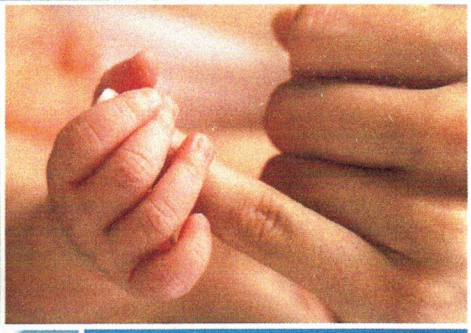
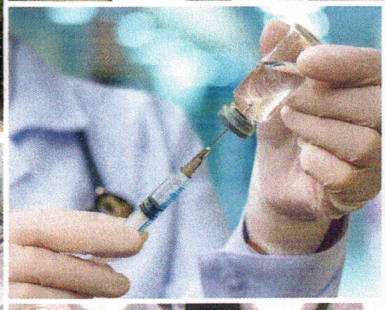
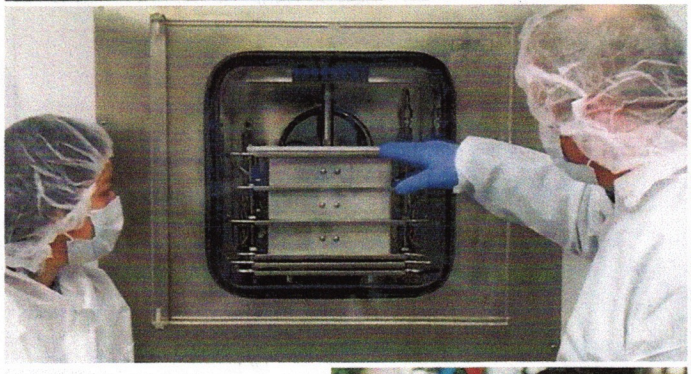
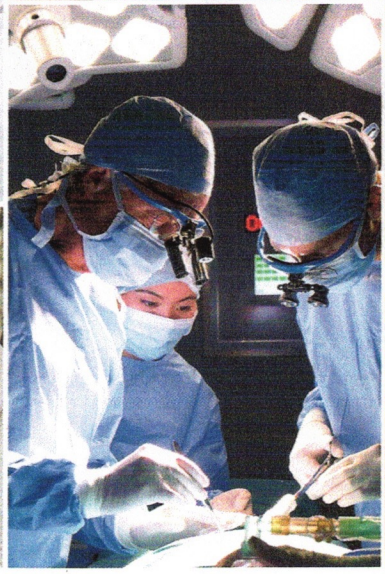
MIMEDX BUSINESS REPORT
MAY 2017

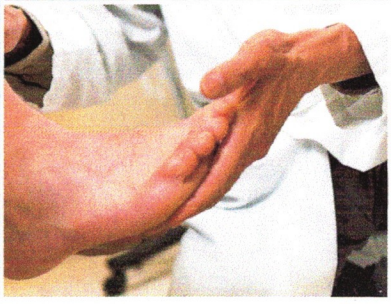
Innovation... Expertise... Integrity











MiMedx

SB439.001

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Chairman of the Board and Chief Executive Officer

William C. Taylor,
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Michael J. Senken,
Chief Financial Officer

Alexandra O. Haden,
General Counsel and Secretary

Christopher M. Cashman,
Executive Vice President and Chief Commercialization Officer

Deborah L. Dean,
Executive Vice President and Chief Compliance Officer

Thornton A. Kuntz,
Senior Vice President of Administration

Michael W. Carlton,
Senior Vice President of Global Sales

Kevin D. Lilly,
Senior Vice President Sales

Marlene M. DeSimone,
Senior Vice President Marketing

Mark E. Diaz,
Senior Vice President Commercial Operations

Scott M. Turner,
Senior Vice President Operations & Procurement

Ian M. "Mark" Landy,
Vice President Strategic Initiatives

Donald E. Fetterolf, M.D., FACP,
Chief Medical Officer

Thomas J. Koob, PhD,
Chief Scientific Officer

"We are transforming from a wound care and surgical allograft business that has been engaged in regenerative medicine into a biopharmaceutical company that is focused on therapeutic medicine."

— Parker H. "Pete" Petit,
Chairman and CEO

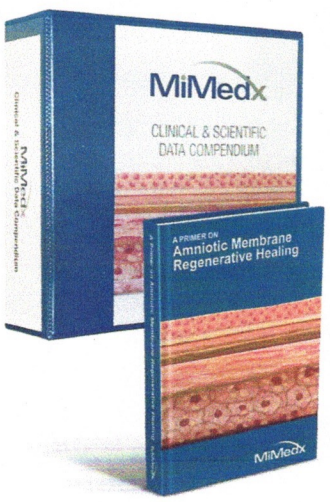
THE BIOPHARMACEUTICAL LEADER IN PLACENTAL THERAPEUTIC AND REGENERATIVE BIOLOGICS SINCE 2006

MiMedx® is a biopharmaceutical company developing, manufacturing and marketing regenerative biologics utilizing human placental allografts for multiple sectors of healthcare. "Innovations in Regenerative Medicine" is the framework behind our mission to provide physicians with products and tissues to help the body heal itself.

The MiMedx proprietary processing methodology employs aseptic processing techniques in addition to terminal sterilization for added patient safety. MiMedx is the leading supplier of placental tissue allografts, as we approach supplying over 1 million allografts by August of 2017 for applications in the Wound Care, Burn, Surgical, Orthopedic, Spine, Sports Medicine, Pain Management, Ophthalmic and Dental sectors of healthcare.

We are a trusted partner who consistently approaches our business with high integrity across multiple stakeholders in healthcare. We achieve this through our commitment to the quality of our manufacturing, exemplary regulatory process standards, scientific and clinical rigor, physician collaboration, technology innovation, customer satisfaction and our enduring sense of responsibility to patients. Our core values of integrity, respect, innovation and teamwork are what foster the key elements of our culture and growth to over 700 employees.

Since our founding, research and development has been the cornerstone of our organization. As a result, we have grown to be the leader in placental based products with over 40 scientific and clinical publications contained in our Compendium, six completed and published Randomized Controlled Trials (RCTs), and 30 ongoing clinical studies. MiMedx has over 45 placental tissue issued and allowed patents on our products and technologies with over 90 pending applications. We have continued to demonstrate this leadership by publishing a Primer to educate the medical community on the regenerative aspects of amniotic membrane allografts. **One key message is clear: not all amniotic tissue products are equally processed or have the same efficacy, cost effectiveness and safety.**



MiMedx is the number one placental recovery organization in the U.S. This provides the Company with the ability to ensure uninterrupted supply of our source material for all formulations of our product portfolio. Our flagship dHACM (dehydrated Human Amnion Chorion Membrane) products, EpiFix® and AmnioFix®, and our numerous other products continue to drive our ability to outpace our competition.

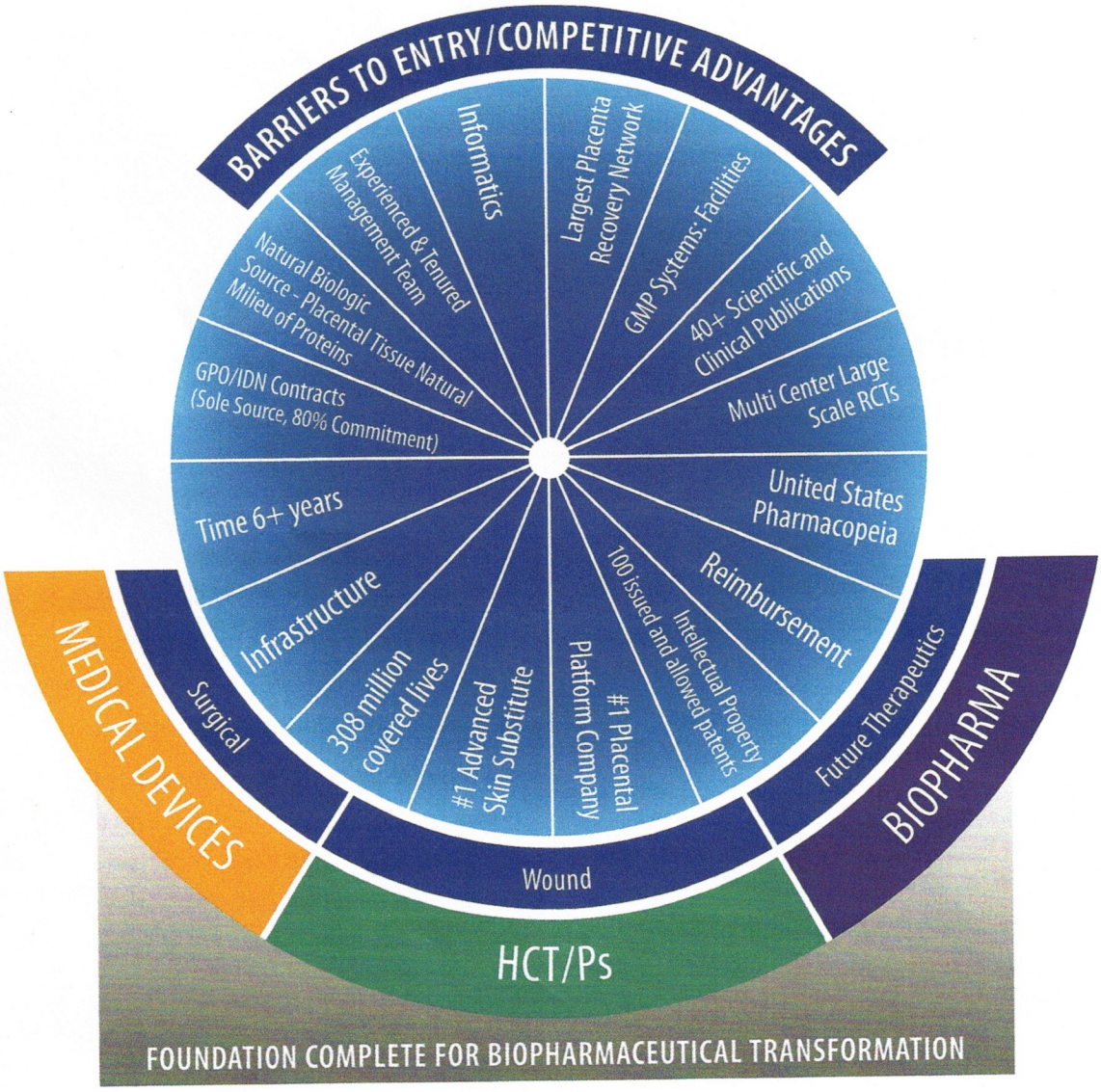
In 2016, we improved our #1 ranking in the Advanced Skin Substitute Market with a 31% share, from 24.9% in 2015, and the Amniotic Tissue market with a 63% share.[1]

MiMedx dHACM is the first human amnion/chorion dehydrated membrane to meet the requirements of the United States Pharmacopeia (USP) monograph for amniotic membrane allografts.[2] The Company is recognized in the official USP-NF monograph with the online publication of U.S. Pharmacopeia 40 – National Formulary 35.1. This includes our EpiFix and AmnioFix sheet products.

Our reimbursement coverage for our flagship products has grown to over 308 million covered lives for commercial, Medicare and Medicaid patients. In addition, we have launched three new technologies as of 2016 with our EpiCord®/AmnioCord®, OrthoFlo and AmnioFill® products.

MiMedx is compliant with current FDA Good Manufacturing Practices per 21 CFR 210 and 211 for the manufacturing, processing, packaging or holding of drug products to ensure they meet regulatory requirements. We have pioneered the BLA regulatory pathway with our AmnioFix Injectable product for plantar fasciitis as our first entry with the FDA, which is advancing our bio-therapeutics strategy. This, along with many other trials for other disease states, such as osteoarthritic pain in the knee, are planned for submission over the next few years. These initiatives should continue to drive our leadership position in the industry. These new biologic therapies in our drug development pipeline will address several unmet medical needs for patients, thus delivering on our strategic vision and transformation into becoming a biopharmaceutical company.

Because of our placental based technology, expanded product line offerings and experienced and tenured management, the Company continued to demonstrate rapid growth in 2016, by growing 2015 revenues of $187 Million to $245 Million. This represents a 31% increase year over year. Today we are the leader in advanced wound care, spine and sports medicine with our unmatched scientific, clinical, operational and commercialization expertise. We intend to leverage these capabilities to remain at the forefront of innovation in regenerative medicine that we pioneered almost a decade ago into new future therapeutic areas as a biopharmaceutical company. MiMedx is now striving to meet the growing needs for millions of patients related to osteoarthritis and pain management, as well as respiratory and cardiovascular conditions.



