
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the
Quarterly Period Ended
September 30, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-35887

MIMEDX GROUP, INC.

(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction of incorporation or organization)

26-2792552

(I.R.S. Employer Identification No.)

**1775 West Oak Commons Ct NE
Marietta, GA**

(Address of principal executive offices)

30062

(Zip Code)

(770) 651-9100

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	MDXG	The Nasdaq Stock Market

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

There were 116,376,583 shares of the registrant's common stock, par value \$0.001 per share, outstanding as of October 26, 2023.

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Explanatory Note and Important Cautionary Statement Regarding Forward-Looking Statements

As used herein, the terms “**MIMEDX**,” the “**Company**,” “**we**,” “**our**” and “**us**” refer to MiMedx Group, Inc., a Florida corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only MiMedx Group, Inc.

Certain statements made in this Quarterly Report on Form 10-Q (this “**Quarterly Report**”) are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “**Securities Act**”), and Section 21E of the Securities Exchange Act of 1934, as amended. All statements relating to events or results that may occur in the future are forward-looking statements, including, without limitation, statements regarding the following:

- our strategic focus and current business priorities, and our ability to implement these priorities, including as a result of our no longer being able to market our micronized products and certain other products;
- our expectations regarding future revenue growth, margins, and cash flows;
- the advantages of our products and development of new products;
- our expectations regarding the size of potential markets for our products and any growth in such markets;
- our expectations regarding the regulatory pathway for our products;
- our expectations regarding ongoing regulatory obligations and oversight and the changing nature thereof impacting our products, research and clinical programs, and business, including those relating to patient privacy;
- our expectations regarding costs relating to compliance with regulatory requirements, including those arising from maintaining current Good Tissue Practice compliance;
- the likelihood, timing, and scope of possible regulatory approval and commercial launch of new products;
- our expectations regarding government and other third-party coverage and reimbursement for our existing and new products;
- our belief in the sufficiency of our intellectual property rights in our technology;
- our expectations regarding our ability to procure sufficient supplies of human tissue to manufacture and process our products;
- our expectations regarding our ability to fund our ongoing operations and future operating costs and the sufficiency of our liquidity and existing capital resources to implement our current business priorities;
- our expectations regarding future income tax liability;
- our expectations regarding the outcome of pending litigation and investigations;
- demographic and market trends; and
- our ability to compete effectively.

Forward-looking statements generally can be identified by words such as “expect,” “will,” “change,” “intend,” “seek,” “target,” “future,” “plan,” “continue,” “potential,” “possible,” “could,” “estimate,” “may,” “anticipate,” “to be” and similar expressions. These statements are based on numerous assumptions and involve known and unknown risks, uncertainties and other factors that could significantly affect the Company’s operations and may cause the Company’s actual actions, results, financial condition, performance or achievements to differ materially from any future actions, results, financial condition, performance or achievements expressed or implied by any such forward-looking statements. Factors that may cause such a difference include, without limitation, those discussed under the heading “*Risk Factors*” in our Annual Report on Form 10-K for the year ended December 31, 2022 (our “**2022 Form 10-K**”), filed with the Securities and Exchange Commission (“**SEC**”) on February 28, 2023 and those discussed in Part II, Item 1A, Risk Factors, if any.

Unless required by law, the Company does not intend, and undertakes no obligation, to update or publicly release any revision to any forward-looking statements, whether as a result of the receipt of new information, the occurrence of subsequent events, a change in circumstances or otherwise. Each forward-looking statement contained in this Quarterly Report is specifically qualified in its entirety by the aforementioned factors. Readers are advised to carefully read this Quarterly Report in conjunction

with the important disclaimers set forth above prior to reaching any conclusions or making any investment decisions and not to place undue reliance on forward-looking statements, which speak only as of the date of the filing of this Quarterly Report with the SEC.

Estimates and Projections

This Quarterly Report includes certain estimates, projections and other statistical data. These estimates and projections reflect management's best estimates based upon currently available information and certain assumptions we believe to be reasonable as of the date of this Quarterly Report. These estimates are inherently uncertain, subject to risks and uncertainties, many of which are not within our control, have not been reviewed by our independent auditors and may be revised as a result of management's further review. In addition, these estimates and projections are not a comprehensive statement of our financial results, and our actual results may differ materially from these estimates and projections due to developments that may arise between now and the time the results are final. There can be no assurance that the estimates will be realized, and our results may vary significantly from the estimates, including as a result of unexpected issues in our business and operations. Accordingly, you should not place undue reliance on such information. Projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

MIMEDX GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(unaudited)

	September 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash	\$ 81,164	\$ 65,950
Accounts receivable, net	49,005	43,084
Inventory	19,068	13,183
Prepaid expenses	2,954	8,646
Other current assets	2,311	3,335
Total current assets	154,502	134,198
Property and equipment, net	7,094	7,856
Right of use asset	2,441	3,400
Goodwill	19,441	19,976
Intangible assets, net	5,395	5,852
Other assets	149	148
Total assets	\$ 189,022	\$ 171,430
LIABILITIES, CONVERTIBLE PREFERRED STOCK, AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 9,170	\$ 8,847
Accrued compensation	23,159	21,852
Accrued expenses	9,444	11,024
Other current liabilities	1,854	1,834
Total current liabilities	43,627	43,557
Long term debt, net	48,966	48,594
Other liabilities	2,605	4,773
Total liabilities	\$ 95,198	\$ 96,924
Commitments and contingencies (Note 13)		
Convertible preferred stock Series B; \$0.001 par value; 100,000 shares authorized, issued and outstanding at September 30, 2023 and December 31, 2022	\$ 92,494	\$ 92,494
Stockholders' equity (deficit)		
Preferred stock Series A; \$0.001 par value; 5,000,000 shares authorized, 0 issued and outstanding at September 30, 2023 and December 31, 2022	\$ —	\$ —
Common stock; \$0.001 par value; 250,000,000 shares authorized, 116,359,748 issued and outstanding at September 30, 2023 and 187,500,000 shares authorized, 113,705,447 issued and outstanding at December 31, 2022	116	114
Additional paid-in capital	188,369	173,804
Accumulated deficit	(187,155)	(191,906)
Total stockholders' equity (deficit)	1,330	(17,988)
Total liabilities, convertible preferred stock, and stockholders' equity (deficit)	\$ 189,022	\$ 171,430

See notes to unaudited condensed consolidated financial statements

MIMEDX GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales	\$ 81,712	\$ 67,689	\$ 234,645	\$ 193,466
Cost of sales	14,790	12,188	40,792	33,947
Gross profit	66,922	55,501	193,853	159,519
Operating expenses:				
Selling, general and administrative	52,571	53,475	156,773	158,838
Research and development	3,175	5,953	18,168	17,429
Restructuring (Note 16)	208	—	3,464	—
Investigation, restatement and related	(38)	3,001	4,652	8,771
Amortization of intangible assets	190	175	570	519
Operating income (loss)	10,816	(7,103)	10,226	(26,038)
Other expense, net				
Interest expense, net	(1,680)	(1,270)	(4,864)	(3,566)
Other expense, net	(11)	—	(42)	(1)
Income (loss) before income tax provision	9,125	(8,373)	5,320	(29,605)
Income tax provision expense	(591)	(53)	(569)	(178)
Net income (loss)	\$ 8,534	\$ (8,426)	\$ 4,751	\$ (29,783)
Net income (loss) available to common shareholders (Note 9)	\$ 6,761	\$ (10,096)	\$ (433)	\$ (34,667)
Net income (loss) per common share - basic	\$ 0.06	\$ (0.09)	\$ (0.00)	\$ (0.31)
Net income (loss) per common share - diluted	\$ 0.06	\$ (0.09)	\$ (0.00)	\$ (0.31)
Weighted average common shares outstanding - basic	116,298,146	113,448,251	115,528,067	112,650,713
Weighted average common shares outstanding - diluted	119,327,709	113,448,251	115,528,067	112,650,713

See notes to unaudited condensed consolidated financial statements

MIMEDX GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY
(in thousands, except share data)
(unaudited)

	Common Stock Issued		Additional Paid-In Capital	Treasury Stock		Accumulated Deficit	Total
	Shares	Amount		Shares	Amount		
Balance at June 30, 2023	116,109,125	\$ 116	\$ 182,907	—	\$ —	\$ (195,689)	\$ (12,666)
Share-based compensation expense	—	—	4,388	—	—	—	4,388
Exercise of stock options	41,233	—	274	(17,032)	112	—	386
Employee stock purchase plan	209,390	—	688	—	—	—	688
Issuance of restricted stock	—	—	(73)	(11,080)	73	—	—
Restricted stock shares canceled/forfeited	—	—	185	28,112	(185)	—	—
Net income	—	—	—	—	—	8,534	8,534
Balance at September 30, 2023	<u>116,359,748</u>	<u>\$ 116</u>	<u>\$ 188,369</u>	<u>—</u>	<u>\$ —</u>	<u>\$ (187,155)</u>	<u>\$ 1,330</u>

	Common Stock Issued		Additional Paid-In Capital	Treasury Stock		Accumulated Deficit	Total
	Shares	Amount		Shares	Amount		
Balance at June 30, 2022	113,609,274	\$ 114	\$ 169,352	1,003	\$ (3)	\$ (183,066)	\$ (13,603)
Share-based compensation expense	—	—	2,372	—	—	—	2,372
Exercise of stock options	49,666	—	132	(1,001)	5	—	137
Issuance of restricted stock	11,077	—	—	—	—	—	—
Restricted stock shares canceled/forfeited	—	—	9	1,836	(9)	—	—
Net loss	—	—	—	—	—	(8,426)	(8,426)
Balance at September 30, 2022	<u>113,670,017</u>	<u>\$ 114</u>	<u>\$ 171,865</u>	<u>1,838</u>	<u>\$ (7)</u>	<u>\$ (191,492)</u>	<u>\$ (19,520)</u>

	Common Stock Issued		Additional Paid-In Capital	Treasury Stock		Accumulated Deficit	Total
	Shares	Amount		Shares	Amount		
Balance at December 31, 2022	113,705,447	\$ 114	\$ 173,804	—	\$ —	\$ (191,906)	\$ (17,988)
Share-based compensation	—	—	12,793	—	—	—	12,793
Employee stock purchase plan	444,809	—	1,368	—	—	—	1,368
Issuance of restricted stock	2,163,925	2	(268)	(73,335)	266	—	—
Restricted stock shares canceled/forfeited	—	—	378	90,367	(378)	—	—
Exercise of stock options	45,567	—	294	(17,032)	112	—	406
Net income	—	—	—	—	—	4,751	4,751
Balance at September 30, 2023	<u>116,359,748</u>	<u>\$ 116</u>	<u>\$ 188,369</u>	<u>—</u>	<u>\$ —</u>	<u>\$ (187,155)</u>	<u>\$ 1,330</u>

	Common Stock Issued		Additional Paid- In Capital	Treasury Stock		Accumulated Deficit	Total
	Shares	Amount		Shares	Amount		
Balance at December 31, 2021	112,703,926	\$ 113	\$ 165,695	778,710	\$ (4,017)	\$ (161,709)	\$ 82
Share-based compensation expense	—	—	10,798	—	—	—	10,798
Exercise of stock options	133,762	—	(697)	(151,239)	1,271	—	574
Issuance of restricted stock	832,329	1	(3,960)	(880,749)	3,959	—	—
Restricted stock shares canceled/forfeited	—	—	29	5,338	(29)	—	—
Shares repurchased for tax withholding	—	—	—	249,778	(1,191)	—	(1,191)
Net loss	—	—	—	—	—	(29,783)	(29,783)
Balance at September 30, 2022	<u>113,670,017</u>	<u>\$ 114</u>	<u>\$ 171,865</u>	<u>1,838</u>	<u>\$ (7)</u>	<u>\$ (191,492)</u>	<u>\$ (19,520)</u>

See notes to unaudited condensed consolidated financial statements

MIMEDX GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities:		
Net income (loss)	\$ 4,751	\$ (29,783)
Adjustments to reconcile net income (loss) to net cash flows provided by (used in) operating activities:		
Share-based compensation	12,793	10,798
Impairment of clinical trial assets	1,974	—
Depreciation	2,054	2,549
Non-cash lease expenses	959	931
Bad debt expense	737	2,817
Amortization of intangible assets	570	519
Impairment of goodwill	535	—
Amortization of deferred financing costs	373	348
Accretion of asset retirement obligation	70	69
Gain on fixed asset disposal	—	(17)
Increase (decrease) in cash resulting from changes in:		
Accounts receivable	(6,659)	(3,295)
Inventory	(5,885)	(2,586)
Prepaid expenses	3,718	1,467
Other assets	1,024	(287)
Accounts payable	323	1,090
Accrued compensation	1,511	495
Accrued expenses	(1,289)	1,711
Other liabilities	(1,041)	905
Net cash flows provided by (used in) operating activities	16,518	(12,269)
Cash flows from investing activities:		
Purchases of equipment	(1,560)	(847)
Patent application costs	(114)	(128)
Proceeds from sale of equipment	—	24
Net cash flows used in investing activities	(1,674)	(951)
Cash flows from financing activities:		
Proceeds from exercise of stock options	406	574
Principal payments on finance lease	(36)	(29)
Stock repurchased for tax withholdings on vesting of restricted stock	—	(1,191)
Net cash flows provided by (used in) financing activities	370	(646)
Net change in cash	15,214	(13,866)
Cash and cash equivalents, beginning of period	65,950	87,083
Cash and cash equivalents, end of period	\$ 81,164	\$ 73,217

See notes to unaudited condensed consolidated financial statements

MIMEDX GROUP, INC.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

1. Nature of Business

MiMedx Group, Inc. (together with its subsidiaries, except where the context otherwise requires, “*MIMEDX*,” or the “*Company*”) is a pioneer and leader in placental biologics focused on delivering innovative solutions to patients and the healthcare professionals who treat them. All of the Company’s products sold in the United States are regulated by the United States Food & Drug Administration (“*FDA*”). The Company’s business is focused primarily on the United States of America but the Company is pursuing opportunities for international expansion, with specific focus on the sale of its placental tissue products in Japan.

