MiMedx Announces Securities and Exchange Commission Settlement

November 26, 2019

$1.5M Settlement Recognizes Company's Cooperation & Remediation Efforts

MARIETTA, Ga., Nov. 26, 2019 /PRNewswire/ -- MiMedx Group, Inc. (OTC PINK: MDXG) ("MiMedx" or the "Company"), an industry leader in advanced wound care and an emerging therapeutic biologics company, today announced that it has finalized a settlement with the Securities and Exchange Commission (the "SEC"), resolving a previously disclosed investigation into the Company's financial accounting practices.

The Company has agreed to settle with the SEC, without admitting or denying the SEC's allegations, by consenting to the entry of a final judgment, subject to court approval, that permanently restrains and enjoins the Company from violating certain provisions of the federal securities laws. As part of the resolution, the Company also agreed to pay a civil penalty in the amount of $1.5 million. The settlement, if approved by the court, will conclude, as to the Company, the matters alleged by the SEC in its complaint.

As the SEC's press release makes clear, the SEC recognized the Company's cooperation during the investigation, as well as its remedial efforts. The Company's Board of Directors and current management team are committed to maintaining strong internal controls, financial reporting, compliance, and corporate governance practices. As previously disclosed, several members of prior management were separated from the Company and those separations were later determined to be "for cause" based on the Audit Committee's independent investigation.

"We have reached the resolution announced today relating to practices that occurred during the Company's former management team's tenure," said Dr. M. Kathleen Behrens, Chair, MiMedx Board of Directors. "Bringing this investigation to conclusion is another step toward the Company's commitment to resolve past issues and move forward without distraction from our efforts in advanced wound care."

Timothy R. Wright, Chief Executive Officer, added, "We are focused on our future as a mission-centered healthcare company and are committed to continued implementation of strong financial systems and independent oversight controls, which reflect both sound business practices and an ethical culture. We appreciate the SEC's recognition of our cooperation and remediation efforts as part of this settlement."

The resolution announced today relates only to the previously disclosed investigation by the SEC. As previously disclosed, there is a parallel criminal investigation by the United States Attorney's Office for the Southern District of New York involving matters similar to those investigated by the SEC. The Company is cooperating fully with that ongoing criminal investigation.

About MiMedx

MiMedx® is an industry leader in advanced wound care and an emerging therapeutic biologics company developing and distributing human placental tissue allografts with patent-protected processes for multiple sectors of healthcare. The Company processes the human placental tissue utilizing its proprietary PURION® process methodology, among other processes, to produce allografts by employing aseptic processing techniques in addition to terminal sterilization. MiMedx has supplied over 1.5 million allografts to date. For additional information, please visit www.mimedx.com.

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