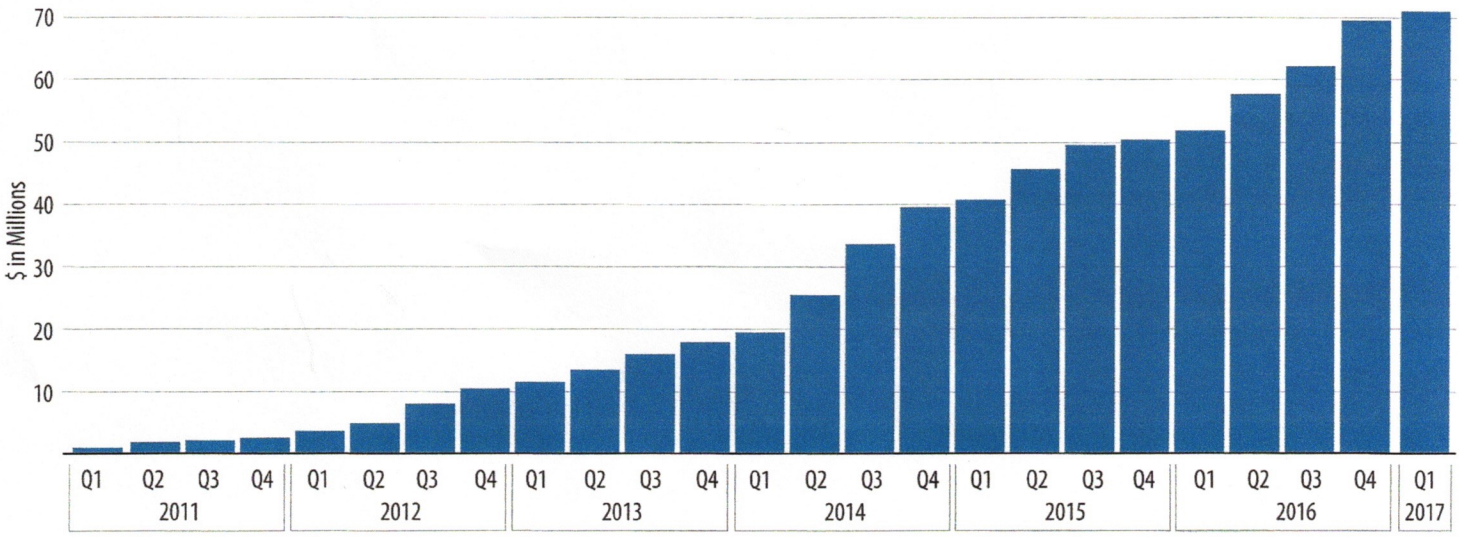
"Our transformation to the world-wide placental tissue market leader with $245 million in revenue in six years was definitely the result of LEADERSHIP. Each and every member of the team has played an important role in building MiMedx into the preeminent placental tissue company in the world. Thus, positioning MiMedx for its next major transformative move to a biopharmaceutical company."

— William C. Taylor,
President and Chief Operating Officer

FINANCIAL SUMMARY HIGHLIGHTS

MiMedx is a high growth biopharmaceutical company that is unique, as we deliver strong financial performance that will allow us to fuel future growth. Since 2012, MiMedx has been profitable on an Adjusted EBITDA basis. This financial performance allows the company to make investments in areas that build sustainable competitive advantages in our targeted markets while avoiding the dilutive impacts of raising additional capital.

25 Consecutive Quarters of Sequential Revenue Growth
Met or Exceeded Revenue Guidance in 24 of last 25 Quarters

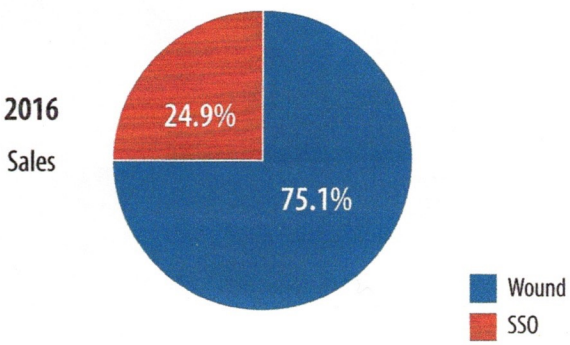


Our platform technology produces high gross margins which has allowed the Company to make key investments in areas such as research and development, reimbursement, placental recovery, market based informatics as well as sales force expansion that are designed to build sustainable competitive advantages. The following is a list of several of the key financial highlights that along with our market position, shows our financial performance leadership amongst high growth biopharmaceutical companies:

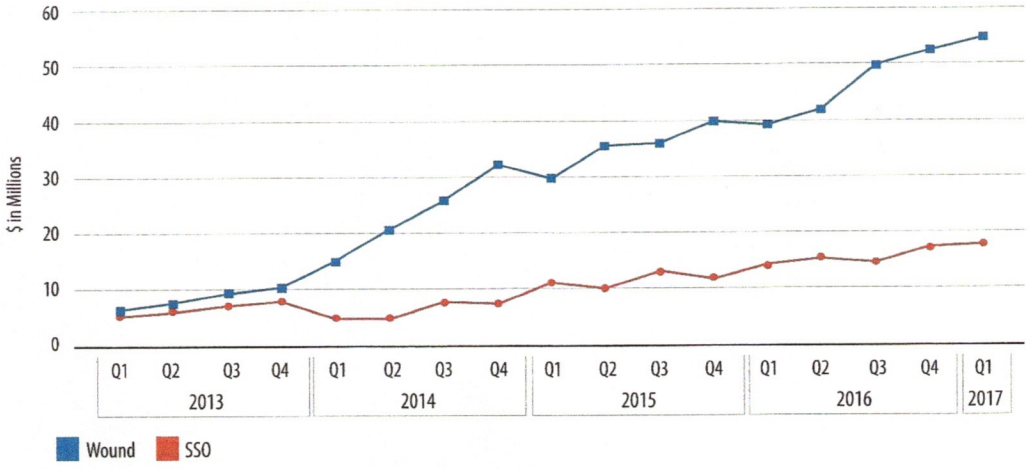
Key Financial highlights:

- **25 sequential quarters of revenue growth**
- **21 consecutive quarters of positive adjusted EBITDA**
- **Strong product gross margins in excess of 87% since 2014**
- **Increasing investments in Research & Development every year since 2012**
- **Grew our direct sales staff to over 300 in 5 years**
- **Returned in excess of $68M to shareholders in share repurchases since 2014**
- **Free cash flow positive since 2014**
- **Zero debt**

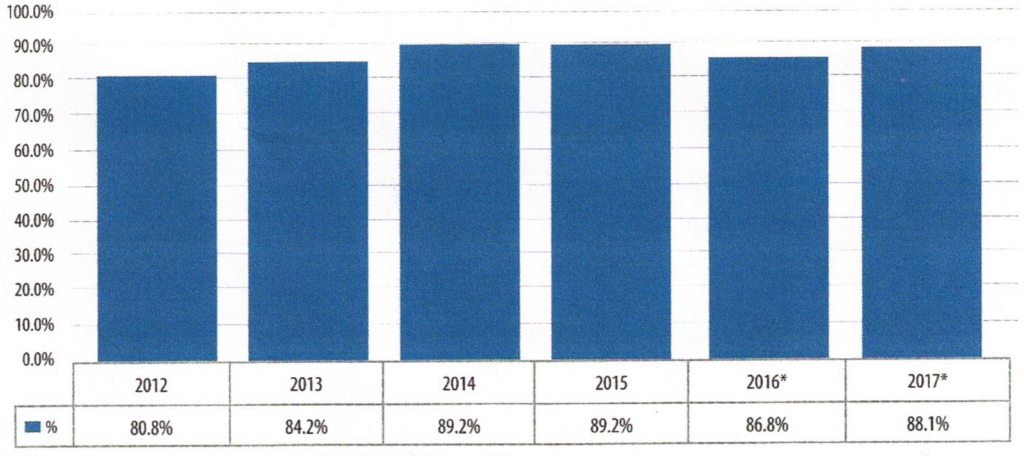
Market Segment Sales



Strong Growth in Wound Care Provides Baseline for Next Phase of Accelerated Growth in SSO as we Transition into a Biopharmaceutical Company



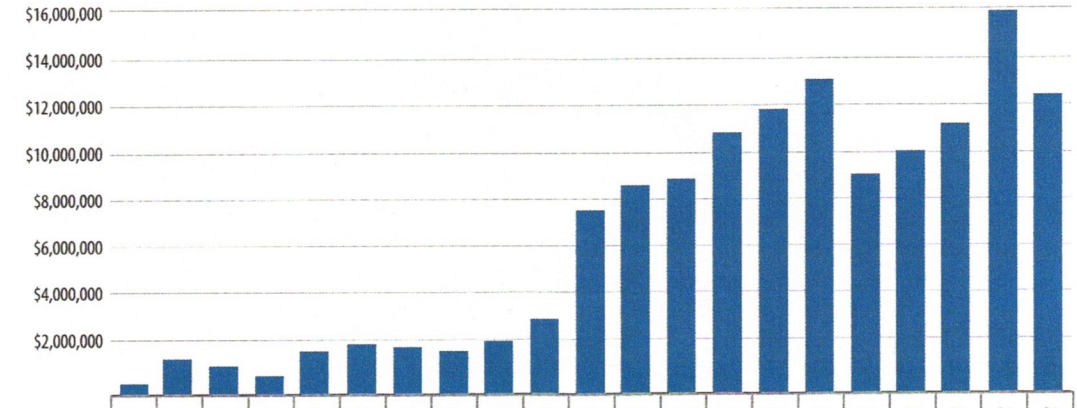
Five Year History of Strong Gross Profit Margins



	2012	2013	2014	2015	2016*	2017*
%	80.8%	84.2%	89.2%	89.2%	86.8%	88.1%

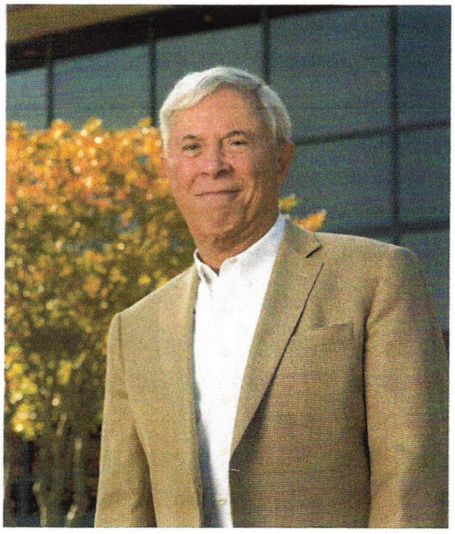
**Adjusted Gross Margin - excludes purchase accounting effects of Stability Biologics acquisition*

21 Consecutive Quarters of Positive Adjusted EBITDA



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
EBITDA	314	923	726	437	1,119	1,165	1,156	1,326	1,976	2,814	7,298	8,510	8,766	10,561	11,797	12,368	9,073	10,074	11,357	13,902	12,403
	2012				2013				2014				2015				2016				2017

MESSAGE FROM THE CHAIRMAN AND CEO



As a result of the significant progress that MiMedx has made in the past year, particularly on our strategic initiatives, we feel it is appropriate to provide our shareholders, employees and other constituents with this special Business Report.

By that, we simply mean that going forward, we will not only have products that are in the market regulated under Section 361 of the Public Health Service Act, but we will have products in the market as a result of FDA "approvals" from our IND/BLA clinical trials.

Most biopharmaceutical companies spend many years focusing on a few key molecules on which they enter into lengthy Phase I, II and III trials in order to obtain FDA approval for their biologic or drug. In many cases, they do not know whether their unique molecules are going to be safe or effective until many years into these trials.

MiMedx has the distinct advantage of having a technology platform that includes over 220 proteins that are growth factors, cytokines and chemokines. These proteins act as a milieu of components that enhance healing, modulate inflammation, reduce scar tissue formation and support angiogenesis. With our numerous scientific published studies, we have characterized the action of this milieu of proteins as being a "Stem Cell Magnet®." That is, when placed on an external or internal wound or site of injury, these proteins act in concert with the local surrounding tissue to draw stem cells to the site to create a cascade of actions that are regenerative in nature and can have positive therapeutic results.

The most significant advantage of having amnion and placenta based technology is that we can utilize the tissue under Section 361 of the Public Health Service Act (PHSA) to generate revenues and conduct certain clinical trials on related activities in preparation of the longer term IND/BLA process for FDA approvals. This allows us to know our proteins and their effects extremely well before we have to make certain clinical decisions regarding our FDA related studies. As with our current IND/BLA study for plantar fasciitis, we were allowed to enter this study in Phase IIB with Phase I and Phase IIA trials being eliminated. Therefore, we entered Phase IIB, which is an efficacy phase, without having to prove the safety of our amniotic membrane injectable product. This has reduced our FDA trial time by several years.

MiMedx is in a truly unique position in the biopharmaceutical area because of our ability to develop clinical and scientific data with our human tissue, namely the amniotic membrane and placenta, and actually use some of those product configurations in medical practice under Section 361. This valuable experience gives MiMedx a great advantage when initiating FDA clinical trials for other products requiring IND/BLA pathways.

At this point in our history, we have developed over five years of clinical and scientific data which has resulted in over 40 publications in peer reviewed journals. Therefore, we have a substantial amount of scientific information helping us characterize the mode of action and other important parameters of our placenta based technology. In addition, we have conducted studies on over 2300 patients at this point, and most of those studies have already been published. However, we have two large randomized controlled trials for diabetic foot ulcers and venous leg ulcers that we expect to publish this year. That means that MiMedx will have compiled much more published clinical data on our technology than all of our competitors combined. Therefore, our scientists and clinicians know our products very well, although they will continue to conduct studies and gather data for many years in the future.

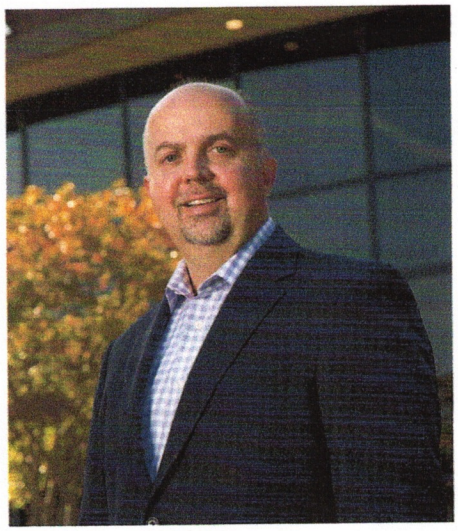
MiMedx will enter our Phase III trial for our injectable product for the indication of plantar fasciitis in the very near future. We expect that trial to be completed and our application for a biologics license to be entered in 2019. However, in parallel, we will be conducting studies on other forms of tendinitis. We also expect to file for the start of an IND study in support of a BLA for applying our injectable products to osteoarthritic knee joint pain by the third quarter of this year.

Having this placental platform technology with over 45 issued and allowed placental tissue patents and over 90 pending is extremely advantageous for MiMedx. This will be particularly true when we are successful with our first patent trial which we expect to occur in 2017. That should allow us to obtain "injunctive relief" and shorten our legal closure against other patent violators by many years.