During the three and nine months ended September 30, 2023, the Company operated as two defined, internal business units: Wound & Surgical and Regenerative Medicine. On June 20, 2023, the Company announced that it would disband its Regenerative Medicine business unit and suspended its associated Knee Osteoarthritis clinical trial program. All activities in Regenerative Medicine during the three months ended September 30, 2023 were part of the wind-down of the unit, primarily related to regulatory obligations associated with its clinical trial, and it is expected that these activities will materially conclude during the fourth quarter of 2023.

2. Significant Accounting Policies

Please see Note 2, *Significant Accounting Policies*, to the Company’s Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 (the “**2022 Form 10-K**”), filed with the Securities and Exchange Commission (“*SEC*”) on February 28, 2023 for a description of all significant accounting policies.

Basis of Presentation

These unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“*GAAP*”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations for the periods presented have been included. The operating results for the three and nine months ended September 30, 2023 and 2022 are not necessarily indicative of the results that may be expected for the full fiscal year. The balance sheet as of December 31, 2022 was derived from the audited consolidated financial statements at that date, but does not include all of the information and footnotes required by GAAP for complete financial statements.

These unaudited condensed consolidated financial statements should be read in conjunction with the historical consolidated financial statements of the Company included in the 2022 Form 10-K.

Principles of Consolidation

The consolidated financial statements include the accounts of MiMedx Group, Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation.

Use of Estimates

GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported consolidated statements of operations during the reporting period. Actual results could differ from those estimates. Significant estimates include estimated useful lives and potential impairment of property and equipment, estimates of impairment for goodwill and intangible assets, estimates of loss for contingent liabilities, estimate of allowance for doubtful accounts, management’s assessment of the Company’s ability to continue as a going concern, estimate of fair value and the probable achievement of share-based payments, estimates of returns and allowances, and valuation of deferred tax assets.

Share-Based Compensation

The Company grants share-based awards to employees and members of the Company’s Board of Directors (the “*Board*”). Awards to employees and the Board are generally made annually. Grants are issued outside of the annual cadence for certain new hires, promotions, and other events.

The amount of expense to be recognized is determined by the fair value of the award using inputs available as of the grant date. The fair value of non-option share awards that are not subject to a market condition is the value of the common stock on the grant date. For non-option share awards that are subject to a market condition, the fair value of the common stock on the grant date is adjusted to reflect the value of the market condition, generally using a path-dependent pricing model, such as a Monte Carlo simulation.

The fair value of stock option grants is estimated using an option pricing model, as appropriate based on the terms of the grant. Use of a valuation model requires management to make certain assumptions with respect to selected model inputs, which generally follows the inputs to a Black-Scholes option pricing model. Absent the availability of an option market with similar terms to the awarded options, the Company infers an expectation for volatility using the historical volatility of daily price changes in its share price for a period equal to the contractual or expected term of the option, as applicable, subject to adjustment for price activity associated with certain events which are not expected to recur during the relevant term. The expected term is derived based on the Company's expectations for option exercise by the recipients. The Company uses U.S. Treasury yields with a maturity similar to the expected or contractual term, as applicable, as the basis for its risk-free interest rate assumption. The Company has never declared a dividend on its common stock and, therefore, assumes a dividend yield of 0%.

Expense is recognized over the requisite service period to achieve a vesting condition associated with an award, which can either be explicitly defined by the award, implied by its terms, or derived from potential market movements. In situations where multiple vesting conditions must be achieved, the longest service period is used as a basis for expense recognition. Derived service periods associated with market conditions are accelerated if such market conditions are met prior to the initially-assessed derived service period, but are not deferred if the market conditions are not met prior to the end of the initially-assessed derived service period.

For awards with only service-based vesting conditions, the Company recognizes share-based compensation expense on a straight-line basis through the vesting date of the last tranche of the award. For awards which vest based on more than service conditions, the Company recognizes share-based compensation expense using a graded-vesting method, treating each tranche as if it were a separately-granted award and recognizing expense through the vesting date of each individual tranche. In each scenario, the Company recognizes share-based compensation expense to the extent that the associated service and performance conditions are considered probable to occur. Determinations of probability are made each reporting period and the Company uses available evidence considered relevant for evaluating the performance conditions. The Company recognizes the cumulative effect of changes in the probability of occurrence in the period of re-evaluation. The probability of occurrence and ultimate resolution of a market condition is not considered in expense recognition. Consequently, the Company could recognize expense for awards that do not ultimately vest.

Basic and Diluted Net Income (Loss) Per Common Share

Basic net income (loss) per common share is calculated as net income (loss) available to common stockholders divided by weighted average common shares outstanding for the applicable period. Net income (loss) available to common stockholders is calculated by adjusting net income (loss) for periodic accumulated dividends on the Company's Series B Convertible Preferred Stock ("***Series B Preferred Stock***"). This amount is divided by the weighted average common shares outstanding during the period.

Weighted average common shares outstanding is calculated as shares of the Company outstanding adjusted for the portion of the period for which they are outstanding. Unvested non-option share awards are excluded from the calculation of weighted average common shares outstanding until they have vested. Unexercised stock options are excluded from the calculation of weighted average common shares outstanding until they are exercised. Shares issuable pursuant to the Company's Employee Stock Purchase Plan ("***ESPP***") are included for the minimum number of shares issuable beginning at the point in time that all contingencies for share issuance are resolved.

Diluted net income (loss) per common share adjusts basic net income (loss) per common share for convertible securities, options, equity incentive awards, and other share-based payment awards which have yet to vest and vest only on the satisfaction of a service condition. Equity incentive awards and options that are subject to a performance or market condition are included only if the performance or market condition would be satisfied if the end of the applicable period were the end of the performance period. In any case, these adjustments are reflected in the calculation of diluted net income (loss) per common share to the extent that they reduce basic net income (loss) per common share.

The Company uses the if-converted method to calculate the dilutive effect of the Series B Preferred Stock and other convertible securities to the extent they are outstanding. The if-converted method assumes that convertible securities are converted at the later of the issuance date and the beginning of the period. If the hypothetical conversion of convertible securities, and the consequential avoidance of any accumulated preferred dividends, would decrease basic net income (loss) per common share,

these effects are incorporated in the calculation of diluted net income (loss) per common share, adjusted for the portion of the period the securities were outstanding.

The Company uses the treasury stock method to calculate the dilutive effect of options, non-option share awards, and certain other share-based payments. The treasury stock method assumes that the proceeds from exercise are used to repurchase common shares at the weighted average market price during the period, increasing the denominator for the net effect of shares issued upon exercise less hypothetical shares repurchased.

Shares issuable pursuant to the ESPP are included in the calculation of diluted net loss per common share to the extent that such shares would be issued based on the share price at the conclusion of the period, to the extent such shares are not already included in the calculation of weighted average common shares outstanding.

Recently Adopted Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2020-04, “*Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.*” ASU 2020-04 provides temporary expedients to accounting guidance for certain contract modifications and hedging arrangements to ease financial reporting burdens as a result of market transitions from certain reference rates, including the London Interbank Offered Rate (“LIBOR”). The updates are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2024.

In June 2023, the Company entered into Amendment No. 2 (the “**Second Amendment**”) to the loan agreement, dated as of June 30, 2020, by and among the Company, Hayfin Services, LLP (“**Hayfin**”), an affiliate of Hayfin Capital Management LLP, and certain other parties, (as amended, the “**Hayfin Loan Agreement**”), pursuant to which the reference rate used to determine the interest rate was changed from the London Interbank Offered Rate (“LIBOR”) to the Secured Overnight Financing Rate (“SOFR”). Because the only terms of the Second Amendment that affected the Company’s contractual cash flows were related to the changes in the reference rate, the Company adopted the optional guidance prescribed by Topic 848 to this transaction. The adoption of ASU 2020-04 and its application to the Second Amendment did not materially impact the Company’s unaudited condensed consolidated financial statements as of or for the three or nine months ended September 30, 2023.

Recently Issued Accounting Pronouncements Not Yet Adopted

All ASUs issued and not yet effective for the three and nine months ended September 30, 2023, and through the date of this report, were assessed and determined to be either not applicable or are expected to have minimal impact on the Company’s financial position and results of operations.

3. Accounts Receivable, Net

Accounts receivable, net, consisted of the following (in thousands):

	September 30, 2023	December 31, 2022
Accounts receivable, gross	\$ 51,579	\$ 46,867
Less: allowance for doubtful accounts	(2,574)	(3,783)
Accounts receivable, net	<u>\$ 49,005</u>	<u>\$ 43,084</u>

Activity related to the Company's allowance for doubtful accounts for the three months ended September 30, 2023 and 2022 were as follows (in thousands):

	2023	2022
Balance at July 1	\$ 2,196	\$ 3,471
Bad debt expense	447	426
Write-offs	(69)	(67)
Balance at September 30	<u>\$ 2,574</u>	<u>\$ 3,830</u>

Activity related to the Company's allowance for doubtful accounts for the nine months ended September 30, 2023 and 2022 were as follows (in thousands):

	2023	2022
Balance at January 1	\$ 3,783	\$ 1,187
Bad debt expense	737	2,817
Write-offs	(1,946)	(174)
Balance at September 30	<u>\$ 2,574</u>	<u>\$ 3,830</u>

4. Inventory

Inventory consisted of the following (in thousands):

	September 30, 2023	December 31, 2022
Raw materials	\$ 838	\$ 810
Work in process	10,547	6,855
Finished goods	7,683	5,518
Inventory	<u>\$ 19,068</u>	<u>\$ 13,183</u>

5. Property and Equipment, Net

Property and equipment, net, consisted of the following (in thousands):

	September 30, 2023	December 31, 2022
Laboratory and clean room equipment	\$ 17,551	\$ 16,422
Furniture and equipment	15,255	15,016
Leasehold improvements	9,418	9,190
Construction in progress	1,656	1,983
Asset retirement cost	960	983
Finance lease right-of-use asset	189	189
Property and equipment, gross	45,029	43,783
Less: accumulated depreciation and amortization	(37,935)	(35,927)
Property and equipment, net	<u>\$ 7,094</u>	<u>\$ 7,856</u>

Depreciation expense for the three and nine months ended September 30, 2023 and 2022 is summarized in the table below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Depreciation expense	\$ 653	\$ 831	\$ 2,054	\$ 2,549

Depreciation expense is allocated amongst cost of sales, research and development expense, and selling, general, and administrative expense on the unaudited condensed consolidated statements of operations.

6. Goodwill and Intangible Assets, Net

Goodwill

The following table provides a summary of goodwill activity for the nine months ended September 30, 2023 (in thousands):

	Wound & Surgical		Regenerative Medicine		Goodwill	
Balance as of December 31, 2022	\$	19,441	\$	535	\$	19,976
Impairment of goodwill		—		(535)		(535)
Balance as of September 30, 2023	\$	19,441	\$	—	\$	19,441

There was no goodwill activity during the three months ended September 30, 2023 or during the three or nine months ended September 30, 2022.

Impairment of Regenerative Medicine Business Unit

On June 20, 2023, the Company announced the disbanding of its Regenerative Medicine business unit and the suspension of its Knee Osteoarthritis clinical trial program. As a result of this event, the Company evaluated goodwill associated with the Regenerative Medicine reporting unit for potential impairment. The Company estimated fair value for the reporting unit using the income approach; specifically, a discounted cash flow method. As a result of this assessment, management concluded that the carrying value of the reporting unit exceeded its carrying value by an amount that exceeded its goodwill balance. Accordingly, the Company recognized an impairment loss for the full amount of the goodwill ascribed to the Regenerative Medicine reporting unit. The impairment loss is included as a component of restructuring expense in the unaudited condensed statement of operations for the nine months ended September 30, 2023.

Intangible Assets, Net

Intangible assets, net, are summarized as follows (in thousands):

	September 30, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets						
Patents and know-how	\$ 9,969	\$ (7,638)	\$ 2,331	\$ 9,923	\$ (7,106)	\$ 2,817
Licenses	1,000	(42)	958	1,000	(4)	996
Total amortized intangible assets	\$ 10,969	\$ (7,680)	\$ 3,289	\$ 10,923	\$ (7,110)	\$ 3,813
Unamortized intangible assets:						
Tradenames and trademarks	\$ 1,008		\$ 1,008	\$ 1,008		\$ 1,008
Patents in Process	1,098		1,098	1,031		1,031
Total intangible assets	\$ 13,075		\$ 5,395	\$ 12,962		\$ 5,852

Expected future amortization of intangible assets as of September 30, 2023, is as follows (in thousands):

Year ending December 31,	Estimated Amortization Expense
2023 (excluding the nine months ended September 30, 2023)	\$ 190
2024	759
2025	364
2026	210
2027	209
Thereafter	1,557
Total amortized intangible assets	<u>\$ 3,289</u>

7. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	September 30, 2023	December 31, 2022
Commissions to sales agents	\$ 3,213	\$ 2,941
Accrued rebates	1,244	707
Legal and settlement costs	1,025	4,447
Estimated sales returns	910	659
Accrued group purchasing organization fees	713	638
Accrued clinical trials	694	90
Accrued contract termination costs	547	—
Accrued travel	259	566
Other	839	976
Accrued expenses	<u>\$ 9,444</u>	<u>\$ 11,024</u>

8. Long Term Debt, Net

Hayfin Loan Agreement

On June 30, 2020, the Company entered into the Hayfin Loan Agreement, which provided the Company with a \$50 million senior secured term loan (the “**Term Loan**”). The Term Loan matures on June 30, 2025 (the “**Maturity Date**”). Interest on any borrowings is based on SOFR, plus a fallback provision of 0.15%, subject a floor of 1.5% (the “**Floor**”), plus a Margin of 6.75% (the “**Margin**”). The Term Loan carried an interest rate of 12.3% as of September 30, 2023.

As of September 30, 2023, the Company was in compliance with all applicable financial covenants under the Hayfin Loan Agreement.

