipated timing of our receipt of PhotoFix inventory and our commercial launch of PhotoFix, the levels of acceptance and adoption of PhotoFix by surgeons, and estimates regarding the size of the U.S. market for biological patches. The risks and uncertainties affecting these statements include that the success of our efforts related to PhotoFix is subject to factors beyond our control, including general economic conditions, physician and patient acceptance, the potential inability to maintain reimbursement approvals and maintain and expand reimbursement rates, and regulatory approvals and scrutiny. Competing products -- those already in the market and those that may be introduced in the future -- may materially affect sales growth of PhotoFix. We are relying on Genesee Biomedical to provide our PhotoFix inventory; therefore, we may experience delays, shortages, or outages of product, or quality issues with respect to such product, if Genesee experiences financial, operational, regulatory, or other challenges with its business. Any such events could have a significant adverse effect on our sales of PhotoFix and our ability to establish and grow it as a product offering. We may experience currently unforeseen difficulties related to our ability to successfully market and distribute PhotoFix. Our beliefs regarding the market opportunity for PhotoFix may be incorrect, and even if correct, there is no guarantee that we will successfully grow PhotoFix sales or fully realize the potential benefits of any clinical advantages of the product. Also, our profits from PhotoFix sales could be lower than anticipated if we are not able to achieve our desired pricing levels. For a discussion of additional factors impacting CryoLife's business, see our Form 10-K for the year ended December 31, 2013, as filed with the SEC, and subsequent filings with the SEC. CryoLife does not undertake to update its forward-looking statements.

For additional information about the company, visit CryoLife's Web site: http://www.cryolife.com.

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