I hope you find this 2017 Business Report enlightening as to the significant progress MiMedx has made over the years. Our progress has dramatically improved our ability to serve our patients and you as one of our constituents.

Parker H. "Pete" Petit,
Chairman and Chief Executive Officer
May 17, 2017

MESSAGE FROM THE PRESIDENT AND COO



Over the past six years, MiMedx has transformed from a small tissue processor, to the world-wide scientific, clinical, and market leader in placental tissue.

This progression began in January 2011 when we first entered the advanced wound care market. Shortly after we entered this market, we declared to our investors and our customers that we were committed to becoming the world-wide leader in clinical and scientific discovery in the area of placental tissue, and that increased market share would follow. That was MiMedx's first and biggest transformational moment, and the first of several that have occurred over the past six years.

Our transformation into the world-wide placental tissue market leader with $245 million in revenue in six years was definitely the result of LEADERSHIP. Each and every member of the team has played an important role in building MiMedx into the preeminent placental tissue company in the world. Thus, positioning MiMedx for its next major transformative move to a biopharmaceutical company.

This transformation of MiMedx into a biopharmaceutical company will expand our leadership position in placental tissue technologies with a myriad of clinical uses. We will continue the expansion of our knowledge-base with further clinical and scientific exploration. We will continue to debunk the pseudoscience that many of our competitors promote because that is a disservice to our sector of healthcare.

Our growth will continue as we build upon our strategic and tactical advantages and the barriers to entry that we continue to strengthen, including:

- Peer reviewed and published scientific & clinical studies
- Reimbursement coverage & health policy expertise
- Quality Systems and GMP expertise/for drug and biologic approvals
- 100 issued and allowed patents (Over 45 on placental tissue)
- Over 120 pending patent applications (Over 90 on placental tissue)
- Numerous IDN/GPO preferred contracts
- Most efficient sales and marketing organization with supporting sales management system and effectively trained sales personnel
- World-wide operations
- Effective physician educational programs
- Efficient R&D organization and product pipeline
- Multi-year head start on possible competition
- Public Health Service Act (PHSA) Section 361 (Human Cellular Tissue Products (HCT/Ps) allografts with "intended uses")
- Transition to BLA products (Biologic-drugs with approved "indications for use")

Continuing forward with this transformation to a biopharmaceutical company will certainly draw the attention of our competition. But, that is what happens when you are the unquestioned MARKET LEADER – companies try to emulate your success. More often than not they fall short and some resort to misinformation and pseudoscience to confuse clinicians and try to make a place for themselves. MiMedx does not participate in that kind of behavior, and we also find that most clinicians do not appreciate it. The market for placental tissue products is enormous, and there is room for many ethical competitors. In fact, good, honest competition is good for patients, physicians, insurance companies, the health care system and for MiMedx. We challenge all of our competitors to innovate and to raise the level of integrity, science, clinical, and cost effectiveness in the same way we have over the past six years.

If there is one thing that our shareholders can depend on, it is the fact that we at MiMedx will endeavor to do the right thing, with integrity. I expect that over the coming months and years, you will see a further remarkable transformation of our organization.

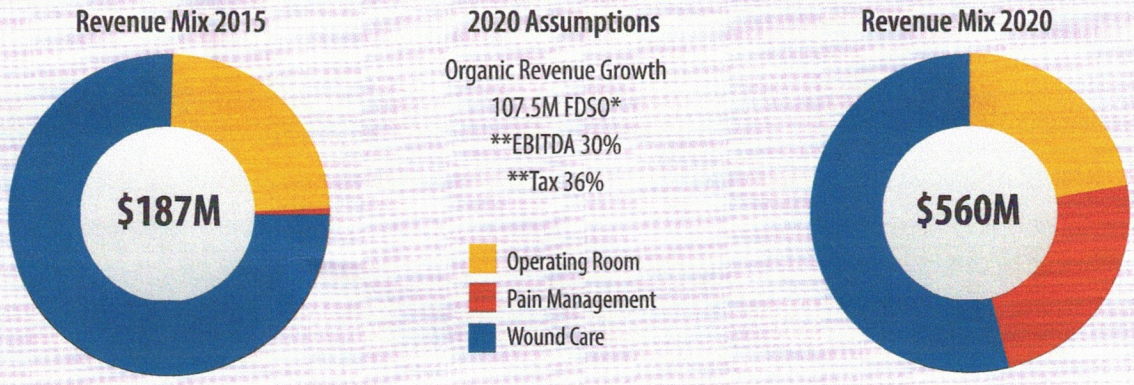
William C. Taylor,
President and Chief Operating Officer

THE LEADER IN PLACENTAL THERAPEUTIC AND REGENERATIVE BIOLOGICS SINCE 2006

MiMedx is the biopharmaceutical leader in placental allografts, and is now developing regenerative and therapeutic biologics. We have supplied over 900,000 amniotic and placental derived tissue allografts as of May 2017 for applications in Wound Care, Surgical, Orthopedic/ Sports Medicine, Pain Management, Spinal, Ophthalmic, and the Dental segments of healthcare. This accomplishment has occurred without any adverse reactions attributable to our products.†

STRATEGIC FINANCIAL GOAL

IN 2020: TRIPLE 2015 REVENUE, DELIVER $1.00 OF ADJUSTED EPS AND COMPLETE TRANSITION TO A BIOPHARMACEUTICAL COMPANY



*Fully diluted shares outstanding **Adjusted EBITDA and Taxes

We describe our strategic financial goal as "3 and 1 in 20" which means we will triple 2015 revenues to $560M and deliver $1.00 of adjusted earnings in 2020. MiMedx has a unique opportunity to launch the same product under Section 361 of the Public Health Service Act (PHSA) and the FDA BLA regulations which will lower clinical trial risks and shorten associated timelines. Existing products will remain in the market regulated through Section 361 of the PHSA. MiMedx will also take new product entrants through regulatory paths of Section 351 of PHSA under the FDA IND/BLA programs.

Pain management, respiratory disease and cardiovascular disease are large biopharmaceutical opportunities that the Company is focusing on to meet the needs of many patients seeking new treatment alternatives in these areas. The Company continues to research new opportunities for placental tissue and fluid, and currently has several additional offerings in various stages of conceptualization and development.

"MiMedx has a special, competitive advantage. We will be generating over half a billion dollars of revenue in 2020 in our core, regenerative platform as our new bio-therapeutic products for pain management in the knee joint and soft tissue are beginning to enter the market."

— Christopher M. Cashman,
Executive Vice President and Chief Commercialization Officer

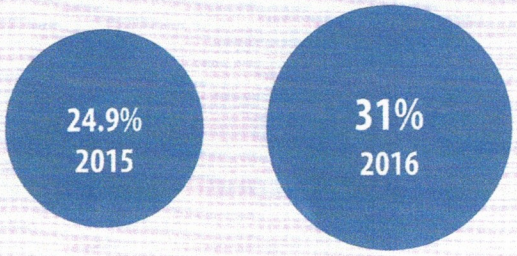
†As of May 1, 2017

MIMEDX COMMERCIAL SUCCESS

MiMedx's EpiFix and associated advanced wound care placental tissue products established a 31% market share in 2016 in the Skin Dermal Substitute (SDS) Market of the Advanced Biologics Wound Market. This was up from 24.9% in 2015. In 2016, the SDS market spend totaled $680 million; this represented a 15% increase over 2015 following a 16.9% increase from 2014.

SKIN DERMAL SUBSTITUTE MARKET SHARE

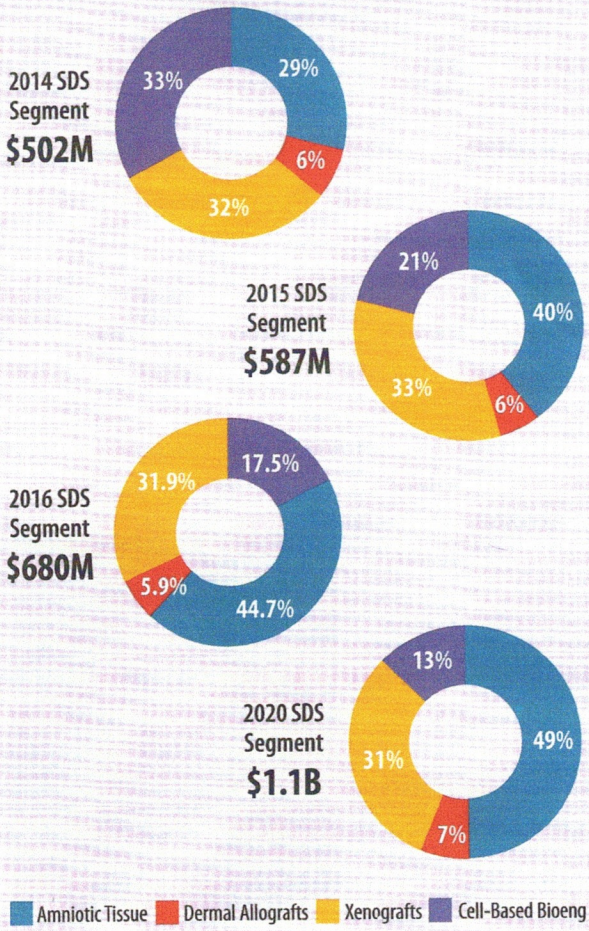
EpiFix and Associated Advanced Wound Care Placental Tissue Products Market Share[1]



U.S. WOUND CARE BIOLOGICS MARKET 2020

Amniotic Membrane Technology (EpiFix) Driving Market Expansion

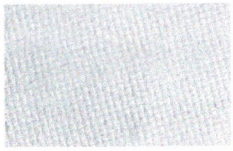
Skin/Dermal Substitute (SDS) Segment **$1.1B** (5YR CAGR 13%)[1]



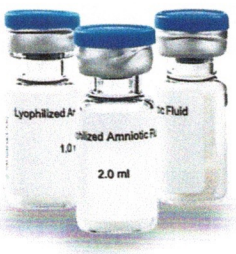
By 2020, the overall SDS market spend is expected to surpass $1.1 billion, driven by amnion/placental based products as the primary drivers of expansion making up approximately half of that total. Most importantly, MiMedx products today make up approximately 63 percent of the amniotic technology products used.[1] This exceptional growth is expected to continue over the next few years.

The MiMedx product portfolio has grown since 2006, consisting of our EpiFix and AmnioFix flagship products and various line extensions such as EpiBurn, EpiFix Mesh and AmnioFix Sports Med. MiMedx expects to sustain more than 20% revenue growth with its advanced wound care products over the next few years.

MiMedx introduced three new products in 2016:



1. EpiCord and AmnioCord are unique, thick allografts derived from the umbilical cord, the structure that protects the arteries and vein that carry essential nourishment and oxygenated blood to and from the mother and fetus. Umbilical cord consists of amniotic epithelium and Wharton's jelly containing extracellular matrix composed of collagen, proteoglycans and hyaluronic acid. Our EpiCord and AmnioCord allografts are minimally manipulated, lyophilized, terminally sterilized umbilical cord allografts for homologous use. The difference between these two products is that EpiCord also provides a connective tissue matrix to replace or supplement damaged or inadequate integumental tissue. Both of these products are processed using the PURION® PLUS Process, a unique approach that provides an easy to use allograft stored at ambient conditions. Due to the thicker nature of these allografts, physicians have reported that utilizing a stitch to hold the AmnioCord in place in lower extremity surgical applications is very useful.



2. OrthoFlo is amniotic fluid that is provided lyophilized and terminally sterilized, which enables it to be stored at ambient conditions. OrthoFlo is intended for homologous use to protect and cushion, provide lubrication for enhanced mobility and modulate inflammation. OrthoFlo is a human tissue allograft that is derived from amniotic fluid, donated by mothers delivering healthy babies by scheduled Caesarean section. Amniotic fluid, *in utero*, naturally functions to protect, cushion and lubricate.[4]

Key elements of amniotic fluid include growth factors, carbohydrates, proteins, lipids, electrolytes, and other nutrients, as well as hyaluronic acid (HA), a principle component

that provides viscosity and lubrication in the synovial fluid that surrounds joints.[4,5] Therefore, office based physicians are reporting early use experience and treatment success with OrthoFlo in osteoarthritis patients for pain management approaches to joint or soft tissue injuries.

3. AmnioFill is intended for homologous use as a placental connective tissue matrix to replace or supplement damaged or inadequate integumental tissue for acute and chronic wounds to modulate inflammation, enhance healing and reduce scar tissue formation. AmnioFill is a minimally manipulated, terminally sterilized, non-viable cellular tissue matrix allograft that contains multiple extracellular matrix proteins, growth factors, cytokines, and other specialty proteins present in placental tissue. This allograft is stored at ambient conditions. AmnioFill is a human collagen matrix and versatile tissue form which provides a scaffold for ingrowth in acute and chronic wounds in the surgical operating room setting.

GROWTH CATALYSTS: Wound care, operating room, physician office/pain management. With the core competency of our analytics capabilities, MiMedx will continue to strengthen our Sales Management System (SMS) for reporting, tracking, targeting and forecasting in the management of our sales teams. We will continue to appropriately add account executives to our commercial team. During the first quarter of 2016, MiMedx had approximately 325 personnel in the sales organization and that will grow to almost 380 by year's end. It is reasonable that MiMedx could continue to add 50 to 60 new hires per year into 2020.

GPOs & IDNs

MiMedx has 5 Group Purchasing Organization (GPO) contracts in place which cover approximately 4,000 hospitals. Four of the GPOs have 80% or sole commitment tiers for Amniotic Tissue/Skin Substitute. MiMedx also has 40 Integrated Delivery Network (IDN) contracts that cover approximately 1,300 hospitals.