The balances of the Term Loan as of September 30, 2023 and December 31, 2022 were as follows (in thousands):

	September 30, 2023	December 31, 2022
Outstanding principal	\$ 50,000	\$ 50,000
Deferred financing costs	(896)	(1,219)
Original issue discount	(138)	(187)
Long term debt, net	<u>\$ 48,966</u>	<u>\$ 48,594</u>

Interest expense related to the Term Loan, included in interest expense, net in the unaudited condensed consolidated statements of operations, was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Stated interest	\$ 1,554	\$ 1,151	\$ 4,498	\$ 3,225
Amortization of deferred financing costs	111	103	323	302
Accretion of original issue discount	17	16	50	46
Interest expense	<u>\$ 1,682</u>	<u>\$ 1,270</u>	<u>\$ 4,871</u>	<u>\$ 3,573</u>

A summary of principal payments due on the Term Loan, by year, from September 30, 2023 through maturity are as follows (in thousands):

Year ending December 31,	Principal
2023 (excluding the nine months ended September 30, 2023)	\$ —
2024	—
2025	50,000
2026	—
2027	—
Thereafter	—
Outstanding principal	<u>\$ 50,000</u>

As of September 30, 2023, the fair value of the Term Loan was \$47.7 million. This valuation was calculated based on a series of Level 2 and Level 3 inputs, including a discount rate based on the credit risk spread of debt instruments of similar risk character in reference to U.S. Treasury instruments with similar maturities, with an incremental risk premium for risk factors specific to the Company. Fair value was calculated by discounting the remaining cash flows associated with the Term Loan to September 30, 2023 using this discount rate.

9. Net Income (Loss) Per Common Share

Net income (loss) per common share is calculated using two methods: basic and diluted.

Basic Net Income (Loss) Per Common Share

The following table provides a reconciliation of net loss to net loss available to common stockholders and calculation of basic net loss per common share for each of the three and nine months ended September 30, 2023 and 2022 (in thousands, except share and per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 8,534	\$ (8,426)	\$ 4,751	\$ (29,783)
Accumulated dividends on Series B Preferred Stock	1,773	1,670	5,184	4,884
Net income (loss) available to common stockholders	\$ 6,761	\$ (10,096)	\$ (433)	\$ (34,667)
Weighted average common shares outstanding	116,298,146	113,448,251	115,528,067	112,650,713
Basic net income (loss) per common share	\$ 0.06	\$ (0.09)	\$ (0.00)	\$ (0.31)

Diluted Net Income (Loss) Per Common Share

The following table sets forth the computation of diluted net loss per common share (in thousands, except share and per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss) available to common stockholders	\$ 6,761	\$ (10,096)	\$ (433)	\$ (34,667)
Adjustments:				
Accumulated dividends on Series B Convertible Preferred Stock	1,773	1,670	5,184	4,884
Less: antidilutive adjustments	(1,773)	(1,670)	(5,184)	(4,884)
Total adjustments	—	—	—	—
Numerator	\$ 6,761	\$ (10,096)	\$ (433)	\$ (34,667)
Weighted average shares outstanding	116,298,146	113,448,251	115,528,067	112,650,713
Adjustments:				
Potential common shares (a)				
Restricted stock unit awards	1,845,832	—	—	—
Outstanding stock options	1,131,410	—	—	—
Performance stock unit awards	35,441	—	—	—
Restricted stock awards	15,767	—	—	—
Employee stock purchase plan	1,113	—	—	—
Total adjustments	3,029,563	—	—	—
Weighted average shares outstanding adjusted for potential common shares	119,327,709	113,448,251	115,528,067	112,650,713
Diluted net income (loss) per common share	\$ 0.06	\$ (0.09)	\$ (0.00)	\$ (0.31)

(a) Weighted average common shares outstanding for the calculation of diluted net income (loss) per common share does not include the following adjustments for potential common shares below because their effects were determined to be antidilutive for the periods presented.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Series B Convertible Preferred Stock	30,445,997	28,685,739	29,559,946	27,850,916
Restricted stock unit awards	—	474,355	1,219,776	574,507
Performance stock unit awards	—	59,996	13,425	40,141
Employee stock purchase plan	—	4,536	372	1,517
Restricted stock awards	—	22,327	23,733	293,778
Outstanding stock options	—	22,528	107,897	97,190
Potential common shares	30,445,997	29,269,481	30,925,149	28,858,049

10. Equity

Series B Convertible Preferred Stock

The Company has not declared or paid any dividends on the Series B Preferred Stock since issuance. Dividends accumulated but not paid as of September 30, 2023 were \$19.0 million. As this amount has not been declared, the Company has not recorded this amount on its unaudited condensed consolidated balance sheet as of September 30, 2023.

Based on accumulated dividends as of September 30, 2023, the Series B Preferred Stock was convertible into an aggregate of 30,906,441 shares of the Company's common stock as of that date.

Equity Incentive Awards

The Company has issued restricted stock awards ("**RSAs**"), restricted stock unit awards ("**RSUs**"), and performance stock unit awards ("**PSUs**", together with RSAs and RSUs, collectively, the "**Equity Incentive Awards**") to its employees. The following is summary information for Equity Incentive Awards for the nine months ended September 30, 2023.

As of September 30, 2023, there was \$24.1 million of unrecognized share-based compensation expense related to the Equity Incentive Awards. This expense is expected to be recognized over a weighted-average period of 2.33 years, which approximates the remaining vesting period of these grants. The table below summarizes activity of unvested Equity Incentive Awards by award type from January 1, 2023 through September 30, 2023.

	RSA		RSU		PSU	
	Number of Shares	Weighted-Average Grant Date Fair Value	Number of Shares	Weighted-Average Grant Date Fair Value	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2023	122,755	\$ 6.13	4,774,971	\$ 6.28	241,072	\$ 4.62
Granted	—	—	3,266,244	4.65	3,851,427	3.83
Vested	(13,624)	6.18	(2,237,260)	6.20	—	—
Forfeited	(90,367)	5.83	(1,715,136)	5.45	(365,227)	4.24
Unvested at September 30, 2023	18,764	\$ 7.55	4,088,819	\$ 5.38	3,727,272	\$ 3.84

Stock Options

A summary of stock option activity for the nine months ended September 30, 2023 is presented below:

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at January 1, 2023	933,894	\$ 6.46		
Granted	3,694,000	3.77		
Exercised	(62,599)	6.50		
Vested options expired	(423,213)	5.81		
Outstanding at September 30, 2023	4,142,082	4.13	6.31	13,178,214
Exercisable at September 30, 2023	448,082	\$ 7.06	0.60	\$ 174,314

As of September 30, 2023, there was \$5.5 million of unrecognized share-based compensation expense related to Stock Options. This expense is expected to be recognized over a weighted-average period of 2.22 years.

CEO Performance Grant

On January 27, 2023, the Company's Board of Directors appointed Joseph H. Capper to serve as Chief Executive Officer. The Company entered into a Letter Agreement with Mr. Capper that included, among other things, a grant of 3,300,000 PSUs (the "**CEO Performance PSUs**") and a non-qualified stock option (the "**CEO Performance Option**", collectively with the CEO Performance PSUs, the "**CEO Performance Grant**") for 3,600,000 shares of the Company's common stock. In addition to continued employment with the Company, the occurrence and extent of vesting of each component of the CEO Performance Grant is dependent upon the Company's operating and share price performance: the CEO Performance PSUs vest on the basis of achieved revenue growth, while the CEO Performance Option vests on the basis of share price appreciation.

CEO Performance PSUs

The CEO Performance PSUs vest in a single tranche on the earlier of the filing date of the Company's 2026 Annual Report on Form 10-K and March 15, 2027. The occurrence and extent of vesting depends on the Company's compound annual growth rate ("**CAGR**") achieved with respect to its revenue growth between the year ended December 31, 2022 and the year ending December 31, 2026. The PSUs may vest with respect to 50% to 200% of the granted number of PSUs, depending on the extent of CAGR achievement. Failure to achieve the CAGR associated with 50% of achievement would result in no vesting.

Management determined the probable level of vesting using internally-developed forecasts for the relevant period representing the Company's best estimate for revenue, with a factor applied to calculate the highest level of CAGR evaluated to be probable of occurrence based on that estimate. The Company recognized \$0.4 million and \$1.1 million of expense related to the CEO Performance PSUs during the three and nine months ended September 30, 2023, respectively.

CEO Performance Option

The CEO Performance Option grants Mr. Capper the right to purchase up to 3,600,000 shares of common stock for \$3.70 per share. The CEO Performance Option vests based on the satisfaction of service and market conditions. Mr. Capper may vest in 25% of the CEO Performance Option on each of the first four anniversary dates of the date of grant provided that he remains employed by the Company and provided that specified share price goals are achieved at any point between the date of grant and January 31, 2027. There are three separate share price goals associated with the CEO Performance Option. If specified share price goals are met at one level, one-third of the option may vest, at a second level, a further one-third may vest, and at a third level, the full amount of the option may vest. Satisfaction of the share price goals is based on the average of the closing price of the Company's common stock during any 20 consecutive trading days through January 31, 2027 exceeding the stipulated share price goal. The CEO Performance Option expires on February 1, 2030.

The Company estimated the fair value of the awards using a Monte Carlo simulation using the following assumptions:

		Assumption
Stock price on grant date	\$	3.70
Exercise price	\$	3.70
Risk-free interest rate		3.58 %
Expected volatility (annualized)		75.00 %
Dividend yield		— %
Weighted average grant date fair value	\$	1.93

The risk-free interest rate was derived based on the U.S. Treasury Yield curve in effect at the date of grant for maturities of similar periods to the contractual term. The expected volatility was estimated principally based on the Company's historical daily stock price movements for a term similar in length to the contractual term. The dividend yield was based on the Company's history of dividends on its common stock. The fair value was determined using an expected term which reflects the anticipated holding and post-vesting behavior pattern, calculated for each individual simulation.

The total grant date fair value of the CEO Performance Option was \$7.0 million. The fair value associated with each tranche of the award will be recognized, straight-line, over the associated requisite service period for that tranche, subject to acceleration if the market condition is met prior to the end of the derived service period. Failure to meet the market condition for an award does not result in reversal of previously-recognized expense, so long as the service is provided for the duration of the required service period. The Company recognized \$0.7 million and \$2.0 million of expense related to the CEO Performance Option during the three and nine months ended September 30, 2023, respectively.

CFO Inducement Grant

On July 5, 2023, the Company announced that Doug Rice was appointed to serve as Chief Financial Officer of the Company, effective that day. Mr. Rice's compensation included, among other things, a grant of 162,000 PSUs, 97,200 RSUs, and 94,000 stock options (the "**CFO Options**"), as a material inducement to his hiring.

The PSUs vest based on a three-year performance period ending on December 31, 2025 based upon the achievement of specified performance conditions, subject to Mr. Rice's continued employment, except in the case of Mr. Rice's death or disability. The awards can vest between 50% and 150% of the original number of PSUs, depending on actual performance. Vesting is limited to 100% of the award in the event that certain share price conditions are not achieved. The total grant date fair value of the PSUs was \$1.5 million.

The RSUs vest in three equal tranches on each of the first three anniversary dates of the grant date, provided Mr. Rice remains in continuous service with the Company. The total grant date fair value of the RSUs was \$0.6 million.

The CFO Options vest in four equal tranches on each of the first four anniversary dates of the grant date, subject to Mr. Rice's continued employment. The CFO Options expire on July 5, 2030. The total grant date fair value of the CFO Options was \$0.4 million.

11. Income Taxes

The effective tax rates for the Company were 6.5% and (0.6)% for the three months ended September 30, 2023 and 2022, respectively. The effective tax rates for the Company were 10.7% and (0.6)% for the nine months ended September 30, 2023 and 2022, respectively. The effective tax rates for 2023 reflect the utilization of net operating losses and certain tax credits. The effective tax rates for 2022 reflect net operating losses offset by a valuation allowance.

12. Supplemental Disclosure of Cash Flow and Non-cash Investing and Financing Activities

Selected cash payments, receipts, and non-cash activities are as follows (in thousands):

	Nine Months Ended September 30,	
	2023	2022
Cash paid for interest	\$ 4,496	\$ 3,233
Cash paid for income taxes	210	184
Non-cash activities:		
Issuance of shares pursuant to employee stock purchase plan	1,368	—
Purchases of equipment in accounts payable	126	353
Right of use assets arising from operating lease liabilities	—	(37)

13. Commitments and Contingencies

Nordic Agreement

In June 2022, the Company entered into a collaboration agreement (the “*Nordic Agreement*”) with Nordic Bioscience Clinical Development A/S (“*NBCD*”) to provide full operational support for the Company’s KOA clinical trial program. Under the terms of the Nordic Agreement, the Company was obligated to pay \$10.2 million upon the achievement of specified milestones over the course of the clinical trial. In July 2023, the Company terminated the Nordic Agreement, in accordance with which the Company is obligated to reimburse NBCD for services performed through the effective termination date and for non-cancelable obligations reasonably incurred prior to that date. In addition, the Company and NBCD have certain regulatory obligations for all trial participants enrolled in the study prior to the suspension of clinical trial activities. Refer to Note 16, “*Restructuring*,” for additional discussion.

Litigation and Regulatory Matters

In the ordinary course of business, the Company and its subsidiaries may be a party to pending and threatened legal, regulatory, and governmental actions and proceedings (including those described below). In view of the inherent difficulty of predicting the outcome of such matters, particularly where the plaintiffs or claimants seek very large or indeterminate damages or where the matters present novel legal theories or involve a large number of parties, the Company generally cannot predict what the eventual outcome of the pending matters will be, what the timing of the ultimate resolution of these matters will be, or what the eventual recovery, loss, fines or penalties related to each pending matter may be. The Company’s unaudited condensed consolidated balance sheet as of September 30, 2023 reflects the Company’s current best estimate of probable losses associated with these matters, including costs to comply with various settlement agreements, where applicable. For more information regarding the Company’s legal proceedings, refer to Note 16, “*Commitments and Contingencies*” in the 2022 Form 10-K.

The Company has not accrued for any potential losses related to legal matters as of September 30, 2023.

