MiMedx provides Information on Its Interaction With The SEC

September 21, 2017

MARIETTA, Ga., Sept. 21, 2017 /PRNewswire/ -- MiMedx Group, Inc. (NASDAQ: MDXG), the leading biopharmaceutical company developing and marketing regenerative and therapeutic biologics utilizing human placental tissue allografts and patent-protected processes for multiple sectors of healthcare, announced today its interactions with the Securities and Exchange Commission (SEC).

First, as is disclosed in the Company's public filings, the Company already satisfactorily addressed a comment letter from the SEC earlier this year, which letter covered a variety of topics, including the Company's revenue recognition policies and procedures. The Company received the close out letter from the SEC on April 27, 2017. No restatement was required as a result of that comment letter.

Separately, Parker H. "Pete" Petit, CEO, said, "After the counterclaims alleging channel-stuffing were filed by the terminated employees last December, we began to assemble summary documentation to supply to the SEC, which would include information from the investigation conducted by the Board of Directors and others. We were in the process of taking the same proactive approach we took with the Department of Veterans Affairs (VA) as reported in our previous press release dated September 7, 2017. The Company then received a subpoena from the SEC that appears to relate to the former employees' allegations, and primarily is related to the matters that were the subject of the Company's previously disclosed internal investigation."

The Company reported that it is working with the SEC in its investigation of these accusations and supplying all of the documents requested, including those obtained through the civil lawsuit discovery process to help the Commission understand what has transpired.

The Company believes that the matters related to the subpoena were reviewed as part of the completed investigation conducted by the Audit Committee of the MiMedx Board of Directors, independent outside legal counsel, the Company's independent auditors, and executive management. The Company also engaged a nationally recognized expert in revenue recognition who reviewed and confirmed the Company's revenue recognition practices to be proper. To MiMedx's knowledge, no proceedings have been initiated against MiMedx by the SEC or any other governmental agency at this time.

Petit added, "We are providing our fullest cooperation to the Commission, and we hope to clear up this inquiry relatively quickly. We believe that the government's investigation will confirm our Audit Committee's prior findings. We view this activity in much the same way as the subpoena we received from a suit nearly three years ago which was filed by an executive of a competitor. We had nothing to hide, and cooperated fully. Within a matter of months the agency declined to intervene. We expect to have a similar result here."

"In spite of these distractions, your Executive Management team continues to operate MiMedx in a very effective manner, and you should continue to see the Company meet the objectives that we have publicized and discussed with shareholders. We appreciate your patience during this very frustrating period for your Company," concluded Petit.

About MiMedx
MiMedx® is the leading biopharmaceutical company developing and marketing regenerative and therapeutic biologics utilizing human placental tissue allografts with patent-protected processes for multiple sectors of healthcare. "***Innovations in Regenerative Medicine"*** is the framework behind our mission to give physicians products and tissues to help the body heal itself. We process the human placental tissue utilizing our proprietary PURION® Process among other processes, to produce safe and effective allografts. MiMedx proprietary processing methodology employs aseptic processing techniques in addition to terminal sterilization. MiMedx is the leading supplier of placental tissue, having supplied over 1,000,000 allografts to date for application in the Wound Care, Burn, Surgical, Orthopedic, Spine, Sports Medicine, Ophthalmic and Dental sectors of healthcare. For additional information, please visit www.mimedx.com.

Important Cautionary Statement
This press release includes forward-looking statements, including statements regarding the focus of the SEC subpoena, that the subpoena matter may be cleared up quickly, the Company's belief that the SEC's investigation will confirm the Audit Committee's findings, the Company's expectations as to the results of the SEC investigation, and the Company's view that it will continue to meet its business objectives . These statements also may be identified by words such as "believe," "except," "may," "plan," "potential," "will" and similar expressions, and are based on our current beliefs and expectations. Forward-looking statements are subject to significant risks and uncertainties, and we caution investors against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Among the risks and uncertainties that could cause actual results to differ materially from those indicated by such forward-looking statements include the risk that the SEC subpoena may focus on additional or different issues, the subpoena matter will not be resolved in the manner or on the timeline expected or that the SEC will refrain from communicating to the Company when it completes its investigation, the SEC's investigation may have findings different from those of the Audit Committee, and the Company may not be able to continue to meet its business objectives for reasons related to the investigation, or other reasons. For more detailed information on the risks and uncertainties, please review the Risk Factors section of our most recent annual report or quarterly report filed with the Securities and Exchange Commission. Any forward-looking statements speak only as of the date of this press release and we assume no obligation to update any forward-looking statement.

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Michael Senken, Phone: (770) 651-9100, Investor Contact: COCKRELL GROUP, Rich Cockrell, 877-889-1972, investorrelations@thecockrellgroup.com, cockrellgroup.com