GROWTH CATALYSTS FOR THE THREE SALES ORGANIZATIONS INCLUDE:

Wound Care Growth Catalysts

1. Continue to Take Market Share

- Leverage safety advantage of terminal sterilization
- Expand scientific and clinical body of evidence
- Increase lives and expanding indications under coverage
- Broaden reach in IDN / GPO contracts
- Add new products
- Explore new settings, long-term acute care (LTAC)

2. Expanding the Market

- Secondary city expansion
- Converting physicians who do not use advanced wound care (AWC) products
- Influencing and improving referral patterns

3. Drive International Expansion

- Gain regulatory approval
- Conduct local clinical trials
- Establish reimbursement
- Expand distribution channels

Operating Room Growth Catalysts

1. Increasing Footprint

- Continue to hire direct surgical salespersons, currently at 30
- Deeper penetration of GPO and IDN contracts

2. Expanding Product Lines

- New product launches: AmnioFill, OrthoFlo Sport
- Synergistic Acquisitions

3. Growing Demand

- Publish clinical trials showing improved surgical outcomes and reduced complications
- Increase number of Hospital Value Analysis Committee (VAC) approvals
- Increase number of physician key opinion leaders (KOLs) and early adopters

Pain Management Growth Catalysts

1. Increasing Footprint

- Hire direct office salesforce, and continue current use of agents/distributors
- Deeper penetration of GPO and IDN contracts

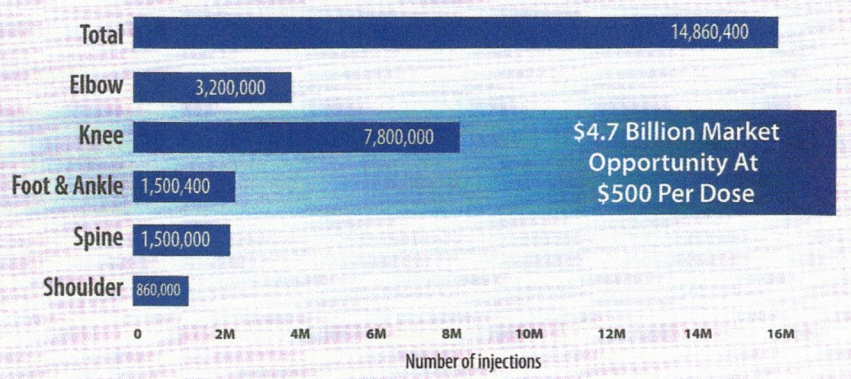
2. Expanding Product Line

- New product launches: OrthoFlo Sport
- Synergistic acquisitions

3. Growing Demand

- Publish clinical trials showing improved osteoarthritis and pain management outcomes and reduced complications
- Increase number of sports medicine and pain management KOLs and early adopters

In 2015, approximately 15 million injections[1] were administered in joints to treat pain of which some of the products were cash pay by patients as they are not covered for reimbursement. A safer and more durable treatment option is needed.



MiMedx received the Innovative Technology Supplier of the Year Award from Vizient™, Inc., the nation's largest member-driven health care improvement company in the country. This award recognizes MiMedx for its positive impact on patient care provided through Vizient members in 2016.

There has been a wide adoption of our technology by GPO/IDN contracted members, and utilization of our contracts has grown significantly since inception. We have seen the utilization of our allografts produce many extremely positive outcomes and improvements in patient care.

Recent Market Developments

In the last six months, three market changing announcements have occurred in the advanced sector of healthcare.

First, Integra® acquired Derma Sciences in the fourth quarter of 2016. Derma Sciences' AMNIOMATRIX® and AMNIOEXCEL® products generated total wound revenue of approximately $3.3M in 2016. Notably, concerning Integra's Omnigraft™, CMS hospital outpatient numbers for Q3 2016 revenues came in at $41,000 for the third quarter and $68,000 for the last nine months of 2016. Following this lack of Omnigraft progress, which was forecasted by management to approach $10M in revenues in 2016, Integra has invested in its second amniotic technology platform in two years and fourth wound product for the same applications. This demonstrates a lack of market adoption for its products thus far. Integra does not have significant commercial health plan coverage nor a compendium of peer review studies supporting clinical efficacy like MiMedx has had for years. The concept that a portfolio of products such as offloading boots, dressings, ointments and advanced skin substitutes is able to be bundled in a highly strategic and successful manner is a misconception in our view. Treatment modalities in wound care are independent utilization decisions. It is very important to note, in the wound care centers and office setting, each product has a value proposition and treatment decisions are related to reimbursement coverage. In our opinion, commodities cannot be leveraged to improve advanced therapy utilization. Derma Sciences' own history with its mixed portfolio is the best example. These products' attributes are not compelling enough to make this strategy successful as evidenced by Derma Sciences' lack of Medicare growth performance since 2014.

Second, just over a month ago, Organogenesis announced the acquisition of Nutech®, an Alabama based provider of amnion technologies. Organogenesis had been very active and vocal over the last five years about how amniotic technologies are not effective and are regulated inappropriately. However, it is interesting that it has now acquired a small amniotic technology company. Beginning in 2012, Organogenesis attempted to cause many issues for MiMedx at the Veteran Affairs (VA) System, CMS, and the FDA. These initiatives were unsuccessful at the VA and CMS; however, they did cause disruption at the FDA in 2013. MiMedx has used that untoward activity to more quickly transition to a biopharmaceutical organization. We believe we owe Organogenesis a "Thank You!" The Organogenesis PuraPly™ wound dressing comes off pass-through status at year's end, so this clearly is a desperation move to bolster continued eroding Apligraf® revenue and market share.

Finally, Osiris® Therapeutics Inc. announced that it is developing a lyophilized, shelf stable amniotic product for the market. The company acknowledges the shortfalls in its Grafix® and related products in its press release of March 30, 2017 stating, "Cryopreservation requires ultra-low-temperature freezers and dry ice or liquid nitrogen for storage, which limits the widespread use of cellular therapies." The company further claimed that it had developed a lyophilized means to preserve viable cells in its tissue membrane to be stored at ambient temperature. MiMedx has shown the superiority of bioactive dHACM, and we see NO actual scientific evidence presented by Osiris that would suggest they or anyone else can accomplish this "feat" in regards to preserving viable cells even after lyophilization. We believe this type of misinformation and pseudoscience is a disservice to professional wound care providers. As Osiris now moves to processing shelf stable allografts, they are following in our footsteps. MiMedx has been the leader in developing bioactive, shelf stable regenerative products since 2006.

PATIENT SAFETY AND TERMINAL STERILIZATION

The MiMedx flagship amniotic allografts have always been terminally sterilized, and the Company's proprietary PURION® Process has continually used terminal sterilization as an essential part of the process.

It should be noted that aseptic processes, which many tissue companies utilize, are usually validated to claim a less than 1 in 1,000 probability of a non-sterile unit per FDA Guidance and ISO standards. The probability of an occurrence of a non-sterile unit in products produced by MiMedx is significantly lower, however. Specifically, MiMedx's process and terminal sterilization validations provide a less than 1 in 1 million probability of a non-sterile unit, which is at least a 1,000 times higher safety margin than typical aseptically processed tissue products. To further enhance the safety of its amniotic products, the MiMedx proprietary processing methodology employs aseptic processing techniques in addition to terminal sterilization.

The viral safety of all MiMedx tissue products is determined by:

1. **Donor eligibility:**
   - Donor blood test for screening of known possible viruses
   - Donor physical examination
   - Donor risk assessment interview
   - Donor medical history and medical record review
2. **Specific process steps to reduce, inactivate or remove viruses, such as:**
   - Rinses
   - Chemical treatments
   - Dehydration
3. **Terminal radiation sterilization**

INSURANCE COVERAGE

MiMedx has secured Medicare coverage from all of the Medicare Administrative Contractors (MACs), encompassing 40.3 million lives. We achieved coverage early on in the request process beginning in 2012 because EpiFix demonstrated efficacy in our Randomized Controlled Trials. Even though some of the MACs have opened up their policies or retired their policies, allowing small competitors access, EpiFix has continued to achieve a tremendous acceptance rate by physicians and hospitals because our allografts are shown to be highly efficacious from published clinical trials.

Overall, MiMedx has achieved reimbursement coverage of over 308 million lives. This includes all MACs coverage, the majority of commercial payers, and Medicaid coverage in 36 states. When looking at the breadth of coverage, this is primarily for diabetic foot ulcers (DFUs). We have coverage for both DFUs and venous leg ulcers (VLUs) in Medicare, but mainly DFUs in commercial plans. With the anticipated publication of our large VLU randomized controlled trial results in mid-2017, we anticipate achieving an additional 133 million commercial covered lives for VLUs. This added coverage will extrapolate to a significant revenue opportunity for MiMedx.

We have a number of competitors within wound care that received a Q-Code and have been able to receive coverage in these MACs with retired Local Coverage Determinations (LCDs) for several years, yet none of these dehydrated single layer amnion products have garnered more than 1.5% of the market share for the wound care market. Additionally, we have achieved our success against the back-drop of some products having pass-through status, which affords a hospital or physician advantageous reimbursement for a three year period.

One important note is that commercial coverage traditionally pays on a per square centimeter basis, which will allow for the VLUs to be reimbursed at the full size of the wound and not bundled like in the Medicare environment.

This is a significant difference.

For the biopharmaceutical products, we anticipate our reimbursement coverage will be a significant advantage because we should gain coverage quickly with prescribed pathways for biologic drug products. These product lines will have J-Codes not C-Codes. Additionally, with MiMedx's informatics capabilities, we are able to supplement our requests for coverage to the payers with detailed pharmacoeconomic analysis.

Medicare

The largest third party payer in the United States is the Medicare program administered by the Centers for Medicare and Medicaid Services (CMS), with 40.3 million covered lives. The CMS has appointed eight Medicare Administrative Contractors (MACs) made up of private insurance companies that process claims for the Medicare population in the assigned jurisdiction. Each MAC has its own process for determining coverage and reimbursement for a procedure or product. MiMedx began achieving coverage in 2013 because EpiFix met the threshold requirement for scientific evidence and efficacy demonstrated through our Randomized Controlled Trials. Medicare is typically considered the "gold standard" in the insurance world, and private payers routinely follow Medicare's lead in granting coverage and reimbursement. Some of the MACs revised their policies to include all skin substitute products while other MACs have retired their policies, basing coverage and reimbursement on meeting the criteria of "medically

reasonable and necessary." There are a number of wound care competitors that have product coverage in Medicare jurisdictions where the skin substitute policies have been retired. However, none of these dehydrated single layer amnion products have garnered more than 1.5% of the market share in wound care.

EpiFix continues to achieve a tremendous acceptance rate by physicians and hospitals because our allografts are shown to be highly efficacious based on our numerous published clinical trials. Additionally, we continue to achieve increasing adoption by providers despite the back-drop of some products having pass-through status, which affords a provider advantageous Medicare reimbursement for up to a three year period in the outpatient setting.

Private Health Plans

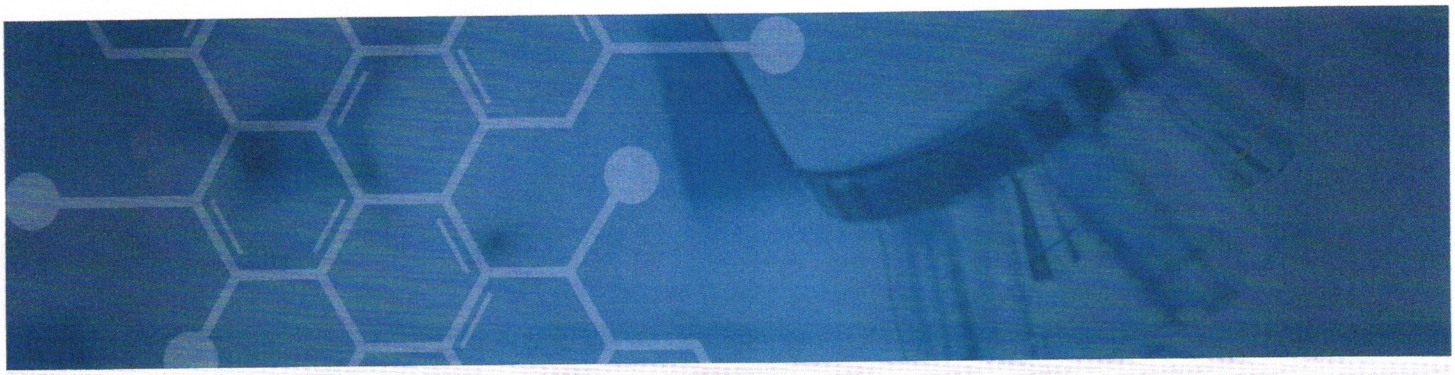
MiMedx continues to devote considerable resources to clinical trials to support coverage and reimbursement of our products, allowing us to confirm an increasing number of private payers that reimburse for EpiFix in the physician office, the hospital outpatient department, and the ambulatory surgery center settings. Coverage and reimbursement varies according to the patient's health plan and related benefits. To date, more than 800 health plans provide coverage for EpiFix for the treatment of diabetic foot ulcers (DFUs) and venous leg ulcers (VLUs). This translates to coverage availability for more than 207 million lives.

Medicaid

Medicaid, the nation's public health insurance program for low-income individuals and people with disabilities, covers 1 in 5 Americans. MiMedx continues to gain coverage with the State Medicaid plans, and currently maintains coverage with over 36 traditional State plans, resulting in coverage and reimbursement for over 60 million Medicaid recipients. Many states have added managed Medicaid plans for Medicaid recipients that are administered by private payers contracting with the State Medicaid plans. These covered lives are included in the more than 800 private health plans providing coverage for MiMedx products.

In summary, MiMedx has achieved coverage and reimbursement for over 308 million lives through both government and private insurance avenues. For the biopharmaceutical products, we anticipate gaining coverage quickly with the current pathways for biologic drug products. Additionally, with MiMedx's informatics capabilities, we are able to supplement our requests to the payers with detailed pharmacoeconomic analyses. With the anticipated publication of our large VLU randomized controlled trial results in mid-2017, we anticipate achieving an additional 133 million commercial covered lives for VLU patients. This added coverage will result in a significant revenue opportunity for MiMedx.