The following is a description of certain litigation and regulatory matters to which the Company is a party:

Securities Class Action

On January 16, 2019, the United States District Court for the Northern District of Georgia entered an order consolidating two purported securities class actions (MacPhee v. MiMedx Group, Inc., et al. filed February 23, 2018 and Kline v. MiMedx Group, Inc., et al. filed February 26, 2018). The order also appointed Carpenters Pension Fund of Illinois (“*CPFI*”) as lead plaintiff. On May 1, 2019, CPFI filed a consolidated amended complaint, naming as defendants the Company, Michael J. Senken, Parker H. “Pete” Petit, William C. Taylor, Christopher M. Cashman and Cherry Bekaert & Holland LLP. The amended complaint (the “*Securities Class Action Complaint*”) alleged violations of Section 10(b) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), Rule 10b-5 promulgated thereunder, and Section 20(a) of the Exchange Act. It asserted a class period of March 7, 2013 through June 29, 2018. Following the filing of motions to dismiss by the various defendants, CPFI was granted

leave to file an amended complaint. CPFI filed its amended complaint against the Company, Michael J. Senken, Parker H. Petit, William C. Taylor, and Cherry Bekaert & Holland (Christopher Cashman was dropped as a defendant) on March 30, 2020. The defendants filed motions to dismiss on May 29, 2020. On March 25, 2021, the Court granted defendants' respective motions to dismiss, finding that CPFI lacked standing to bring the underlying claims and also could not establish loss causation because it sold all of its shares in the Company prior to any corrective disclosures, and dismissed the case. On April 22, 2021, CPFI filed a motion for reconsideration of the dismissal and for leave to amend to add a new plaintiff to attempt to cure the standing and loss causation issues. On January 28, 2022, the Court denied CPFI's motion to reconsider and motion to substitute class representative. On February 25, 2022, CPFI filed a Notice of Appeal in the 11th Circuit Court of Appeals. On July 10, 2023, the Court of Appeals affirmed the District Court's dismissal of the case and the denial of the motion for leave to amend. On July 31, 2023, CPFI filed a petition for rehearing *en banc*, which was denied on September 6, 2023.

Welker v. MiMedx, et. al.

On November 4, 2022, Troy Welker and Min Turner, former option holders of the Company, brought a lawsuit in Fulton County State Court against the Company, former directors Terry Dewberry and Charles Evans, and former officers Parker H. "Pete" Petit, William C. Taylor, and Michael Senken alleging violations of the Georgia Racketeer Influenced and Corrupt Organizations ("**RICO**") Act against all defendants, and conspiracy to violate the Georgia RICO Act and breach of fiduciary duty against the individual defendants. The Company is defending against the allegations and removed the case to the United States District Court for the Northern District of Georgia. Plaintiffs filed a motion to remand back to state court, which was granted. The Company has filed its answer and a motion to dismiss, which is currently pending.

Former Employee Litigation and Related Matters

On January 12, 2021, the Company filed suit in the Circuit Court of the Eleventh Judicial District in and for Miami-Dade County, Florida (MiMedx Group, Inc. v. Petit, et. al.) against its former CEO, Parker H. "Pete" Petit, and its former COO, William C. Taylor, seeking a determination of its rights and obligations under indemnification agreements with Petit and Taylor following a federal jury's guilty verdict against Petit for securities fraud and Taylor for conspiracy to commit securities fraud. The Company is seeking a declaratory judgment that it is not obligated to indemnify or advance expenses to Petit and Taylor in connection with certain cases to which Petit and Taylor are parties and also seeking to recoup amounts previously paid on behalf of Petit and Taylor in connection with such cases. On April 22, 2021, Petit and Taylor filed an answer and asserted counterclaims against the Company alleging breach of their indemnification agreements, breach of the covenant of good faith and fair dealing with respect to their indemnification agreements, and seeking a declaration that the Company remains obligated to indemnify and advance fees in connection with certain cases. Petit and Taylor simultaneously also filed a motion seeking to compel the Company to advance and reinstate its payments of Petit and Taylor's legal expenses. The Company opposed Petit and Taylor's motion and a hearing was set for June 23, 2021. At the joint request of the parties, the hearing was cancelled to allow the parties to attend a mediation to attempt a resolution of this matter; such mediation was held on August 11, 2021.

Following the mediation, the Company and Mr. Taylor reached an agreement to settle the matter between them. Negotiations with Mr. Petit are ongoing.

Other Matters

Under the Florida Business Corporation Act and agreements with its current and former officers and directors, the Company is obligated to indemnify its current and former officers and directors who are made party to a proceeding, including a proceeding brought by or in the right of the corporation, with certain exceptions, and to advance expenses to defend such matters. The Company has previously borne substantial costs to satisfy these indemnification and expense advance obligations and may continue to incur such costs in the future. Costs incurred pursuant to these agreements are included in investigation, restatement and related expense in the unaudited condensed consolidated statements of operations.

In addition to the matters described above, the Company is a party to a variety of other legal matters that arise in the ordinary course of the Company's business, none of which are deemed to be individually material at this time. Due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on the Company's business, results of operations, financial position or liquidity.

14. Revenue

Net Sales by Site of Service

The Company has three sites of service for its products (1) Hospital settings and wound care clinics, which are stable reimbursement settings in which products are used for surgical applications, (2) Private offices, which generally represents

doctors and practitioners with independent operations, and (3) Other, which includes federal facilities, international sales, and other sites of service.

Below is a summary of net sales by site of service (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Hospital	\$ 47,350	\$ 40,174	\$ 136,108	\$ 116,081
Private Office	22,951	19,572	68,188	54,768
Other	11,411	7,943	30,349	22,617
Total	\$ 81,712	\$ 67,689	\$ 234,645	\$ 193,466

The Company did not have significant foreign operations or a single external customer from which 10% or more of revenues were derived during the three or nine months ended September 30, 2023 or 2022.

Net Sales by Product

The Company has two primary classes of products: (1) Advanced Wound Care, or Section 361, products, consisting of its tissue and cord sheet allograft products as well as certain particulate products subject to regulation under Section 361 of the Public Health Service Act and related regulations (“**Section 361**”), and (2) Section 351 products, consisting of the Company’s micronized and certain other particulate products subject to regulation under Section 351 of the Public Health Service Act and related regulations (“**Section 351**”). Advanced Wound Care is further disaggregated between the Company’s Tissue/Other and Cord products.

Below is a summary of net sales by class of product (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Advanced Wound Care				
Tissue/Other	\$ 75,570	\$ 61,131	\$ 216,825	\$ 174,256
Cord	6,066	5,678	17,259	17,165
Total Advanced Wound Care	81,636	66,809	234,084	191,421
Section 351 ⁽¹⁾	76	880	561	2,045
Total	\$ 81,712	\$ 67,689	\$ 234,645	\$ 193,466

(1) Revenue recognized from collections relating to revenue transactions for which performance obligations were fulfilled prior to October 1, 2019, the date at which the Company changed its pattern of revenue recognition, for the three and nine months ended September 30, 2022 of \$0.1 million and \$0.2 million, respectively, which were separately presented in previously-issued financial statements, are presented as part of Section 351 in the table above.

15. Segment Information

The Company had two reportable segments during the three and nine months ended September 30, 2023: Wound & Surgical and Regenerative Medicine.

- **Wound & Surgical** focused on the Advanced Wound Care and Surgical Recovery markets through the sale of the Company’s portfolio of products and product development to serve these primary end markets. Its platform technologies include tissue allografts derived from human placental membrane (EPIFIX®, AMNIOFIX®, and AMNIOEFFECT®), tissue allografts derived from human umbilical cord (EPICORD® and AMNIOCORD®), and a particulate extracellular matrix derived from human placental disc (AXIOFILL®). This segment is also responsible for international sales of the Company’s Section 351 products.
- Prior to June 20, 2023, **Regenerative Medicine** focused solely on Regenerative Medicine technologies, specifically progressing the Company’s placental biologics platform towards registration as an FDA-approved biological drug. On June 20, 2023, the Company announced a plan to disband the Regenerative Medicine business unit and suspended its Knee Osteoarthritis clinical trial program. The Company is actively managing wind-down activities for its Regenerative Medicine business unit, primarily related to regulatory obligations associated with its clinical trial. The Company expects that these activities will materially conclude in the fourth quarter of 2023.

The accounting policies of the segments were the same as the Company's accounting policies. See Note 2, "Significant Accounting Policies," included in the 2022 Form 10-K.

The Company evaluated the performance of its segments and allocated resources based on segment contribution, defined as net sales less (i) cost of sales, (ii) selling, general and administrative expense, (iii) research and development expense, (iv) amortization of intangible assets, and (v) restructuring. The only components which comprised income (loss) before income tax provision that were not included in operating income (loss) were interest expense, net and other expense, net.

The Company did not allocate any assets to the reportable segments. No asset information was reported or disclosed to the chief operating decision maker in the financial information for each segment.

Net sales and segment contribution by each reportable segment for the three months ended September 30, 2023 were as follows (in thousands):

	Wound & Surgical	Regenerative Medicine	Corporate & Other	Consolidated
Net sales	\$ 80,376	\$ —	\$ 1,336	\$ 81,712
Cost of sales	13,305	—	1,485	14,790
Selling, general and administrative expense	38,687	—	13,884	52,571
Research and development expense	3,175	—	—	3,175
Restructuring	—	208	—	208
Amortization of intangible assets	—	—	190	190
Segment contribution	\$ 25,209	\$ (208)		
Investigation, restatement and related expense				(38)
Operating income				\$ 10,816
<i>Supplemental information</i>				
Depreciation expense	\$ 423	\$ —	\$ 230	\$ 653
Share-based compensation	\$ 1,902	\$ —	\$ 2,486	\$ 4,388

Net sales and segment contribution by each reportable segment for the three months ended September 30, 2022 were as follows (in thousands):

	Wound & Surgical	Regenerative Medicine	Corporate & Other	Consolidated
Net sales	\$ 66,873	\$ —	\$ 816	\$ 67,689
Cost of sales	11,159	—	1,029	12,188
Selling, general and administrative expense	35,530	—	17,945	53,475
Research and development expense	1,680	4,273	—	5,953
Amortization of intangible assets	—	—	175	175
Segment contribution	\$ 18,504	\$ (4,273)		
Investigation, restatement and related expense				3,001
Operating loss				\$ (7,103)
<i>Supplemental information</i>				
Depreciation expense	\$ 451	\$ 36	\$ 344	\$ 831
Share-based compensation	\$ 1,945	\$ 347	\$ 80	\$ 2,372

Net sales and segment contribution by each reportable segment for the nine months ended September 30, 2023 were as follows (in thousands):

	Wound & Surgical	Regenerative Medicine	Corporate & Other	Consolidated
Net sales	\$ 231,466	\$ —	\$ 3,179	\$ 234,645
Cost of sales	37,373	—	3,419	40,792
Selling, general and administrative expense	114,853	—	41,920	156,773
Research and development expense	6,330	11,838	—	18,168
Restructuring	—	3,464	—	3,464
Amortization of intangible assets	—	—	570	570
Segment contribution	\$ 72,910	\$ (15,302)		
Investigation, restatement and related expense				4,652
Operating income				\$ 10,226
<i>Supplemental information</i>				
Depreciation expense	\$ 1,208	\$ 135	\$ 711	\$ 2,054
Share-based compensation	\$ 5,130	\$ 259	\$ 7,404	\$ 12,793

Net sales and segment contribution by each reportable segment for the nine months ended September 30, 2022 were as follows (in thousands):

	Wound & Surgical	Regenerative Medicine	Corporate & Other	Consolidated
Net sales	\$ 191,297	\$ —	\$ 2,169	\$ 193,466
Cost of sales	31,126	—	2,821	33,947
Selling, general and administrative expense	108,256	—	50,582	158,838
Research and development expense	6,068	11,361	—	17,429
Amortization of intangible assets	—	—	519	519
Segment contribution	\$ 45,847	\$ (11,361)		
Investigation, restatement and related expense				8,771
Operating loss				\$ (26,038)
<i>Supplemental information</i>				
Depreciation expense	\$ 1,364	\$ 120	\$ 1,065	\$ 2,549
Share-based compensation	\$ 5,609	\$ 910	\$ 4,279	\$ 10,798

16. Restructuring

On June 20, 2023, the Company announced that it was suspending all activities associated with its knee osteoarthritis clinical trial program and disbanding its Regenerative Medicine business unit (the “**Restructuring**”). This was the result of the Company’s decision to focus on its Wound & Surgical business to drive profitability and cash flows. The Company anticipates that activities related to the Restructuring will materially conclude in the fourth quarter of 2023. Expenses associated with the Restructuring are recognized as the associated liabilities are incurred in an amount equal to the fair value to settle the liability.

Severance

As part of the Restructuring, the Company separated from certain employees whose primary responsibilities were toward the advancement of the Company’s knee osteoarthritis clinical trial program. The Company offered an aggregate of severance arrangements of \$2.1 million to separated employees during the nine months ended September 30, 2023. This amount was recognized as part of research and development expense on the unaudited condensed consolidated statements of operations for the nine months ended September 30, 2023, as these arrangements were determined not to qualify for accounting as a one-time separation benefit under ASC 420. Of the total severance amount, \$1.8 million was paid out during the three months ended September 30, 2023. The remaining \$0.3 million is reflected in accrued compensation on the unaudited condensed consolidated balance sheet as of September 30, 2023.

Impairments

On June 23, 2023, the Company provided notice to NBCD of the termination of the Nordic Agreement. As part of the Restructuring, the Company no longer anticipated that it would receive any benefits pursuant to the clinical trial program. Accordingly, it recognized an impairment of clinical trial assets related to the Nordic Agreement and all pass-through vendors of \$2.1 million during the nine months ended months ended September 30, 2023, respectively. This amount is reflected as part of restructuring expense on the unaudited condensed consolidated statements of operations for the nine months ended months September 30, 2023.

In addition, the Company recorded goodwill impairment for \$0.5 million, reflecting all goodwill assigned to the Regenerative Medicine reporting unit. This amount is reflected as part of restructuring expense on the unaudited condensed consolidated statements of operations for the nine months ended September 30, 2023. See Note 6, “*Goodwill and Intangible Assets, Net,*” for further information regarding the impairment of goodwill due to the disbanding of the Company’s Regenerative Medicine business unit.

Contract Termination Costs

The Company incurred \$0.2 million and \$0.8 million in expenses to wind-down certain contracts related to the knee osteoarthritis clinical trial program for the three and nine months ended September 30, 2023, respectively. This amount generally reflects the Company’s expectation both for its obligation to carry out the protocol for the patients enrolled in the trial prior to the suspension of activities and close-out costs related to the trial. During the three months ended September 30, 2023, the Company incurred additional charges \$0.2 million under certain contracts that was offset by a decrease in the number of visits required to wind-down the study and payments totaling \$0.2 million. Contract termination costs are reflected as part of accrued expenses on the unaudited condensed consolidated balance sheet as of September 30, 2023 and as part of restructuring expense on the unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2023.