MIMEDX ALLOGRAFTS RECOGNIZED WITH UNITED STATES PHARMACOPEIA MONOGRAPH



MiMedx dHACM is the first human amnion/chorion dehydrated membrane to meet the requirements of the United States Pharmacopeia (USP) monograph.[2] This significant achievement is recognized in an official USP-National Formulary (NF) monograph with the online publication of U.S. Pharmacopeia 40 – National Formulary 35.1. This monograph includes our EpiFix and AmnioFix sheet products.

USP™
U.S. Pharmacopeial Convention

The USP and the National Formulary (NF) are the public pharmacopeia standards for drug substances, dosage forms, compounded preparations, excipients, dietary supplements, and medical devices.

The new "Tissue Human Amnion Chorion Membrane Dehydrated" USP Monograph outlines the definition of the products covered, as well as the specification, packaging, storage, and labeling requirements with which a product must conform. Validated tests, procedures for the tests, and acceptance criteria make up the specification. All products must have the stipulated strength, quality, and purity if they expect to conform to the requirements of this Monograph.

"Historically, a USP-NF Monograph sets the standard for a pharmaceutical, food ingredient, or dietary supplement product. The publication of the Monograph has clearly established our leadership position as another standard by which MiMedx dHACM allografts are unmatched in the industry."

— Deborah L. Dean,
Executive Vice President and Chief Compliance Officer

THE LEADER IN CLINICAL RESEARCH

MiMedx currently has over 30 ongoing clinical studies in various stages of development and execution, with 123 clinical sites under management and 175 doctors currently contracted for research activities. This activity involves over 450 legal agreements and contracts for studies. MiMedx regularly receives proposals from clinicians interested in conducting research across multiple specialties. The chart below further outlines our clinical operations and demonstrates that biopharmaceutical clinical trials require very specific expertise which MiMedx has developed over the years.

CLINICAL OPERATIONS: GENERAL STATISTICS*

Biopharma Clinical Trials require Specific Expertise

Current ongoing clinical studies	30
Number of clinical sites under management	123
Number of doctors under contract for research activities	175
Number of legal agreements & contracts for studies	450+
Protocols under review for funding	7
External clinical proposals submitted for review	53
Peer reviewed publications using MiMedx allografts	42
Total posters prepared for industry conference presentation	164

**Studies where patients are being actively managed or in process. Approximate numbers as of 01/18/2017.*

MiMedx manages all clinical trials the company conducts. We typically do not outsource the management to clinical research organizations (CROs). This is a significant advantage, as we can move faster with more responsiveness and at a significantly lower cost. Our biopharmaceutical approach enables MiMedx to learn and seamlessly advance from our experience with 361 products to quickly implement IND studies for indications in support of the more detailed FDA BLA process. The inherent safety of products in the 361 regulatory category and the extensive literature and science accomplished with our allografts has accelerated the advancement of our clinical studies to bypass Phase I testing and move immediately to Phase II and Phase III level clinical trials for the FDA. These factors significantly reduce the risk for our clinical trials and facilitates a quicker and more efficient path to market.

RECENT CLINICAL STUDY ACTIVITIES

Clinical activity within MiMedx has focused on the execution of well-designed clinical trials, leading to formal publication of the results in peer reviewed, indexed medical journals, a unique approach for the wound care sector of health care. Multiple clinical trials have been completed within the past several years, and several very key studies are scheduled to complete this year maintaining a steady stream of new information, proof of concept for products and validation for new regenerative biologic therapies. Studies initially focused on the regenerative properties of our dHACM in the treatment of chronic wounds, particularly diabetic and venous lower extremity ulcers. The table below outlines our current clinical studies in progress for Wound Care, Surgical Tendonitis, Orthopedic and Burns.

In the last few years, MiMedx has greatly expanded our ongoing clinical trials under way, in both number and complexity. Our clinical trial administration is computerized and uses state of the art data collection tools such as web-enabled cameras in wound studies. Internationally based studies have been completed in Canada and Europe, and ongoing clinical research on the use of EpiFix are under way in Europe and Japan.

MiMedx continues to regularly produce retrospective case series, individual case reports, and various other supportive materials documenting the efficacy of our allografts. Multiple retrospective single and multicenter product case series reviews continue to both underscore the regenerative properties of our dHACM and develop the clinical parameters needed for future clinical trial development. These include a multicenter review of the effectiveness and safety of using AmnioFix in colon surgery to prevent leaks in colonic anastomosis and a retrospective review of the effectiveness and safety of using AmnioFix Injectable in the treatment of knee osteoarthritis.

Going forward, the development of our pain management products will require IND studies. We currently are finishing enrollment of our Phase IIB plantar fasciitis study. We have met with the FDA to review these results and will share the top line data early in the third quarter of 2017. We anticipate initiating our Phase III study in the fall of 2017.

OUTCOME FOCUSED

MiMedx continues to make a serious commitment to the preclinical and clinical research needed to confirm the clinical efficacy of our products and to maintain our industry leadership role in advancing the clinical science of the regenerative products we manufacture. We will continue to leverage and develop these research capabilities to support the innovation of our future biopharmaceutical products.

CLINICAL STUDIES IN PROGRESS

Wound Care	Sites	Patients
EpiFix VLU Multicenter	16	150
EpiFix DFU Multicenter	20	130
EpiCord DFU Multicenter	12	66
Pressure Ulcer Study	1	10
Pressure Ulcer Study	1	20

Surgical	Sites	Patients
Retrospective Colorectal Surgery	3	390
Prostatectomy Trial	1	230
Partial Nephrectomy	1	70
Prospective Salivary Leaks	1	70

Burn	Sites	Patients
EpiFix Burn Multicenter	9	60

Biotherapeutic/Pain Management	Sites	Patients
AmnioFix Injectable IND Plantar Fasciitis	20	146
OrthoFlo OA Knee Pilot Clinical Trial: Lyophilized	2	10
OrthoFlo OA Knee Clinical Trial: Lyophilized	3	180
OrthoFlo OA Hip Clinical Trial: Lyophilized	2	30
OrthoFlo Trochanteric Bursitis Clinical Trial: Lyophilized	2	30

Orthopedic	Sites	Patients
AmnioCord Shoulder Supraspinatus Tendon Repair	2	80
Spine	1	224
Orthopedic Knee ACL Repair w/ AmnioFix	1	40
Orthopedic Foot and Ankle Repair w/ AmnioFix (Retrospective)	1	60

KEY 2017 CLINICAL MILESTONES

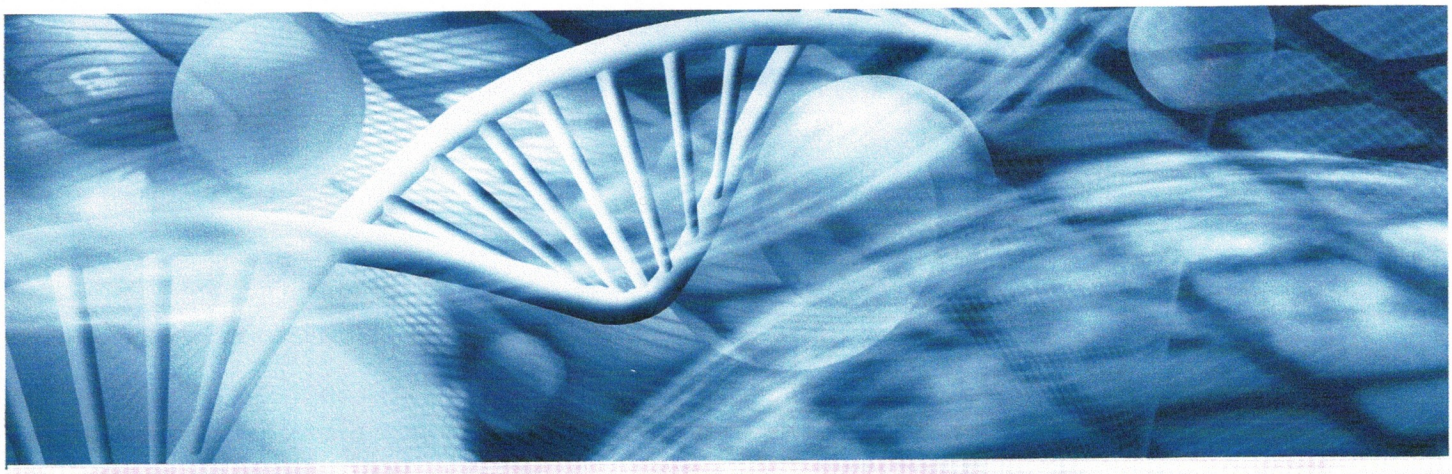
First Half 2017
- Report of the VLU Multicenter Data
- Report of the DFU Multicenter Data

Mid-2017
- Plantar Fasciitis IIB Interim Data
- Publish of the GI Anastomosis Data

Second Half 2017
- Publication of VLU Multicenter Trial
- Publication of DFU Multicenter Trial
- Report on Prostatectomy Data
- Report on Knee OA Data

2018
- Plantar Fasciitis IIB Data
- Knee OA Data

THE LEADER IN SCIENTIFIC RESEARCH



MiMedx is the unquestioned industry leader in the science of placental derived allografts including amniotic membrane. We have published nine peer reviewed scientific papers, two book chapters, and the first of its kind book on amniotic membrane and regenerative medicine: *A Primer on Amniotic Membrane Regenerative Healing*. We execute and publish empirical work on the composition, properties, cellular and molecular mechanisms underlying the regenerative properties and clinical efficacy of our allograft products. We work with premier academic institutions to employ state of the art pre-clinical animal models to understand the physiological mechanisms of why our products work *in vivo* to promote normal healing.

Our published scientific work has established that dehydrated human amniotic membrane (dHACM, EpiFix, AmnioFix) retains an inherent milieu of biological activities that are crucial for wound healing, injury repair and proper tissue regeneration.

MiMedx dHACM contains a large and diverse array of over 220 essential growth factors, cytokines and chemokines that are proven to be therapeutic regulators of inflammation, wound repair and tissue regeneration. Compositional analyses, cell culture and pre-clinical trials have established that our dHACM promotes angiogenesis and neovascularization by recruiting vascular progenitor cells, upregulating the proangiogenic activities of vascular endothelial cells, and ultimately stimulating the formation of new blood vessels. Both *in vitro* cell culture experiments and *in vivo* pre-clinical models have demonstrated that dHACM recruits mesenchymal stem cells, and acts as a Stem Cell Magnet.

Our peer reviewed published research has also shown that dHACM contains an array of factors that are known to modulate inflammation. MiMedx dHACM contains chemokines that are capable of recruiting cells of the inflammatory cascade, including T cells, neutrophils, monocytes, among a range of others.

Our dHACM also contains an abundance of cytokines that regulate the activity of cells involved in controlling inflammation, for example, numerous interleukins. Our dHACM contains both anti-inflammatory factors and pro-inflammatory factors. The relative proportions of these factors is what naturally occurs in the amniotic membrane in situ, which is responsible for maintaining the membrane's natural quiescent inflammatory status. MiMedx dHACM has the potential therapeutic capability to modulate the rampant inflammation that underlies impediments to soft tissue repair in chronic wounds and soft tissue musculoskeletal tissues such as tendons and joints.

Recent published work has determined that our dHACM can directly regulate the bioactivity of both mesenchymal stem cells and hematopoietic stem cells, the two major classes of stem cells that are critical for tissue repair and regeneration. However, recruiting stem cells is only half the mission to promote proper healing. Once the stem cells arrive at the compromised healing site, what they do when they get there is of equal importance. We have proven and published that MiMedx dHACM can modulate the bioactivity of both mesenchymal stem cells and hematopoietic stem cells. It causes them to proliferate, thereby increasing the

number of effective reparative stem cells at the site. This action upregulates production of growth factors, thereby increasing the therapeutic efficacy of the recruited stem cells.

MiMedx is the industry leader on the science related to placental derived allografts, and we encourage everyone to strive for scientific discipline.

Ongoing research is focusing on characterizing the biological properties of EpiCord/AmnioCord, OrthoFlo and AmnioFill in relation to their therapeutic effects when used clinically for wound healing, repair of acute injuries, burns, chronic wounds and osteoarthritis. We have shown, for example, that OrthoFlo has a positive effect on cultured human knee synoviocytes that can potentially be therapeutic for osteoarthritis. Current research on our umbilical cord products is delineating the effects of the tissue allografts on the molecular and cellular mechanisms instrumental in cell mediated reparative processes. We have animal studies underway to examine the therapeutic effects of our allograft products on burns and musculoskeletal injuries. All of these investigations should result in peer reviewed, scientific publications.

Our research group has an ongoing program for analyzing competitive products, including virtually every amniotic membrane product on the market. We have analyzed over 70 products that compete in various markets. We analyze the structure and composition of these products, and verify many of our results with outside laboratories. We analyze the growth factor content in competitive products since our PURION Processed allografts contain high levels of these important therapeutic regulators and the growth factors play a major role in the clinical efficacy of our products.

The growth factor content in our products GREATLY exceeds that in virtually all of the competitive products we have analyzed. Our published scientific studies and other data are a source of our clear message: **not all amniotic placental tissue products are equally processed or have the same efficacy, cost effectiveness and safety.**

MiMedx is committed to a rigorous research program and an ethical dissemination of the science underlying the clinical efficacy of our technology. The science is disseminated through peer reviewed publications in well-respected scientific and clinical journals, white papers and marketing materials distributed to our customers, and scientific presentations at national meetings. Through these publications, we combat the prevalent pseudoscience propagated by many of our competitors.