17. Subsequent Events

Hayfin Preferred Share Repurchase

On October 27, 2023, the Company executed a Securities Purchase Agreement with certain entities managed by or affiliated with Hayfin Capital Management LLP (the “**Hayfin Shareholders**”) to repurchase 5,000 shares of the Company’s Series B Preferred Stock for \$9.5 million (the “**Repurchase**”). As part of the Repurchase, the Hayfin Shareholders entered into customary lock-up provisions requiring them to retain the balance of their equity positions for a period of at least one year.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Overview

MIMEDX is a pioneer and leader in placental biologics focused on delivering innovative solutions to patients and the healthcare professionals who treat them. With more than a decade of experience helping clinicians manage acute and chronic wounds, MIMEDX has been dedicated to providing a leading portfolio of products for applications in the wound care, burn, and surgical sectors of healthcare. All of our products sold in the United States are regulated by the U.S. Food & Drug Administration (“**FDA**”). We apply Current Good Tissue Practices (“**CGTP**”) standards in addition to terminal sterilization to produce our allografts.

During the three and nine months ended September 30, 2023, we operated under two defined internal business units: Wound & Surgical and Regenerative Medicine.

The Wound & Surgical business focuses on the Advanced Wound Care and Surgical Recovery markets through sales of our existing product portfolio and product development to serve these primary end markets. This business unit is responsible for substantially all sales of our Advanced Wound Care products, as well as the sale outside the United States of America of our micronized and certain other particulate products subject to regulation under Section 351 of the Public Health Service Act and related regulations (“**Section 351**”).

On June 20, 2023, we announced a plan to disband our Regenerative Medicine business unit and the suspension of our knee osteoarthritis (“**KOA**”) clinical trial program (the “**Restructuring**”) given the substantial uncertainties surrounding clinical trial costs and outcomes, as well as regulatory pathways and timing. The Company anticipates that Restructuring-related activities will materially conclude in the fourth quarter of 2023.

This discussion, which presents our results for the three and nine months ended September 30, 2023 and 2022, should be read in conjunction with our financial statements and accompanying notes in this Form 10-Q and the financial statements and accompanying notes thereto and Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Executive Summary

During the third quarter ended September 30, 2023, the Company experienced broad-based growth in net sales, with contributions from each of its site-of-service categories. Much of this momentum was driven by strong commercial execution, including the acquisition of new customers and continued uptake in new products we launched in the second half of 2022, despite uncertainty in reimbursement policy for Medicare billings in the Private Office care setting. Recent operating and financial highlights include:

- Third quarter 2023 net sales of \$81.7 million, an increase of 20.7% over third quarter 2022.
- GAAP net income of \$8.5 million for third quarter 2023.
- Launched EPIEFFECT™, the latest addition to MIMEDX’s portfolio of Advanced Wound Care products.
- Announced \$9.5 million repurchase of 5,000 shares of Series B Preferred Stock held by Hayfin Services, LLP (“**Hayfin**”) and its affiliates.

Results of Operations

Three Months Ended September 30, 2023 Compared to the Three Months Ended September 30, 2022

Total Company

Three Months Ended September 30,
(in thousands)

	2023	2022	\$ Change	% Change
Net sales	\$ 81,712	\$ 67,689	\$ 14,023	20.7 %
Cost of sales	14,790	12,188	2,602	21.3 %
Gross profit	66,922	55,501	11,421	20.6 %
Selling, general and administrative	52,571	53,475	(904)	(1.7)%
Research and development	3,175	5,953	(2,778)	(46.7)%
Restructuring	208	—	208	— %
Investigation, restatement and related	(38)	3,001	(3,039)	nm
Amortization of intangible assets	190	175	15	8.6 %
Interest expense, net	(1,680)	(1,270)	(410)	32.3 %
Income tax provision benefit (expense)	(591)	(53)	(538)	nm
Net income (loss)	\$ 8,534	\$ (8,426)	\$ 16,960	nm ¹

Net Sales

We recorded net sales for the three months ended September 30, 2023 of \$81.7 million, a \$14.0 million, or 20.7%, increase compared to the three months ended September 30, 2022, in which we recognized net sales of \$67.7 million. Net sales in all care settings had one fewer shipping day during the three months ended September 30, 2023 compared to the same period in 2022.

Our sales by care setting were as follows (in thousands):

	Three Months Ended September 30,		Change	
	2023	2022	\$	%
Hospital	\$ 47,350	\$ 40,174	\$ 7,176	17.9 %
Private Office	22,951	19,572	3,379	17.3 %
Other	11,411	7,943	3,468	43.7 %
Total	\$ 81,712	\$ 67,689	\$ 14,023	20.7 %

Net sales in the Hospital care setting were \$47.4 million for the three months ended September 30, 2023, a \$7.2 million or 17.9% increase compared to \$40.2 million for the three months ended September 30, 2022. The increase was primarily driven by sales of our new products introduced during the third quarter of 2022.

Net sales in the Private Office care setting grew by \$3.4 million, or 17.3%, to \$23.0 million for the three months ended September 30, 2023, compared to \$19.6 million for the three months ended September 30, 2022. The increase reflects general increases in sales volume, driven by strong commercial execution.

Net sales in Other care settings increased by \$3.5 million, or 43.7%, to \$11.4 million for the three months ended September 30, 2023, compared to \$7.9 million for the three months ended September 30, 2022. The increase was the result of the addition of new customers and general increases in sales volume, driven by strong commercial execution.

Cost of Sales and Gross Profit Margin

Cost of sales for the three months ended September 30, 2023 and 2022 were \$14.8 million and \$12.2 million, respectively, an increase of \$2.6 million, or 21.3%. Increases in cost of sales were driven by increases in sales volume as noted above.

Gross profit margin for the three months ended September 30, 2023 was 81.9% compared to 82.0% for the three months ended September 30, 2022. Gross profit margin was roughly flat versus the prior year period due to improvements in yield, partially offset by production variances.

¹ nm=not meaningful

Selling, General and Administrative Expense

Selling, general and administrative (“**SG&A**”) expense for the three months ended September 30, 2023 was \$52.6 million, compared to \$53.5 million for the three months ended September 30, 2022, a decrease of \$0.9 million, or 1.7%. The decrease in SG&A expense was due to decreases in professional service costs and personnel costs. Lower professional services expense resulted from a decline in fees paid to third party advisers during the three months ended September 30, 2022. The decrease in personnel costs reflects the results of our continued cost reduction efforts which began during the third quarter of 2022, together with the impact of higher comparative severance expense associated with the departure of our former CEO in the third quarter of 2022, as well as lower stock-based compensation. These decreases were offset by increases in commissions due to higher sales volumes for three months ended September 30, 2023.

Research and Development Expense

Our research and development expense decreased by \$2.8 million, or 46.7%, to \$3.2 million for the three months ended September 30, 2023, compared to \$6.0 million for the three months ended September 30, 2022. The decline resulted from the disbanding of our Regenerative Medicine business unit lowering personnel and clinical trial expenses for three months ended September 30, 2023 and from decreases in expenses associated with the testing and development of new products launched during the three months ended September 30, 2022.

Restructuring Expense

Restructuring expense of \$0.2 million for the three months ended September 30, 2023 reflects certain charges related to our Regenerative Medicine business unit wind-down activities, primarily associated with clinical trial regulatory obligations.

Investigation, Restatement and Related Expense

Investigation, restatement and related expense for the three months ended September 30, 2023 was immaterial compared to \$3.0 million for the three months ended September 30, 2022. The decrease was primarily related to negotiated reductions in legal fees previously incurred under indemnification agreements with certain former members of management year-over-year. In addition, following the end of a legal proceeding, expenses under our last material indemnification agreement with our former chief financial officer substantially ceased during the third quarter of 2023.

Amortization of Intangible Assets

Amortization expense related to intangible assets was \$0.2 million for each of the three months ended September 30, 2023 and 2022.

Interest Expense, Net

Interest expense, net was \$1.7 million for the three months ended September 30, 2023 compared to \$1.3 million for the three months ended September 30, 2022, an increase of \$0.4 million, or 32.3%. The increase was the result of year-over-year increases in the reference market interest rates on our outstanding debt.

Income Tax Provision Benefit (Expense)

The effective tax rates for the Company were 6.5% and (0.6)% for the three months ended September 30, 2023 and September 30, 2022, respectively. The Company's net income is partially offset by net operating losses and research and development tax credits, in accordance with the 2018 Tax & Jobs Act legislation.

Nine Months Ended September 30, 2023 Compared to the Nine Months Ended September 30, 2022

Total Company

	Nine Months Ended September 30, (in thousands)			
	2023	2022	\$ Change	% Change
Net sales	\$ 234,645	\$ 193,466	\$ 41,179	21.3 %
Cost of sales	40,792	33,947	6,845	20.2 %
Gross profit	193,853	159,519	34,334	21.5 %
Selling, general and administrative	156,773	158,838	(2,065)	(1.3)%
Research and development	18,168	17,429	739	4.2 %
Restructuring	3,464	—	3,464	— %
Investigation, restatement and related	4,652	8,771	(4,119)	(47.0)%
Amortization of intangible assets	570	519	51	9.8 %
Interest expense, net	(4,864)	(3,566)	(1,298)	36.4 %
Other expense, net	(42)	(1)	(41)	nm
Income tax provision benefit (expense)	(569)	(178)	(391)	nm
Net income (loss)	\$ 4,751	\$ (29,783)	\$ 34,534	nm

Net Sales

We recorded net sales for the nine months ended September 30, 2023 of \$234.6 million, a \$41.2 million, or 21.3%, increase compared to the nine months ended September 30, 2022, for which we recorded net sales of \$193.5 million. Net sales for the nine months ended September 30, 2023 in all sites of service benefited from the alleviation of the Omicron wave of the Covid-19 Pandemic, which adversely impacted sales during the nine months ended September 30, 2022. There was one fewer shipping day during the nine months ended September 30, 2023 compared to the same period in 2022.

Our sales by care setting were as follows (in thousands):

	Nine Months Ended September 30,		Change	
	2023	2022	\$	%
Hospital	\$ 136,108	\$ 116,081	\$ 20,027	17.3 %
Private Office	68,188	54,768	13,420	24.5 %
Other	30,349	22,617	7,732	34.2 %
Total	\$ 234,645	\$ 193,466	\$ 41,179	21.3 %

Net sales in the Hospital care setting were \$136.1 million for the nine months ended September 30, 2023, a \$20.0 million or 17.3% increase compared to \$116.1 million for the nine months ended September 30, 2022. The increase was primarily driven by sales of our new products introduced during the third quarter of 2022.

Net sales in the Private Office care setting grew by \$13.4 million, or 24.5%, to \$68.2 million for the nine months ended September 30, 2023, compared to \$54.8 million for the nine months ended September 30, 2022. The increase reflects general increases in sales volume, driven by strong commercial execution.

Net sales in Other care settings increased by \$7.7 million, or 34.2%, to \$30.3 million for the nine months ended September 30, 2023 compared to \$54.8 million for the nine months ended September 30, 2022. The increase was primarily driven by the addition of new customers in certain sites of service and sales of EPIFIX in Japan.

Cost of Sales and Gross Profit Margin

Cost of sales for the nine months ended September 30, 2023 was \$40.8 million, an increase of \$6.8 million, or 20.2%, compared to \$33.9 million for the nine months ended September 30, 2022. Increases in cost of sales were driven by increases in sales volume noted above.

Gross profit margin for the nine months ended September 30, 2023 and 2022 was 82.6% and 82.5%, respectively.

Selling, General and Administrative Expense

SG&A expense for the nine months ended September 30, 2023 decreased by \$2.1 million, or 1.3%, to \$156.8 million, compared to \$158.8 million for the nine months ended September 30, 2022. The decrease was driven by decreases in professional services expenses, personnel costs and bad debt expense. The decrease in professional services expenses reflects \$2.1 million in consulting and advisory expenses related to a withhold the vote campaign launched by a shareholder together with fees paid to other third-party advisers in 2022. There were no similar activities during 2023. The decrease in personnel costs reflects the results of our continued cost reduction efforts that began in the third quarter of 2022. Increases in stock based compensation were offset by reduced severance expense in 2023 compared to the expense associated with the departure of our former CEO in 2022. Finally, the decrease in bad debt expense was the result of the greater deterioration of credit for certain specific customers in 2022 compared to 2023.

These decreases were offset in part by increases in sales commissions, driven by increases in sales volumes, as well as, greater travel expenses, reflecting the removal of COVID-19 travel restrictions that were in place in 2022.

Research and Development Expense

Our research and development expenses increased by \$0.7 million, or 4.2%, to \$18.2 million for the nine months ended September 30, 2023, compared to \$17.4 million for the nine months ended September 30, 2022. The increase reflects clinical trial expenses ramping up in the first half of 2023, including associated personnel costs offset in part by the disbanding of our Regenerative Medicine business unit from June 20, 2023.

Investigation, Restatement and Related Expense

Investigation, restatement and related expenses for the nine months ended September 30, 2023 decreased by \$4.1 million, or 47.0%, to \$4.7 million compared to \$8.8 million for the nine months ended September 30, 2022. The decrease was primarily related to negotiated reductions in legal fees previously incurred under indemnification agreements with certain former members of management year-over-year. In addition, following the end of a legal proceeding, expenses under our last material indemnification agreement substantially ceased during the third quarter of 2023.

Amortization of Intangible Assets

Amortization expense increased from \$0.5 million for the nine months ended September 30, 2022 to \$0.6 million for the nine months ended September 30, 2023.

Restructuring Expense

Restructuring expense of \$3.5 million for the nine months ended September 30, 2023 reflects certain charges related to the disbanding of our Regenerative Medicine business unit, including write-downs of prepaid clinical trial assets of \$2.1 million, charges for the wind-down of our KOA clinical trial program of \$0.8 million, and impairment of goodwill of \$0.5 million.

Interest Expense, Net

Interest expense, net was \$4.9 million for the nine months ended September 30, 2023 compared to \$3.6 million for the nine months ended September 30, 2022. The increase was the result of year-over-year increases in the reference market interest rates on our outstanding debt.

Income Tax Provision Benefit (Expense)

The effective tax rates for the Company were 10.7% and (0.6)% for the nine months ended September 30, 2023 and 2022, respectively. The Company's net income is partially offset by prior net operating losses and research and development tax credits, in accordance with the 2018 Tax & Jobs Act legislation.

Discussion of Cash Flows

Operating Activities

Net cash provided by operating activities during the nine months ended September 30, 2023 was \$16.5 million, compared to cash used of \$12.3 million for the nine months ended September 30, 2022. The change was primarily the result of year-over-year increases in net sales, which drove increases in collections from customers, as well as year-over-year decreases in operating expenses.

Investing Activities

Net cash used for investing activities during the nine months ended September 30, 2023 was \$1.7 million, compared to \$1.0 million for the nine months ended September 30, 2022. This increase reflects a \$0.7 million year-over-year increase in capital expenditures.

Financing Activities

Net cash provided by financing activities during the nine months ended September 30, 2023 was \$0.4 million. Cash used in financing activities was \$0.6 million during the nine months ended September 30, 2022. We ceased withholding shares to satisfy employee tax obligations upon vesting of equity awards in 2022. Accordingly, we did not have any cash paid for tax withholdings during the nine months ended September 30, 2023, compared to \$1.2 million for the nine months ended September 30, 2022. This effect was offset by \$0.6 million of cash receipts from option exercises in the nine months ended September 30, 2022, compared to \$0.4 million of cash receipts from option exercises in the nine months ended September 30, 2023.

Liquidity and Capital Resources

Our business requires capital for our operating activities, including costs associated with the sale of product through direct and indirect sales channels, the conduct of research and development activities, compliance costs, and legal and consulting fees in connection with ongoing litigation and other matters.

As of September 30, 2023, we had \$81.2 million of cash and cash equivalents, total current assets of \$154.5 million and total current liabilities of \$43.6 million, reflecting a current ratio of 3.5.

We are currently paying our obligations in the ordinary course of business.

We anticipate cash requirements related to the following items within one year of the date of the filing of this Quarterly Report:

- investments to advance and expand our existing product portfolio;
- expenditures required to achieve necessary regulatory approval and establish operations in new markets deemed strategically important toward the enhancement of our global footprint;
- costs to wind-down certain contracts associated with our KOA clinical trial program; and
- severance payments related to certain former members of management and other employees.

We have analyzed our ability to address these commitments and potential liabilities for the 12 months extending from the date of the filing of this Quarterly Report. After completing this analysis, which included a review of expectations of revenue, margins, and expenses, we believe that our existing cash and cash from operations will be sufficient to meet our obligations as they come due.

Term Loan

On June 30, 2020, we entered into a Loan Agreement with, among others, Hayfin Services, LLP, (“**Hayfin**”) an affiliate of Hayfin Capital Management, LLP (as amended, the “**Hayfin Loan Agreement**”), under which Hayfin provided us with a senior secured term loan of \$50 million (the “**Term Loan**”). The Term Loan matures on June 30, 2025 (the “**Maturity Date**”).

No principal payments are due on the Term Loan until the Maturity Date. Interest is payable on the Term Loan for principal outstanding quarterly through the Maturity Date. Pursuant to Amendment No. 2 to the Loan Agreement entered into in June 2023, interest on any borrowings under the Term Loan is equal to the Secured Overnight Finance Rate (“**SOFR**”), plus a fallback provision of 0.15%, subject to a floor of 1.5%, plus a margin of 6.75%. An additional 3.0% margin would be applied to the interest rate upon the occurrence of an Event of Default, as defined in the Hayfin Loan Agreement. As of September 30, 2023, the Term Loan carried an interest rate of 12.3%.

The Hayfin Loan Agreement contains certain financial covenants, including a Minimum Consolidated Total Net Sales covenant, tested quarterly, and a Minimum Liquidity covenant, tested monthly (each as defined). In addition, the Hayfin Loan Agreement includes certain negative covenants and events of default customary for facilities of this type. Upon the occurrence of such events of default, all outstanding loans under the Hayfin Loan Agreement may be accelerated or the lenders’ commitments terminated. The Hayfin Loan Agreement also specifies mandatory prepayments based on a percentage of Excess Cash Flow (as defined in the Hayfin Loan Agreement, if such is generated), as well as upon the occurrence of other events specified in the Hayfin Loan Agreement.

As of September 30, 2023, we were in compliance with all financial covenants under the Hayfin Loan Agreement. A breach of a financial covenant in the Hayfin Loan Agreement, if uncured or unable to be cured, would likely result in an event of default that could trigger the lenders' remedies, including acceleration of the entire principal balance of the loan as well as any applicable prepayment premiums.

Series B Preferred Stock

We have 100,000 shares of Series B Preferred Stock outstanding as of September 30, 2023.

The Series B Preferred Stock accumulates dividends at a rate of 6.0% per annum. Dividends are declared at the sole discretion of our Board of Directors. Dividends, if declared, are paid in cash at the end of each quarter based on dividend amounts that accumulate beginning on the last payment date through the day prior to the end of each quarter. In lieu of paying a dividend, we may elect to accrue the dividend owed to shareholders. Dividend balances accumulate at the prevailing dividend rate for each dividend period during which they are outstanding.

Each share of Series B Preferred Stock, including any accrued and unpaid dividends, is convertible into our common stock at any time at the option of the holder at a conversion price of \$3.85 per common share. The Series B Preferred Stock converts automatically at any time after July 2, 2023, provided that the volume-weighted average price of a share of our common stock is \$7.70 or higher (i) for 20 out of 30 consecutive trading days, and (ii) on such date of conversion.

If we undergo a change of control, we will have the option to repurchase some or all of the then-outstanding shares of Series B Preferred Stock for cash in an amount equal to the liquidation preference and any accumulated and unpaid dividends. If we do not exercise this right, holders of the Series B Preferred Stock will have the option to (1) require us to repurchase any or all of their then-outstanding shares of Series B Preferred Stock in an amount equal to the liquidation preference plus unpaid dividends, or (2) convert the Series B Preferred stock into common stock and receive their pro rata consideration thereunder.

We have not declared or paid any cash dividends on our Series B Preferred Stock since issuance. Dividends accumulated but not paid as of September 30, 2023 were \$19.0 million. The Series B Preferred Stock was convertible into 30,906,441 shares of common stock as of September 30, 2023

Share Repurchases

We did not repurchase any shares of our common stock during the three months ended September 30, 2023. The timing and amount of future repurchases, if any, will depend upon our stock price, economic and market conditions, regulatory requirements, and other corporate considerations. We may initiate, suspend or discontinue purchases at any time.

On October 27, 2023, we repurchased 5,000 shares of Series B Preferred Stock held by certain entities managed by or affiliated with Hayfin Capital Management, LLP for \$9.5 million in cash.

Contractual Obligations

Except as described below and as previously disclosed in our Quarterly Report for the three months ended March 31, 2023, there were no significant changes to our contractual obligations during the nine months ended September 30, 2023 from those disclosed in Item 7, "Management's Discussion and Analysis of Financial Condition and Results from Operations", in our 2022 Form 10-K.

Nordic Agreement

In June 2022, we entered into a collaboration agreement (the "**Nordic Agreement**") with Nordic Bioscience Clinical Development A/S ("**NBCD**") to provide full operational support for our KOA clinical trial program. Under the terms of the Nordic Agreement, we were obligated to pay \$10.2 million upon the achievement of specified milestones over the course of the clinical trial.

During the three months ended September 30, 2023, the Company terminated the Nordic Agreement. Pursuant to the Nordic Agreement, the Company is obligated to reimburse NBCD for services performed through the effective termination date and for non-cancelable obligations reasonably incurred prior to that date. In addition, the Company and NBCD have certain regulatory obligations to all trial participants enrolled in the study prior to the suspension of clinical trial activities. Refer to Note 16, "Restructuring," for additional discussion.

Critical Accounting Estimates

In preparing financial statements, we follow accounting principles generally accepted in the United States, which require us to make certain estimates and apply judgments that affect our financial position and results of operations. We regularly review our accounting policies and financial information disclosures. A summary of critical accounting estimates in preparing the financial statements was provided in our 2022 Form 10-K.

In addition, during the period covered by this Quarterly Report, we identified the following critical accounting estimates which were not material to the 2022 Form 10-K.

Share-Based Compensation Expense

Description

We measure stock options and other stock-based awards granted to employees based on their fair value on the date of the grant and recognize the assessed fair value as share-based compensation expense, straight-line, over the requisite service period to achieve the award based on the vesting requirements, to the extent that the achievement of performance conditions associated with such awards, as applicable, are determined to be “probable.”

Judgments and Uncertainties

Share-based payment arrangements are measured at fair value on the grant date. The fair value of equity incentive awards, which are usually shares of our common stock, are generally measured at the last trading price on the grant date.

The fair value of stock options is calculated using an appropriate valuation technique. The valuation technique generally requires us to make certain assumptions, including (1) the fair value of the common stock, (2) the expected volatility of our stock price, (3) the expected term of the award, (4) the risk-free interest rate, and (5) expected dividends. Our expectation for volatility is generally based on historical daily share price movements, with certain adjustments for abnormal share price activity associated with events which are not expected to recur during the expected term. The expected term of the award requires us to make assumptions regarding the post-vesting behavior of the recipients, which is based off available evidence. Our assumption for the risk-free rate is derived from prevailing U.S. Treasuries with similar terms to the award on the grant date. Our assumption for dividends is derived from our own dividend history.

To the extent that any such awards are subject to a market condition, the resolution of the market condition is reflected in the fair value of the grant date. Further, the requisite service period associated with an award containing a market condition must derive the service period over which the market condition is expected to be met. Fair value and derived service periods are generally determined using a Monte Carlo simulation.

Subsequent to the determination of fair value, we recognize expense to the extent we evaluate that performance conditions associated with share-based payment arrangements are probable of occurring. In certain cases where the extent of vesting is based on the extent of achievement, we are required to determine the extent to which achievement is probable. We determine probable performance based on actual performance to date, internally-developed budgets and forecasts for periods covered by the relevant performance condition, and other evidence deemed relevant to this determination. We re-evaluate our probability assessments at least quarterly, with any revisions reflected as a cumulative adjustment to expense. Because of the cumulative nature of adjustments, during any period in which we re-evaluate probability, the adjustments could significantly impact our results of operations.

Sensitivity of Estimate to Change

During the nine months ended September 30, 2023, we granted stock options with a fair value on the grant date of \$7.0 million. This estimate was determined using a Monte Carlo simulation using the following inputs:

	Assumption	
Stock price on grant date	\$	3.70
Exercise price	\$	3.70
Risk-free interest rate		3.58 %
Expected volatility (annualized)		75.00 %
Dividend yield		— %
Weighted average grant date fair value	\$	1.93

The granted stock options reflected an expected term based on our expectations for exercise activity. Changes in any of these assumptions could result in a revised estimate of fair value of the granted stock options, which would impact the amount of expense recognized over the requisite service period, and could materially affect the total fair value or the amount of expense recognized in a particular period.

In addition, cumulative expense recognized for unvested performance stock unit awards was \$1.6 million as of September 30, 2023. This is based on determinations regarding probable resolution or the extent of probable resolution of relevant performance conditions to earn such awards. If it is subsequently determined that the performance conditions associated with these awards are no longer probable of being met, or performance conditions which were determined to be probable of occurring do not actually occur, we could reverse up to this amount of expense in the period such determination is made. Furthermore, if probable levels of achievement are later determined to be greater, or actual achievement exceeds the level of achievement assessed as probable, we could record increases to expense to reflect this level of achievement. The amount of any incremental expense recognition or reversal will depend on the magnitude and timing of such change in estimate.

Recent Accounting Pronouncements

For the effect of recent accounting pronouncements, see Note 2, “*Significant Accounting Policies*”, to the unaudited condensed consolidated financial statements contained herein.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to risks associated with changes in interest rates that could adversely affect our results of operations and financial condition. We do not hedge against interest rate risk.

The interest rate on our Term Loan is determined quarterly based on the 3-month SOFR rate, subject to a floor of 1.5%. As of September 30, 2023, the interest rate on our Term Loan was 12.3%. A 100 basis point change in SOFR, to the extent that such change would not cause SOFR to be below the 1.5% floor, would change our interest expense by \$0.5 million on an annualized basis.

During the three and nine months ended September 30, 2023, we incurred \$0.4 million and \$1.3 million in incremental interest expense compared to the equivalent periods in the prior year resulting from increases in the relevant reference rate during the intervening period.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective at a reasonable assurance level in ensuring that information required to be disclosed by us in reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and (ii) accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosure. We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the fiscal quarter ended September 30, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The Company and its subsidiaries are parties to numerous claims and lawsuits arising in the ordinary course of its business activities, some of which involve claims for substantial amounts. The ultimate outcome of these suits cannot be ascertained at this time. The description of our the *Welker v. MiMedx, et. Al* case contained in [Note 13, “Commitments and Contingencies,”](#) to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report, is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to the Company’s risk factors included in its 2022 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) None.

(b) None.

(c) None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Insider trading arrangements and policies

During the three months ended September 30, 2023, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Description
10.1*	Offer Letter dated June 30, 2023, between the Company and Doug Rice (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 5, 2023).
10.2*	Key Employee Retention and Restrictive Covenant Agreement dated July 5, 2023, between the Company and Doug Rice (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on July 5, 2023).
10.3*	Inducement Performance Stock Unit Agreement dated June 30, 2023, between the Company and Doug Rice (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on July 5, 2023).
10.4*	Inducement Restricted Stock Unit Agreement dated June 30, 2023, between the Company and Doug Rice (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on July 5, 2023).
10.5*	Inducement Stock Option Agreement dated June 30, 2023, between the Company and Doug Rice (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed on July 5, 2023).
10.6#	Separation Agreement and General Release between MiMedx Group, Inc. and Robert Stein , dated as of July 1, 2023.
10.7#	Separation Agreement and General Release between MiMedx Group, Inc. and Peter Carlson , dated as of July 14, 2023.
31.1 #	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 #	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 #	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 #	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS #	XBRL Instance Document
101.SCH #	XBRL Taxonomy Extension Schema Document
101.CAL #	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF #	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB #	XBRL Taxonomy Extension Label Linkbase Document
101.PRE #	XBRL Taxonomy Extension Presentation Linkbase Document

* Previously filed and incorporated herein by reference

Filed or furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

October 30, 2023

MIMEDX GROUP, INC.

By: /s/ Doug Rice
Doug Rice
Chief Financial Officer
Principal Financial Officer and Authorized Signatory



June 20, 2023

Robert Stein
[***]

Re: Confidential Separation Agreement and General Release

Dear Bob,

As discussed, your employment relationship with MIMEDX Group, Inc. ("MIMEDX") has ended, effective July 1, 2023. In recognition of your service to MIMEDX, however, you are being offered separation benefits if you elect to sign the enclosed Confidential Separation Agreement and General Release ("Agreement"). You have 60 days to consider the terms of this Agreement. If you wish to accept the Agreement, please return your signed Agreement to Kate Surdez at ksurdez@mimedx.com (301.660.0592).