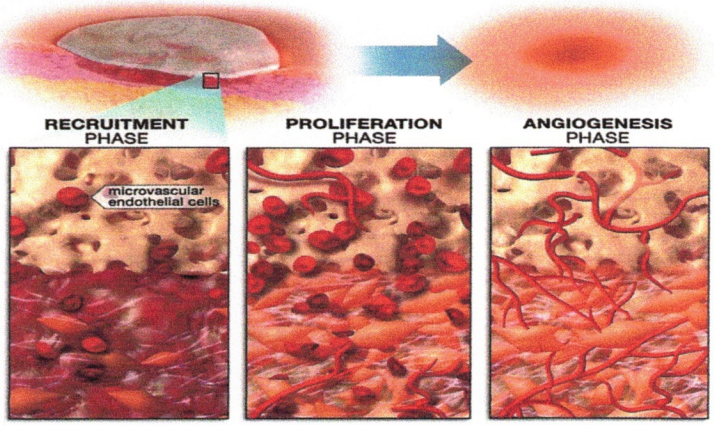
The basic research described above provides a detailed understanding of the array of therapeutic biochemical and cellular mechanisms modulated by our placental derived products. This understanding enables us to develop future therapeutic approaches for distinct unmet medical needs.

We have proven that our placental membrane products are angiogenic, directly causing the formation of new blood vessels, as described above. Angiogenesis is essential for tissue regeneration necessary for virtually all tissue repair processes. We have shown that dHACM causes angiogenesis following myocardial infarction (heart attack) in mouse and pig pre-clinical models, suggesting that dHACM could improve heart function and recovery after a heart attack.

Angiogenesis

Angiogenesis is absolutely necessary in conditions where there is a lack of functional vasculature due to congenital abnormalities, disease or injury. Critical limb ischemia (CLI) and avascular necrosis (AVN) are two examples of conditions where the failure of the vascular system results in necrosis of the tissue lacking blood supply. In CLI, where there is no current effective therapy and often results in amputation of the affected limb, building new vasculature is imperative. The ability of dHACM to promote angiogenesis and the formation of new vasculature could present an entirely new therapeutic approach for treating these diseases.

dHACM PROMOTES ANGIOGENESIS IN INJURED TISSUE[6,7]



Inflammation

Inflammation is a natural and correct response to soft tissue injury. Inflammation is necessary to accomplish the first phase of wound healing. In normal healing, the soft tissue injury will progress through the next two phases, proliferation and remodeling, to regenerate new tissue. However, in severe and repetitive soft tissue injuries, inflammation continues to interrupt normal tissue regeneration and results in pain. Inflammation and pain become chronic since inflammation is out of control and the tissue cannot repair itself.

MiMedx dHACM contains an array of factors that are known to modulate

inflammation. Our dHACM contains chemokines that are capable of recruiting cells of the inflammatory cascade, including T cells, neutrophils, monocytes, among a range of others. dHACM also contains an abundance of cytokines that regulate the activity of cells involved in controlling inflammation, for example, numerous interleukins.

Over 220 cytokines and chemokines have been identified in dHACM that are known to be critically involved in soft tissue homeostasis and repair, indicating the potential for the PURION Processed dHACM to promote tissue regeneration in soft tissues. One or a combination of these factors is responsible for the proven ability of dHACM to cause soft tissue fibroblasts to proliferate and upregulate growth factor production. The combination of factors is likely to promote soft tissue repair through regulation of extracellular matrix remodeling and regeneration, well known functions of these growth factors.

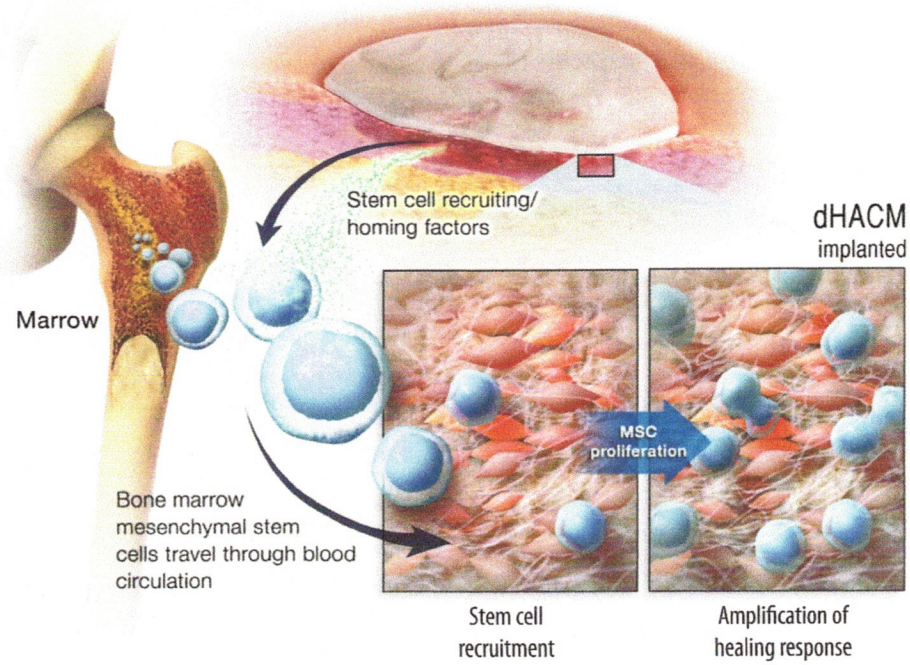
Two interconnected mechanisms are hypothesized to be responsible for dHACM induced reduction in pain in musculoskeletal soft tissue injuries. The first is modulation of the chronic inflammation causing pain that results from overuse injury and continued disruption of the tendinous ECM. By transforming the chronic inflammation from a destructive process to a constructive process, dHACM could allow reparative mechanisms to ensue unabated by inflammation. The second mechanism is directly regulating the reparative mechanism itself within the injured ECM and promoting proper tissue regeneration. Proper ECM repair would then eliminate the chance for the recurrence of inflammation: no inflammation, no pain.

Stem Cell Magnet

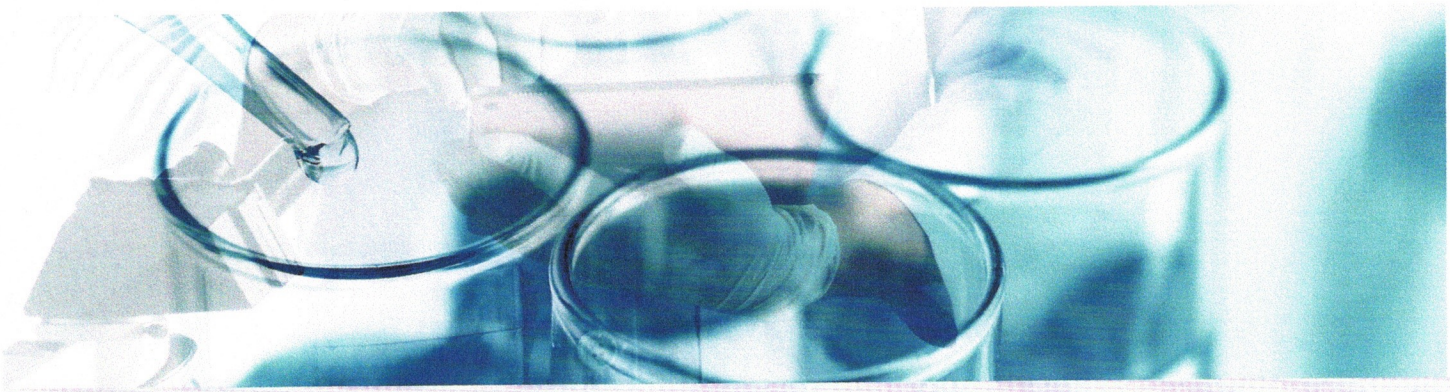
Stem cells are critically involved in all physiological processes associated with tissue regeneration and repair. Therapeutic stem cell initiatives are widespread across the medical landscape. Attempts to harvest the potency of reparative stem cells have involved a variety of strategies. However, it is well known that exogenous stem cell therapies fail because the administered cells do not engraft at the site of application and they disappear quickly after administration. A very applicable old adage is: here today, gone tomorrow!

MiMedx dHACM has a truly remarkable ability to recruit the patient's own stem cells. It is a Stem Cell Magnet. Moreover, we have shown and published in our laboratory cell culture work that dHACM can modulate all types of stem cells.[3] The ability of dHACM to recruit and modulate the patient's own stem cells presents an entirely new paradigm of stem cell therapeutics. We recommend that you visit the MiMedx website for more scientific review and to obtain a copy of our book "A Primer on Amniotic Membrane Regenerative Healing."

dHACM ACTS AS A STEM CELL MAGNET TO RECRUIT STEM CELLS TO THE INJURED TISSUE[7,8]



21ST CENTURY CURES ACT



With the new regulations from the 21st Century Cures legislation and from the new FDA Commissioner's stated belief that products should be on the market after safety is established, the timeline for MiMedx's transition to a biological therapeutic company could become significantly shorter.

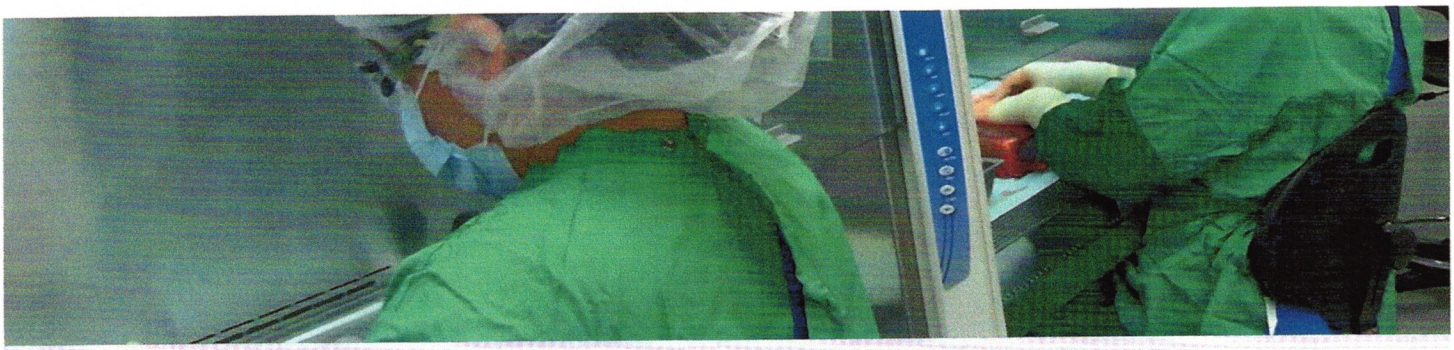
MiMedx believes the human cells, tissues, and cellular and tissue-based products (HCT/Ps) commercial market could benefit from some upregulation of the product allowance process.

The 21st Century Cures Act, which was recently signed into law, includes a variety of key items of interest to MiMedx, including a provision which provides accelerated FDA approval for regenerative medicine technologies and provides that a designation should be received from the Secretary of Health and Human Services no later than 60 calendar days after receipt of the application. We believe these products can have a profoundly positive effect on the treatment, modification, and in some cases even the reversal, of serious or life threatening conditions. The preliminary clinical evidence for these 21st Century applications can include clinical studies, patient registries, or other sources of real world evidence, such as electronic health records.

The Act requires a report to be submitted to Congress before March 1st of each year on the number and type of applications for approval of regenerative therapies filed, approved or licensed and how many of the applications or therapies were granted accelerated approval or priority review. Therefore, at MiMedx, we are very positive about this new legislation.

In fact, there is much discussion ongoing that encompasses an alternate approval pathway that will allow a product that has proven safety, like our allografts, to go straight to market while efficacy studies are completed. We have developed our plans for future BLAs. We believe this new FDA legislation will afford MiMedx a tremendous first-to-market advantage over all of our competition in the HCT/P and biological space.

PROCESSING MAKES THE DIFFERENCE



MiMedx utilizes our proprietary PURION Process for our amniotic membrane allografts that involves gentle rinsing of the tissues, followed by dehydration, packaging and terminal sterilization. The final bilayered products may be stored at ambient conditions for up to 5 years and are easy to use and handle in clinical practice.

When the amniotic sac is processed for use in the clinical setting, the specific processing technique can affect the preservation of proteins such as growth factors, cytokines, and chemokines, thus affecting the stimulus for host cells to migrate, infiltrate and engraft into the patient's tissue. Our proprietary PURION Process acts to gently cleanse the amniotic tissue, while preserving the structural integrity and biochemical activity of the proteins in the amniotic membrane.

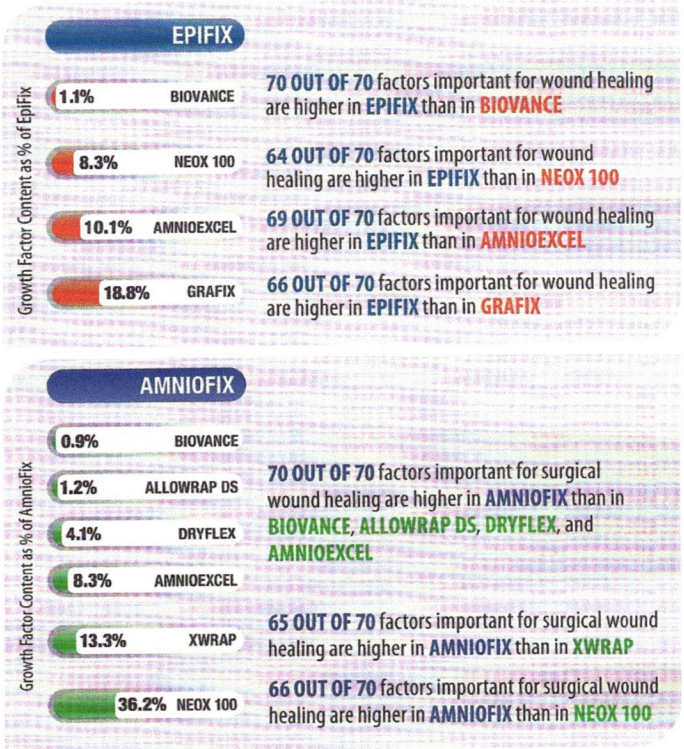
MiMedx PURION Processed dehydrated human amnion/chorion membrane (dHACM) allografts include both amnion and chorion. Both layers are included because of the substantial amount of ECM, growth factors, and cytokines they contain. Amnion and chorion contain different amounts and types of the various growth factors. The chorion layer is four to five times thicker and contains more growth factors as a result. **Our dHACM allografts contain about 20 times more chemokines and cytokines than certain competitive products comprised of amnion alone.**

226 soluble growth factors, cytokines, and chemokines that enhance healing and modulate inflammation are contained in MiMedx PURION Processed dHACM allografts.

MiMedx PURION Processed dHACM allografts have been optimized to:

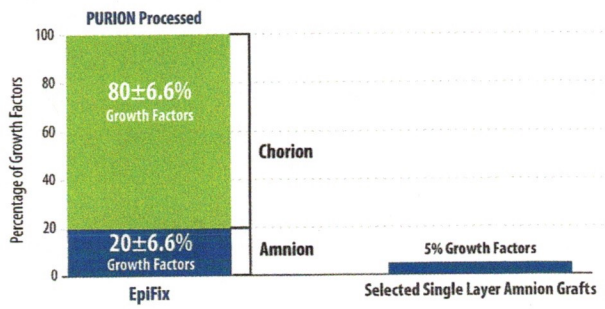
- Retain the native bioactivity of amniotic membrane tissue
- Provide a thick tissue graft with more growth factors, cytokines, and tissue matrix than thinner single layer grafts
- Have a low risk of immunological rejection
- Reduce the risk of disease transmission with terminal sterilization
- Allow storage at ambient conditions for up to 5 years
- Be easy to use and handle

TOTAL GROWTH FACTOR COMPARISONS*



*Compared to single layer amnion products

All cited products are registered trademarks of their respective owners. Information current as of September 1, 2015.



DEVELOPMENT PROGRAMS AND BIOPHARMACEUTICAL THERAPEUTIC APPROACHES

Pain Management

Respiratory Disease

Cardiovascular Disease

Pain Management is the first target market in our development pipeline which has large unmet clinical needs. Plantar fasciitis pain and knee pain caused by osteoarthritis will be the first two Biologic License Applications (BLA) we will pursue. MiMedx has published a pre-clinical paper showing that dHACM slowed the progression of cartilage degeneration after an acute meniscus injury. This study was conducted at The Georgia Institute of Technology, and we have follow-on research currently in process with this institution. If these early data hold up in future studies, we will pursue a BLA for attenuating the progression of early stage osteoarthritis. We believe a product capable of slowing down the progression of osteoarthritis could generate billions of dollars in sales and significantly improve the lives of patients with the disease.

We have also conducted some initial *in vitro* research using OrthoFlo, another one of our products that can be used in patients with osteoarthritis. We found that OrthoFlo contains modulators of inflammation associated with osteoarthritis and that it regulates human synoviocyte activity through the upregulation of hyaluronic acid (HA) production. These are exciting findings, and additional work is being done in animals and humans to expand the scientific and clinical data we have generated to date.

Respiratory Disease is another biopharmaceutical focus. One of the first diseases we will target is Idiopathic Pulmonary Fibrosis or IPF. IPF is a life ending disease for which there currently is no cure. Patients have a poor prognosis, as survival post diagnosis is 2 to 3 years. In the U.S., IPF kills over 40,000 patients a year, almost as many people as breast cancer.[9] Today, the IPF market is valued at over $1 billion dollars and is expected to grow significantly over the next 10 years.

Over the past year, we have been working with a partner company to utilize its unique, patented processing technology to develop respirable OrthoFlo particles. Our characterization results thus far have been extremely promising, and we will begin animal studies shortly. We are planning to initiate a First-In-Human pilot study as soon as possible within the next 18 months.

A third therapeutic area MiMedx has focused on is repair of post Myocardial Infarction (MI). We have recently published results from a successful *in vivo* mouse study, showing significant scar reduction and increase in recruitment of regenerative stem cells. In this study, our dHACM resulted in a significantly reduced infarcted area. Additional observations included a 60% reduction in cell death by apoptosis and a two-fold increase in blood vessel formation. We are currently evaluating follow-on animal studies and optimizing the dHACM delivery options.

FUTURE COLLAGEN TECHNOLOGY

Our CollaFix™ technology presents another intriguing potential for new and entirely unique products. This technology can be combined with our placental technology. When combined, each technology can provide characteristics that are not inherent in the other. For placental tissue, the synergistic combination of these two unique and MiMedx owned technologies could propel MiMedx far forward into a broad range of new market opportunities.

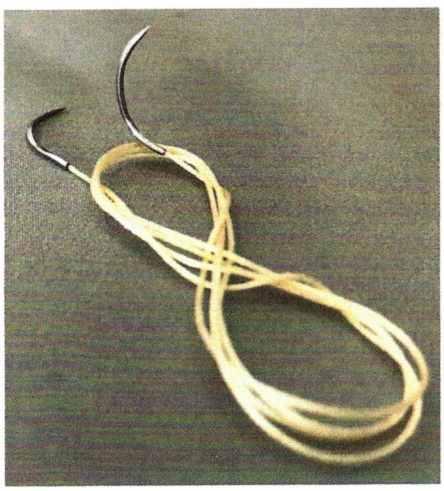
The collagen used to manufacture the CollaFix devices was originally derived from bovine skin. However, MiMedx now has capitalized on the opportunity to derive human collagen from the placenta. We have established that we can extract and purify collagen from the donated placentas from which we obtain amniotic membrane and umbilical cord. Utilizing human placental collagen is anticipated to produce CollaFix devices that are even more biocompatible, more economical to manufacture, and should be easier to obtain FDA clearance to market.

CollaFix technology was developed and patented primarily for orthopedic applications where tensile strength is required. CollaFix fibers are stronger than tendon fibers and have about the same stiffness. They are biocompatible and biodegradable. Our patented, collagen fiber based devices were designed to augment tendons and ligaments, including the Achilles tendon and other lower extremity tendons, biceps tendon, rotator cuff, hand, knee and foot ligaments, and anterior cruciate ligaments (ACL). Our braids, cables and ribbons were designed to mimic the natural structural, biological and mechanical properties of ligaments and tendons so that soon after surgical placement the patient could be mobilized, thereby driving rapid tissue regeneration and a repair process that results in return to normal function.

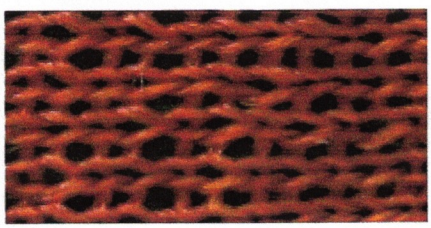
Progress to date includes development of a collagen purification process that is specific for human placentas, verification that strong collagen fibers can be produced from placental collagen, and verification that placental collagen can be wet spun into fibers with the unique collagen fiber modules. CollaFix fiber manufacturing is now underway in the cleanroom in our Town Park facility. This is a major accomplishment, and the first step that will facilitate manufacture of all the CollaFix fiber based products.

The first CollaFix product to reach the market will be a collagen fiber suture. The suture is expected to be cleared to market through the FDA 510k regulatory pathway. The 510k submission is expected in Q2 of this year and we anticipate launching the suture by the end of the year.

COLLAFIX TECHNOLOGY PRODUCTS

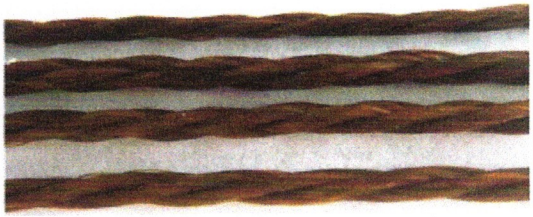


Suture



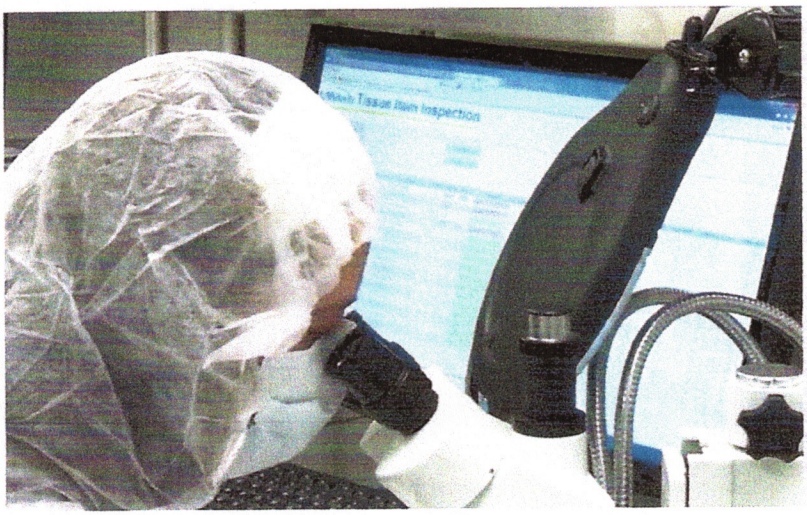
Knits

Patches



Cables

MIMEDX IS GMP COMPLIANT AND READY TO ENTER PHASE III FDA TRIALS



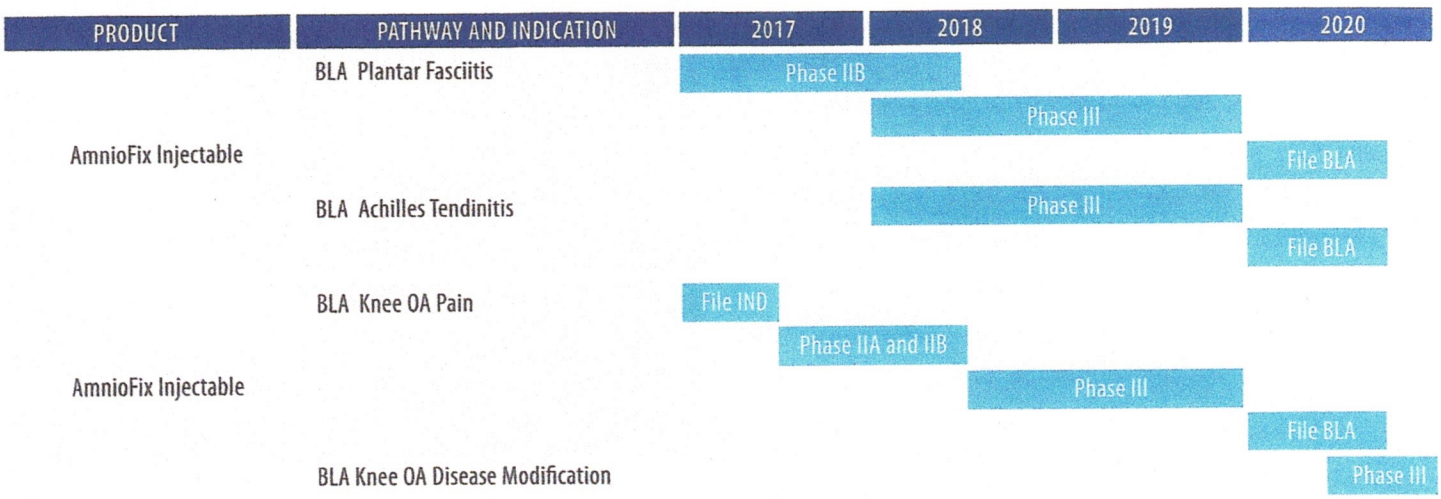
MiMedx is compliant with current Good Manufacturing Practices (GMP) per 21 CFR 210 and 211. These regulations contain the minimum GMP for methods, facilities and controls to be used for the manufacturing, processing, packing, or holding of drug products to ensure regulatory requirements are met. This milestone is a significant achievement in MiMedx becoming a biological therapeutic company.

Historically, BLAs for biologics can take a minimum of 10 years from development through FDA approval, with tens of millions of dollars spent on this process. In certain cases, this timeline has been doubled. MiMedx, with its significant body of clinical and scientific information, has reached Phase III with the FDA in 2 ½ years for a plantar fasciitis indication using the micronized form of our amnion/chorion allograft. MiMedx expects to file this year for a Phase III Achilles Tendonitis IND trial for the same product. With the completion of both trials, which we anticipate will run coterminous, MiMedx plans to ask the FDA for an additional overall tendonitis indication. Additionally, we plan to file for a Phase IIB Osteoarthritis IND this year.

MiMedx has confirmed safety for our amnion/chorion micronized allografts through very detailed animal studies, blood draws from patients showing no immunological issues, and significant historical use. With our allografts confirmed for maximum safety, MiMedx believes approvals for other indications will be achievable in an abbreviated timeframe.

One of the other major unmet needs in healthcare is a treatment for Osteoarthritis. MiMedx believes our placental technology will offer a product line that will significantly help those patients who have one of the most common chronic conditions of the joints. MiMedx plans a Phase IIB submission in the first half of 2017 to determine dosing and effect size.

MiMedx has developed the plans for the majority of our future BLA projects. This groundwork should afford MiMedx a tremendous first to market advantage over all of the competition in the Human Cells, Tissues, and Cellular Based Products (HCT/Ps) and Biological areas of development.



MIMEDX OPERATIONS PREPARED TO TRIPLE CAPACITY

Over the past 18 months, our manufacturing facilities have been fully validated and are now GMP compliant and capable of producing biopharmaceutical products.

MiMedx has three main facilities based in the Atlanta area. We have over 125,000 square feet of office, lab, manufacturing and distribution space, which includes over 7000 square feet of ISO Class 7 clean room space. With our West Oak and Town Park facilities, we have disaster recovery/redundant capacity for manufacturing our platform based products. The Company currently has the ability to produce in excess of $900 million in annual revenues from these three facilities.