Regardless of whether you sign the Agreement, you must return any company issued property in your possession to my attention. If you have any personal belongings in your office, you can contact me to arrange a mutually convenient time to retrieve those items.

You will receive your final pay deposit at the end of July. You will also receive information regarding your Company benefits, as well as information regarding the Consolidated Omnibus Budget Reconciliation Act of 1985.

If you have any questions regarding this matter, please contact me at the number listed above.

Sincerely,

/s/ Kate Surdez

Kate Surdez



SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (the “Agreement”) is hereby entered into by and between Robert Stein (“Employee”) and MIMEDX Group, Inc. (“Company”). Employee and Company may be referred to herein individually as a “Party” and collectively as the “Parties.”

WHEREAS, Company employed Employee most recently in the position of President, Regenerative Medicine and Biologics Innovation in Marietta, GA;

WHEREAS, Company and Employee seek to separate from their employment relationship under the mutually agreed upon terms and conditions set forth in this Agreement;

WHEREAS, Company offers Employee the separation benefits described under this Agreement;

WHEREAS, the Parties wish to resolve, finally and completely, and with prejudice, any and all issues, disputes or matters between them, without admitting liability; and

NOW THEREFORE, in consideration of the promises and covenants set forth below, the Parties, each intending to be legally bound, hereby agree as follows:

1. Separation Date; Final Paycheck; and Termination of Employment Benefits.

(a) Employee’s employment with Company completely and permanently terminated, effective July 1, 2023 (the “Separation Date”). This Agreement will be effective only if Employee signs it on or after the Separation Date. After the Separation Date, Employee will not represent himself as being an employee, agent or representative of Company for any purpose, nor will he engage or attempt to engage, directly or indirectly, in any business on Company’s behalf or otherwise act in a manner that might bind Company.

(b) In accordance with Company’s normal payroll practices, the Company will tender Employee a final payment for all unpaid wages that Employee earned through the Separation Date, including without limitation payment for accrued, but unused vacation benefits, subject to all applicable taxes and deductions, by mailing a check to Employee for that amount or, if Employee elected to be paid by direct deposit during Employee’s employment with Company, by causing that amount to be direct deposited into Employee’s designated bank account. Employee acknowledges that, other than the final pay described under this subsection 1(b), Company owes Employee no other wages, benefits, leave (paid or unpaid), overtime, bonuses, compensation, or other payment of any kind.

(c) If Employee enrolled in the group medical, dental and/or vision benefits plan for which Employee was eligible during his Company employment, Employee’s coverage under said plans will continue until the last day of the month in which the Separation Date occurs. Thereafter, Employee may be eligible to elect continued coverage of such insurance benefits after said extended coverage period expires, pursuant to the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”). Employee will receive appropriate notice and forms regarding such coverage under COBRA. Employee will be solely responsible for electing and enrolling in COBRA continuation coverage in an appropriate and timely manner and for any and all required payments, including any premium payments, relating to such COBRA coverage, except as outlined in Section 2 of the Agreement.

(d) After the Separation Date, Employee shall no longer participate in, be covered by, or be eligible under any of the employee benefit plans, policies or programs offered

by Company, unless otherwise provided under the terms and conditions of such employee benefit plans, policies or programs or by governing law. Nothing in this Agreement shall constitute a waiver of any right that Employee may have to any vested benefit under such employee benefit programs or plans of Company pursuant to the terms of such employee benefit programs or plans and governing law.

1. Consideration.

(a) **Separation Payment and COBRA Subsidy Payment.** In accordance with the Agreement and in consideration for Employee's execution of this Agreement and the promises, covenants, agreements, and general release of all claims set forth herein, the Company agrees to pay to Employee or on his behalf, and the Employee agrees to accept the following:

(i) The gross total sum nine hundred ninety four thousand five hundred dollars (\$994,500) ("Separation Payment"). Employee acknowledges that the Separation Payment is equal to 15 months of his current salary and 15 months bonus at target. The Separation Payment, less applicable taxes and deductions, will be deposited into Employee's bank account. This amount will be subject to tax withholdings and will be reported on an IRS Form W-2; and

(ii) If Employee provides Company with documentation showing to Company's satisfaction that he timely and properly enrolled for COBRA coverage for the medical plan, dental plan, and vision plan, Employee will continue participation in these plans at the current "active" employee contribution rate for Employee and his eligible dependents (where applicable) and the Company will pay the "employer" share of the coverage payments, less applicable taxes and deductions for a maximum of 15 months (the "COBRA Subsidy Payment"). The COBRA Subsidy Payment will be tendered directly to Company's third-party provider of COBRA coverage on his behalf; provided, that if participation in such plans cannot be maintained beyond the period permitted for COBRA, the Company will pay the COBRA Subsidy Payment directly to Employee.

(b) **Timing and Conditions of Separation Payment and COBRA Subsidy Payment.** Assuming Employee returns to Company a copy of this Agreement, and does not revoke the Agreement pursuant to Section 20, Company will provide Employee with the consideration described in Section 2(a) on the sixty-fifth (65th) day following the Separation Date. Employee acknowledges and agrees that no payment or benefit provided under this Agreement, including the consideration described in Section 2(a), will be owed to Employee unless and until he returns the signed Agreement to the Company without revocation.

(c) **Tax Consequences.** Employee agrees and acknowledges that he shall be solely responsible for all taxes, assessments, interest, and penalties determined to be due by any federal, state or local government, agency or any other tax authority, court or tribunal, in connection with the aforementioned settlement payment including, without limitation, any federal, state and local withholding taxes and Social Security taxes, except for Company's original contributions to FICA that would have been required at the time of payment. Employee covenants that he has not relied on Company for advice regarding any tax liabilities or consequences.

(d) **Adequate Consideration.** Employee understands, agrees and covenants that the consideration set forth in Section 2(a) exceeds what Employee is otherwise entitled to receive upon separation from his Company employment, and that Employee would not receive said consideration but for Employee's entering this Agreement. Employee accepts the consideration set forth in Section 2 as adequate and as the full, final, and complete settlement of all possible claims that Employee might have against Company as described in Section 4.

Employee expressly understands, agrees and covenants that Company will not be required to make any payment, for any reason whatsoever, including, without limitation, any payment of attorneys' fees or costs and any payment to Employee or any person, heir, estate, attorney, representative, successor, assign, or agent acting on Employee's behalf in connection with any claim or right that might possibly be asserted by his or on his behalf.

2. Released Parties. As used in this Agreement, "Released Parties" means:

(a) MIMEDX Group, Inc., and any and all of its past, present and future predecessors, successors, affiliates, parents, subsidiaries, divisions, and related companies, including, without limitation MIMEDX Group, Inc. Severance Plan; and

(b) Any and all past or present predecessors, subsidiaries, affiliates and benefit plans, and each of their past, present and future officers, directors, trustees, members, administrators, agents, attorneys, employees and insurance carriers, as well as the heirs, successors and assigns of any of such persons or such entities related to MIMEDX Group, Inc. and MIMEDX Group, Inc. Severance Plan;

(c) Any and all past, present and future partners, shareholders, directors, officers, trustees, managers, employees, attorneys, agents, benefit plans (and their sponsors, fiduciaries and administrators), insurers, reinsurers, members and servants of any of the entities described in Section 3(a) or (b).

3. General Release of All Claims. In exchange for the consideration described in Section 2, Employee, for himself and on behalf of his heirs, estate, representatives, successors, assigns, and agents, hereby expressly and unconditionally releases and forever discharges Company and all other Released Parties from any and all claims arising at any time through the date of Employee's execution of this Agreement, including, without limitation, all possible claims arising out of or in any way relating to Employee's employment by Company, or the termination of that employment.

(a) This general release of claims covers, without limitation:

(i) any and all claims under any possible legal, equitable, contract, or tort theory including, without limitation, claims for wrongful discharge, employment termination in violation of public policy, negligent hiring, negligent supervision, infliction of emotional distress, fraud, promissory estoppel, breach of contract (except breach of this Agreement), breach of any other legal, equitable or fiduciary obligation, interference with contract or prospective economic advantage, false imprisonment, assault, battery, defamation, negligence, personal injury and invasion of privacy;

(ii) any and all claims under any possible statutory theory, including, without limitation, the following statutes, as amended: Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, Sections 1981 through 1988 of Title 42 of the United States Code, the Immigration Reform and Control Act, the Americans with Disabilities Act, the Rehabilitation Act, the Equal Pay Act, the Lilly Ledbetter Fair Pay Act, the Age Discrimination in Employment Act, the Older Workers Benefits Protection Act; the Pregnancy Discrimination Act, the Genetic Information Nondiscrimination Act, the Family and Medical Leave Act, the Occupational Safety and Health Act, Employee Retirement Income Security Act, the Sarbanes Oxley Act, the Dodd-Frank Act, the National Labor Relations Act, the Workers Adjustment and Retraining Notification Act, the Uniformed Services Employment and Reemployment Rights Act, the Health Insurance and Portability Accountability Act, the Fair Credit Reporting Act, Employee Polygraph Protection Act, and any state, or local law, statute, ordinance, regulation or executive order prohibiting employment discrimination based on any legally protected characteristic,

prohibiting retaliation for “whistleblowing” or any other legally protected activity, relating to leaves of absence, or otherwise governing Employee’s employment with, or separation of employment with, Company;

(iii) any and all claims of any kind or nature that Employee had, has, or may have, whether known or unknown, against Company or any of the Released Parties arising on or before the date of Employee’s execution of this Agreement, including, without limitation, any continuing effects; and

(iv) any and all claims for costs, expenses and fees of any and all attorneys who have at any time or are presently representing Employee in connection with this Agreement or any other claim or right released by him under this Agreement.

(b) This Agreement shall not waive, or be construed to waive: (i) any claim or right of Employee that cannot be waived under the law; (ii) any claim or right Employee might have to unemployment compensation benefits relating to Employee’s separation from employment with Company; (iii) any claim or right Employee might have to any vested benefits for which Employee may be eligible under any employee benefit program or plan of Company; (iv) any claim or right that arises after the date of Employee’s execution of this Agreement; (v) any claim related to the enforcement of this Agreement; and (vi) any right or claim for indemnification of Employee for third party claims arising out of or related to Employee’s service as an employee, officer and director of the Company and its subsidiaries under those entities’ certificates of incorporation and bylaws, any indemnification agreement to which Employee is a party and any insurance policies held by the Company or subsidiaries providing indemnification coverage (subject to and accordance with the terms of such documents, agreements and policies).

(c) The Parties understand that nothing in this Agreement prohibits Employee from filing an administrative charge or complaint or otherwise reporting any possible violations of federal law or regulation or making other disclosures that are protected under the whistleblower provisions of federal law or regulation to any governmental agency or entity, including, without limitation, the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, Congress, or any agency Inspector General, or participating or cooperating in any investigation by any such federal, state or local administrative agency of such charge or reported violation of law. Employee, however, waives his right to monetary, injunctive, or other relief to which Employee might be entitled should any federal, state or local administrative agency or any other third party pursue any claims on Employee’s behalf arising out of or relating to his employment by Company or the termination of that employment. This means that by executing this Agreement, Employee will have waived any right to obtain a recovery if an administrative agency or any other person or entity pursues a claim against Company or any of the other Released Parties based on any actions taken by them up to the date of Employee’s execution of this Agreement, and that Employee will have released Company and the other Released Parties of any and all claims described under this Section 4 arising up to the date of his execution of this Agreement.

4. Affirmations. Employee affirms that: (a) Employee has neither filed or caused to be filed nor is presently a party to any claim, complaint, grievance, or action against Company or any of the other Released Parties in any form or forum; (b) other than the payments described under Section 2(a), Company owes Employee no leave (paid or unpaid), compensation, wages, bonuses, commissions, or other payment or benefit of any kind; (c) Company in no way has interfered with Employee’s exercise of any rights or denied Employee any benefit or entitlement provided under the Employee Retirement Income Security Act, the Family and Medical Leave Act, the National Labor Relations Act, the Fair Labor Standards Act or the Uniformed Services

Employment and Reemployment Rights Act; (d) Employee suffered no on-the-job injuries or illnesses for which Employee has not already filed a workers' compensation claim; and (e) prior to signing this Agreement, Employee engaged in no conduct that would violate Section 7, 8, 10 or 11 of this Agreement. Employee acknowledges and understands that the truthfulness and accuracy of the foregoing affirmations are a material term of this Agreement, without which Company would not have entered this Agreement.

5. **No Admission of Wrongdoing.** The Parties agree that neither this Agreement nor the furnishing of the consideration for this Agreement shall be deemed or construed at any time for any purpose as an admission by Company or by Employee of liability or unlawful conduct of any kind, or evidence of any liability or unlawful conduct of any kind. Nothing in the preceding sentence shall preclude introduction of this Agreement by Company to establish that Employee's claims have been resolved and/or released, or by either Party to establish a breach of this Agreement.

6. **Confidentiality Agreement.** Subject to Section 4(c) and except as otherwise required by law, Employee agrees that he will not disclose, disseminate, or publicize, or cause or permit to be disclosed, disseminated, or publicized, directly or indirectly, specifically or generally, to any person, corporation, association, governmental agency, or other entity, (i) the existence of this Agreement; (ii) the terms and conditions of this Agreement, including that any sums were paid to Employee; and (iii) the content of any and all settlement discussions related to this Agreement; (iii) any non-public information regarding Employee's employment with the Company; or (iv) any claims or allegations of wrongdoing, or the basis for any such claims or allegations, which were or could have been made or asserted against the Company or any of the Released Parties, except that such information may be disclosed: (a) to Employee's accountant, attorneys, domestic partner, and/or spouse, provided that, to the maximum extent permitted by applicable law, rule, code, or regulation, they agree to maintain the confidentiality of the Agreement; (b) to the extent necessary to report income to appropriate taxing authorities; (c) in response to an order of a court of competent jurisdiction or a subpoena issued under authority thereof; (d) in response to any subpoena issued by a state or federal governmental agency; or (e) as otherwise required by law. To the extent that Employee is subpoenaed by any person or entity (including but not limited to any government agency) to give testimony or produce documents (in a deposition, court proceeding, or otherwise) which in any way relates to Employee's employment by the Company and/or any of the Released Parties and/or this Agreement, Employee will, except as provided for in and subject to Section 4(c) of this Agreement or as prohibited by the order of court or government agency, give prompt notice of such request to William F. Hulse, Esq., or his successor at the Company.