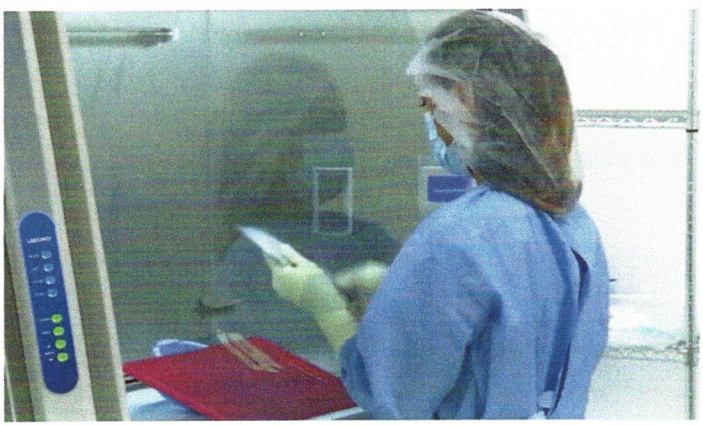
125,000
square feet of office, lab, manufacturing and distribution space

$900+ Million
manufacturing capacity in annual revenues

During 2016, we significantly expanded our clean room space and added new processing equipment to support our aggressive launch of new products. Our new lyophilized umbilical cord products, EpiCord and AmnioCord, were launched in March. Our new lyophilized amniotic fluid product, OrthoFlo, was launched in August and utilizes unique dia-filtration, auto-filling, lyophilizaton and sterilization steps in our proprietary process to produce a product that can be stored at ambient conditions. Our new lyophilized placental connective tissue matrix, AmnioFill, was launched in October 2016.

We also started pilot production of CollaFix™, our human placental collagen fiber that utilizes wet spun technology, in preparation for our FDA 510K submission in the second quarter of 2017.

To maintain gross profit margins for both new and existing products, we have a continuous focus on utilizing Lean concepts and state of the art processing technologies to improve process flow, efficiencies and quality. A major step forward for MiMedx in 2016 was the introduction of laser cutting technology into our clean rooms which includes a high resolution vision system and software that enables us to precision cut our tissue grafts into very unique sizes and shapes at an extremely high speed. Initially, this technology is being used on our EpiFix Mesh product. During our EpiFix Mesh product introduction, we had our processing techs use a manual tool to cut the grafts. With the introduction of the laser system, our production capacity increased six-fold. We have plans to significantly expand the utilization of this new technology across our product portfolio in the future.



INTELLECTUAL PROPERTY

Our intellectual property includes owned and licensed patents, owned and licensed patent applications and patents pending, proprietary manufacturing processes and trade secrets, and trademarks associated with our technology. Furthermore, we require employees, consultants and advisors to sign Proprietary Information and Inventions Agreements, as well as Non-disclosure Agreements that assign to us and protect the intellectual property existing and generated from their work or that we may otherwise use or own. Our patents, proprietary manufacturing processes, trade secrets, trademarks, and technology licensing rights provide us with important competitive advantages.

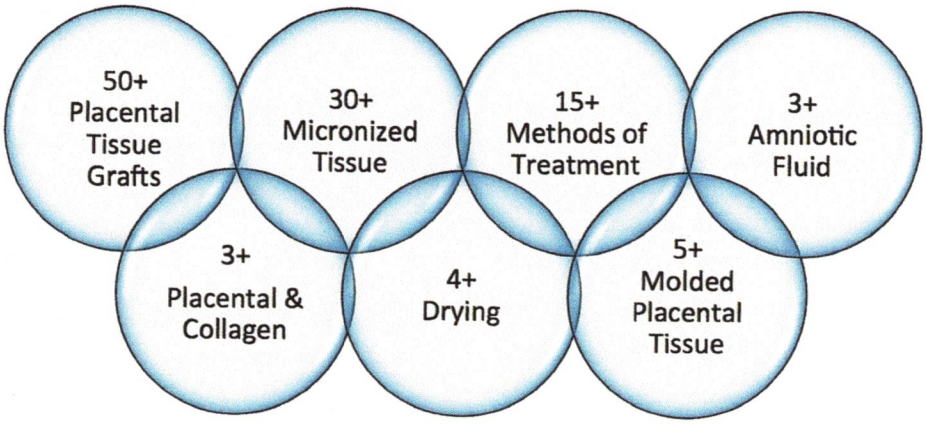
Because of the substantial expertise and investment of time, effort and financial resources required to bring new biopharmaceutical products to the market, the importance of obtaining and maintaining patent protection for significant new technologies, products and processes cannot be underestimated. As of the date of this Business Report, we own over 45 issued and allowed patents related to our amniotic tissue technology and products. Over 90 additional patent applications covering aspects of this technology are pending at the United States Patent and Trademark Office and with various international patenting agencies. The vast majority of our domestic patents covering our core amniotic tissue technology and products will not begin to expire until August of 2027.

We vigorously protect and defend our patents, initiating legal action when necessary to ensure that our investment in research and development translates into a worthwhile investment for our shareholders.

PATENTS AND INTELLECTUAL PROPERTY*

Type	Issued	Allowed	Pending	Total
Placental Tissue	42	4	92	138
CollaFix	55	4	30	89
Other	9	0	0	9
Total	106	8	122	236

REGENERATIVE PLACENTAL TISSUE TECHNOLOGY FAMILY OF PATENTS AND APPLICATIONS**



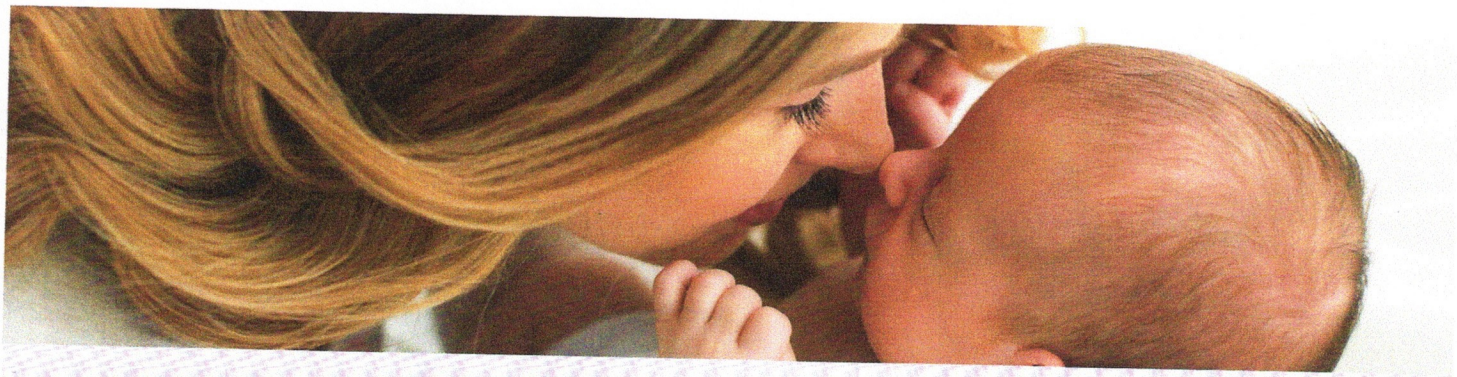
*An allowed application is a pending application that has received a "Notice of Allowance" from the patent office and will issue as a patent upon payment of the issue fee. An issued patent is one for which the issue fee has been paid and the patent has officially issued.

**Figures indicate approximate totals of all domestic and international pending, issued and allowed patents for each group as of Q1 2017.

OUR COMMITMENT TO THE MILITARY AND VETERANS

Supporting the U.S. Military and Veterans is very personal to us at MiMedx as patriotism is engrained in our values and is core to our culture. We are inspired each day with great respect for the military and their ability to defend and keep our country safe. Our employees have great passion about what our products do to facilitate the healing process and remain committed to assist in enhancing the care for all military and veteran patients. MiMedx's portfolio of wound care, surgical, sports medicine and orthopedics products are available and utilized throughout the Veteran's Affairs and the Department of Defense. The Department of Veteran's Affairs awarded MiMedx with a Federal Supply Schedule (FSS) contract and an additional Blanket Purchase Agreement (BPA) placing MiMedx's products on the Veteran's Affairs Next Gen formulary improving veterans' access to our allografts. MiMedx also has a distribution and pricing agreement contract with the Defense Logistics Agency (DLA) with utilization of our products in the military treatment facilities in the United States and abroad. Through this collaboration, MiMedx is proud to have also been awarded a BPA by the Army to increase its ability to service their patient population. MiMedx provides a well-accepted cost effective treatment to treat veterans and active duty service personnel of the government's health care system. MiMedx is also the exclusive sponsor of the PRESENT Podiatry Residency Program, which is an online Continuing Medical Education (CME) resource in the VA system providing education to all clinicians and residents.

MIMEDX PLACENTA DONATION NETWORK IS THE LARGEST IN THE U.S.



Over the last 5 years, MiMedx has developed the largest placental recovery organization in the United States. Placental tissue is the biological source material for all of our technology. This network consists of overlapping multi-year contracts to ensure uninterrupted supply at approximately 40 hospitals.

We have several of the top 10 birthing hospitals in the United States under contract, and to our knowledge our competitors are not contracted with any of the remaining facilities in the top 10.

To secure a contract with a top 10 hospital, it takes 2 to 3 years to negotiate and receive approval from all levels within the organization. For a mid-tier hospital, it takes approximately 9 months to negotiate and receive approval. This creates a barrier to entry for other organizations trying to enter this field and a further barrier to build a network of any substantial size.

MiMedx has been successfully expanding our Placenta Donation Program to multiple states and regions of the country.

Strongest Placental Recovery Organization in the United States with multi-year contracts:

- 356% growth in placenta recovery from 2012 through 2016
- 101% growth in recovering physicians from 2012 through 2016
- 220% growth in recovering hospitals from 2012 through 2016

We are in various stages of negotiation with a significant number of additional hospitals in order to grow our network. From a logistical standpoint, we have created multiple placental shipment or delivery methods to ensure redundancy and prepare for any weather eventualities across the US.

Prospective donors typically learn of placenta donation through their obstetricians. Prior to their scheduled Caesarean section surgery, prospective donors are provided with information about our program. If there is interest, one of our program representatives will contact the patient to further explain the process. The patient signs an Informed Consent, consistent with guidelines issued by the American Association of Tissue Banks (AATB), to allow donation of her placenta tissue. Each prospective donor must also complete a medical/social questionnaire along with a simple blood test taken during hospital admittance. Donor screening and blood testing is done according to strict guidelines set forth by the FDA and the AATB to eliminate any donation that poses a risk of infectious disease transmission.

After delivery, MiMedx often has a recovery technician who will work with the delivery team to retrieve the delivered placenta. The MiMedx recovery technician is responsible for all the documentation required during the donation process. Nothing additional is required of the mother. Once the tissue has been recovered, it is transported to the MiMedx processing facility. The placenta in placed in quarantine storage until the test results and patient records are reviewed and the donation is released for processing.

MiMedx recovery technicians complete all training requirements stipulated by the FDA, AATB and OSHA. Also, we ensure that our test laboratories complete all of the required blood and micro-biological testing, which is evaluated both electronically and by our Medical Director and Quality Assurance department. Our contract test laboratory is located within five miles of our processing facility to reduce the risk of logistical issues. The infrastructure that MiMedx has built over the last 5 years for our placenta recovery organization cannot easily be replicated.

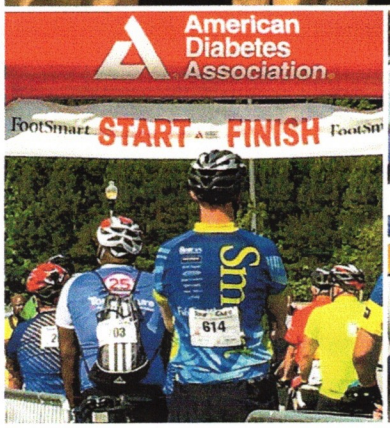
MIMEDX CORPORATE SOCIAL RESPONSIBILITY

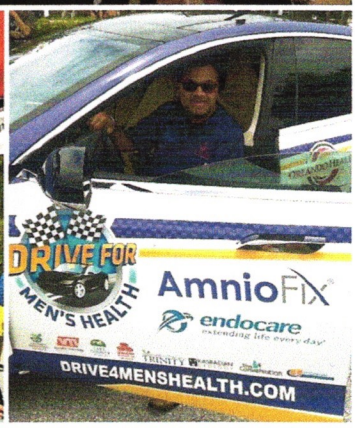
MiMedx is honored to be entrusted with the precious gifts donated to us by the mothers participating in our *Give the Gift of Healing*. In recognition of the placental donations that we are privileged to receive, we formed our Philanthropic Mission and developed *The MiMedx Healing Gifts Program* in 2013.

Through Healing Gifts, MiMedx supports many physician philanthropic endeavors ranging from treating disadvantaged patients across the United States to mission trips to other countries with specific needs and areas of the world that have experienced natural disasters.

MiMedx is committed to expanding the reach of Healing Gifts to less fortunate patients. Our goal is to make our PURION Processed allografts available to serve the medical needs of the widest possible group of patients who can benefit from the healing generated by the tissues we process. We are proud of the impact Healing Gifts has made for many patients. Since its inception, MiMedx has donated $4 million for such philanthropic needs.

In addition to our Healing Gifts Program, we have supported other non-profit organizations such as the **American Diabetes Association** related to **Walk-A-Thons for Diabetes, the American Heart Association** to support their annual **"Little Hats, Big Hearts"** educational initiative to raise awareness for heart disease, and the **Drive for Men's Health Program** to educate men on the importance of annual health exams for disease and cancer prevention.





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The market for placental based or derived products is enormous, and there is room for many ethical competitors. In fact, good, honest competition is beneficial for patients, physicians, insurance companies, the health care system and for MiMedx. We challenge all of our competitors to innovate and to deliver the same level of integrity, science, clinical, and cost effectiveness as we have over the past six years.

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Safe Harbor Statement

This business report includes statements that look forward in time or that express management's beliefs, expectations or hopes. Such statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Among the risks and uncertainties that could cause actual results to differ materially from those indicated by such forward-looking statements include the risk factors detailed from time to time in the Company's periodic Securities and Exchange Commission filings, including, without limitation, its 10-K filing for the fiscal year ended December 31, 2016 and its most recent 10-Q filing. By making these forward-looking statements, the Company does not undertake to update them in any manner except as may be required by the Company's disclosure obligations in filings it makes with the Securities and Exchange Commission under the federal securities laws.