The parties acknowledge and agree that this Section 7 of the Agreement shall be in addition to, and shall not be considered or construed as superseding or in conflict with, any other obligation, whether contractual or otherwise, that Employee owes or may owe to the Company

The Parties acknowledge and agree that this Section 7 is a material provision of this Agreement, and that any breach of this Section 7 shall be a material breach of this Agreement.

7. **Non-Disparagement Agreement.** Subject to Section 4(c) and except as otherwise required by law, Employee will refrain from directly or indirectly making any comment, engaging in publicity, or taking any other action that reflects adversely upon Company or any other of the Released Parties. The Parties acknowledge and agree that this Section 8 is a material provision of this Agreement, and that any breach of this Section 8 shall be a material breach of this Agreement.

The parties acknowledge and agree that this Section 8 of the Agreement shall be in addition to, and shall not be considered or construed as superseding or in conflict with, any other obligation, whether contractual or otherwise, that Employee owes or may owe to the Company.

8. Cooperation. Except as provided for in and subject to Section 4(c) of this Agreement, Employee agrees that he will reasonably cooperate with the Company regarding any investigation, or the defense or prosecution of any claims, proceedings, arbitrations, or actions now pending or in existence, or which may be brought in the future, against or on behalf of the Company, which relate to events or occurrences that transpired during his employment with the Company. Employee's cooperation shall include, but not necessarily be limited to: (i) attending meetings with and truthfully answering questions posed by representatives and/or attorneys of the Company; (ii) providing or producing documents relevant to such claim, proceeding, arbitration, or action, as applicable, to the extent that such documents are in Employee's possession, custody, or control and as may be requested, from time to time, by representatives and/or attorneys of the Company; (iii) executing truthful and complete declarations or affidavits; and (iv) appearing as a witness at depositions, trials, arbitration hearings, or other proceedings without the necessity of a subpoena and testifying truthfully and completely. The Company agrees to reimburse Employee for all of his reasonable, out-of-pocket expenses associated with such cooperation, including reasonable travel expenses, in accordance with any applicable Company policy as in effect from time to time, so long as Employee provides advance written notice of his request for reimbursement and provide satisfactory documentation of the expenses. Nothing in this provision shall be construed or applied so as to obligate Employee to violate any law or legal obligation. Nothing herein is intended to unduly interfere with Employee's other business or personal activities, and the Company shall use reasonable efforts to ensure any cooperation requested thereby does not unduly interfere with any subsequent employment and, to the extent that such cooperation does unreasonably interfere with Employee's subsequent employment, it will be requested only if, upon a good faith determination by the Company, it is reasonably necessary.

9. Return of Company Property. Employee represents and warrants that he has returned all Company-issued property, including, without limitation, credit cards, keys, laptops, mobile and other computing devices, including all related peripheral equipment such as batteries and power cords, computer software, files, manuals, letters, notes, records, drawings, notebooks, reports and any other documents and tangible items that Employee received, acquired, prepared, used or maintained in connection with conducting business for or on behalf of Company, whether maintained at Employee's office, home or any other location, and in all forms, including electronic form and expressly including documents and tangible items containing confidential information. Employee will not retain, disclose or make any further use, directly or indirectly, of any such Company property.

10. Existing Post-Employment Obligations. Employee acknowledges and agrees that nothing in this Agreement shall in any way limit, restrict, diminish, waive or otherwise reduce any post-employment obligation owed by Employee to Company under any agreement entered by Employee prior to this Agreement, any established policy of Company and/or governing law, including, without limitation, the Severance Agreement, MIMEDX Confidentiality and Non-Solicitation Agreement, MIMEDX Employee Inventions Assignment Agreement, and MIMEDX Non-Competition Agreement.

11. No Right to Reemployment. Employee acknowledges that neither Company nor any of the other Released Parties will ever be obligated to employ or reemploy Employee after he signs this Release.

12. **Amendment.** This Agreement may not be modified, altered or changed except in a writing executed by both Parties wherein specific reference is made to this Agreement and to which a copy of this Agreement is attached.

13. **Entire Agreement.** This Agreement represents and contain the entire understanding between the Parties in connection with the subject matter therein. The Parties expressly acknowledge and recognize that there are no oral agreements, understandings or representations between them other than those contained in this Agreement, and any such prior agreements or understandings are hereby specifically terminated. This Agreement shall be binding upon and shall inure to the benefit of the executors, administrators, personal representatives, heirs, and/or successors and assigns of the Parties.

14. **Severability.** If any term, condition, clause, or provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable under the law, then only that term, condition, clause, or provision shall be stricken from this Agreement, and this Agreement shall remain in full force and effect in all other respects, provided, however, if the general release of all claims in Section 4 is deemed to be invalid or unenforceable, Employee agrees to enter into a valid general release of all claims against the Released Parties that is drafted by and satisfactory to Company. Further, if a court should determine that any portion of this Agreement is overbroad or unreasonable, such provision shall be given effect to the maximum extent possible by narrowing or enforcing in part that aspect of the provision found to be overbroad or unreasonable.

15. **Construction.** This Agreement was negotiated between the Parties and shall not be construed against any Party.

16. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of Georgia, without reference to principles of conflicts of laws.

17. **Consultation with Attorney; Voluntary Release.** Employee acknowledges that he has been advised to consult with an attorney and provided a fair and reasonable opportunity to do so before executing this Agreement. Employee further acknowledges that he has carefully read and fully understands all of the provisions of this Agreement, and that he has executed it of his own free will, act and deed, without coercion, and with full knowledge of the nature and consequences thereof.

18. **Consideration Period.** Employee acknowledges that he has been given the opportunity to consider this Agreement for a period of sixty (60) days (the "Consideration Period"), which is a reasonable period of time. If Employee executes this Agreement prior to the expiration of the Consideration Period, Employee will thereby waive the remainder of the Consideration Period.

19. **Revocation Period.** Employee has a period of seven (7) calendar days following Employee's execution of this Agreement in which to revoke this Agreement (the "Revocation Period"). For a revocation to be valid, Employee must deliver written notice that he has revoked this Agreement to Kate Surdez at ksurdez@mimedx.com by the expiration of the Revocation Period. If Employee revokes this Agreement as provided under this Section, Company shall have no obligations under this Agreement, including making any payments described under Section 2. If Employee does not revoke this Agreement as provided under this Section, then this Agreement shall take effect on the eighth (8th) day following Employee's execution of this Agreement (the "Effective Date").

20. **Knowing and Voluntary Waiver of Age Discrimination Claims.** Employee acknowledges that he enters this Agreement and waives any and all age discrimination claims

under the Age Discrimination in Employment Act on a “knowing and voluntary” basis, as set forth in 29 U.S.C. § 626(f).

21. Execution in Counterparts. This Agreement may be executed in two or more counterparts, which together shall constitute one and the same instrument.

22. Electronic Copies. The Parties acknowledge and agree that an electronic copy of this Agreement, executed by both Parties, shall constitute an original of same.

SIGNATURES ON NEXT PAGE

EMPLOYEE SWEARS THAT HE HAS CAREFULLY READ THE FOREGOING AGREEMENT, THAT EMPLOYEE UNDERSTANDS COMPLETELY ITS CONTENTS, THAT EMPLOYEE UNDERSTANDS THE SIGNIFICANCE AND CONSEQUENCES OF SIGNING IT, AND THAT EMPLOYEE HAS HAD A FULL AND FAIR OPPORTUNITY TO HAVE AN ATTORNEY EXPLAIN ALL OF ITS CONTENTS AND RAMIFICATIONS.

HAVING ELECTED TO EXECUTE THIS AGREEMENT, TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO RECEIVE THEREBY THE PAYMENTS AND OTHER BENEFITS SET FORTH IN THIS AGREEMENT, EMPLOYEE FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS THAT EMPLOYEE HAS OR MIGHT HAVE AGAINST COMPANY.

IN WITNESS WHEREOF, Employee and Company knowingly and voluntarily executed this Agreement as of the date(s) set forth below:

For Employee:

/s/ Robert Stein _____

Robert Stein

for himself and his heirs, estate, representatives,
successors, assigns, and agents

Dated: July 1, 2023 _____

For MIMEDX Group, Inc.:

Dated: June 28, 2023 _____

/s/ Kate Surdez _____

(Signature)

Kate Surdez CHRO

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (the "Agreement") is hereby entered into by and between Peter Carlson ("Employee") and MIMEDX Group, Inc. ("Company"). Employee and Company may be referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, Company employed Employee most recently in the position of Chief Financial Officer in Marietta, GA.

WHEREAS, Employee and Company entered into a Key Employee Retention and Restrictive Covenant Agreement, (the "Retention Agreement");

WHEREAS, Company and Employee seek to separate from their employment relationship under the mutually agreed upon terms and conditions set forth in this Agreement and the Retention Agreement;

WHEREAS, Company offers Employee the separation benefits described under this Agreement, subject to the terms and conditions set forth herein and set forth in Employee's Retention Agreement;

WHEREAS, the Parties wish to resolve, finally and completely, and with prejudice, any and all issues, disputes or matters between them, without admitting liability; and

NOW THEREFORE, in consideration of the promises and covenants set forth below, the Parties, each intending to be legally bound, hereby agree as follows:

1. Separation Date; Final Paycheck; and Termination of Employment Benefits.

(a) Employee's employment with Company completely and permanently terminated, effective July 7, 2023 (the "Separation Date"). This Agreement will be effective only if Employee signs it on or after the Separation Date. After the Separation Date, Employee will not represent himself as being an employee, agent or representative of Company for any purpose, nor will he engage or attempt to engage, directly or indirectly, in any business on Company's behalf or otherwise act in a manner that might bind Company.

(b) In accordance with Company's normal payroll practices, the Company will tender Employee a final payment for all unpaid wages that Employee earned through the Separation Date, including without limitation payment for accrued, and unused vacation benefits, subject to all applicable taxes and deductions, by mailing a check to Employee for that amount or, if Employee elected to be paid by direct deposit during Employee's employment with Company, by causing that amount to be direct deposited into Employee's designated bank account. Employee acknowledges that, other than the final pay described under this subsection 1(b), Company owes Employee no other wages, benefits, leave (paid or unpaid), overtime, bonuses, compensation, or other payment of any kind.

(c) If Employee is actively enrolled in the group medical, dental and/or vision benefits plan, Employee's coverage under said plans will continue until the last day of the month in which the Separation Date occurs. Thereafter, Employee may be eligible to elect continued coverage of such insurance benefits after said extended coverage period expires, pursuant to the federal Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). Employee will

receive appropriate notice and forms regarding such coverage under COBRA. Employee will be solely responsible for electing and enrolling in COBRA continuation coverage in an appropriate and timely manner and for any and all required payments, including any premium payments, relating to such COBRA coverage, except as outlined in Section 2 of the Agreement.

(d) After the Separation Date, Employee shall no longer participate in, be covered by, or be eligible under any of the employee benefit plans, policies or programs offered by Company, unless otherwise provided under the terms and conditions of such employee benefit plans, policies or programs or by governing law. Nothing in this Agreement shall constitute a waiver of any right that Employee may have to any vested benefit under such employee benefit programs or plans of Company pursuant to the terms of such employee benefit programs or plans and governing law.

1. Consideration.

(a) **Separation Payment and COBRA Subsidy Payment.** In accordance with the Retention Agreement and in consideration for Employee's execution of this Agreement and the promises, covenants, agreements, and general release of all claims set forth herein, the Company agrees to pay to Employee or on his behalf, and the Employee agrees to accept the following:

(i) The gross total sum of one million forty seven thousand, seven hundred three dollars and twelve cents (\$1,047,703.12). ("Separation Payment"). Employee acknowledges that the Separation Payment is equal to 15 months of his current salary plus 125% percent of his current annual Targeted Bonus amount (or 15 months of target bonus) under the Company's current annual cash incentive in which Employee is eligible to participate. The Separation Payment, less applicable taxes and deductions, will be paid as a lump sum and deposited into Employee's bank account. This amount will be subject to tax withholdings and will be reported on an IRS Form W-2; and

(ii) If Employee provides Company with documentation showing to Company's satisfaction that he timely and properly enrolled for COBRA coverage for the medical plan, dental plan, and vision plan, at level consistent with those Employee was enrolled in as of the Separation Date, Employee will continue participation in these plans at the current "active" employee contribution rate for Employee and his eligible dependents (where applicable) and the Company will pay the "employer" share of the coverage payments, less applicable taxes and deductions for a maximum of 15 months (the "COBRA Subsidy Payment"). The COBRA Subsidy Payment will be tendered directly to Company's third-party provider of COBRA coverage on his behalf; provided, that if participation in such plans cannot be maintained beyond the period permitted for COBRA, the Company will pay the COBRA Subsidy Payment directly to Employee.

(b) **Timing and Conditions of Separation Payment and COBRA Subsidy Payment.** Assuming Employee returns to Company a copy of this Agreement, and does not revoke the Agreement pursuant to Section 20, Company will provide Employee with the consideration described in Section 2(a) on the sixty-fifth (65th) day following the Separation Date. Employee acknowledges and agrees that no payment or benefit provided under this Agreement, including the consideration described in Section 2(a), will be owed to Employee unless and until he returns the signed Agreement to the Company without revocation.

(c) **Tax Consequences.** Employee agrees and acknowledges that he shall be solely responsible for all taxes, assessments, interest, and penalties determined to be due by any federal, state or local government, agency or any other tax authority, court or tribunal, in connection with the aforementioned settlement payment including, without limitation, any

federal, state and local withholding taxes and Social Security taxes, except for Company's original contributions to FICA that would have been required at the time of payment. Employee covenants that he has not relied on Company for advice regarding any tax liabilities or consequences.

(d) **Adequate Consideration**. Employee understands, agrees and covenants that the consideration set forth in Section 2(a) exceeds what Employee is otherwise entitled to receive upon separation from his Company employment, and that Employee would not receive said consideration but for Employee's entering this Agreement. Employee accepts the consideration set forth in Section 2 as adequate and as the full, final, and complete settlement of all possible claims that Employee might have against Company as described in Section 4. Employee expressly understands, agrees and covenants that Company will not be required to make any payment, for any reason whatsoever, including, without limitation, any payment of attorneys' fees or costs and any payment to Employee or any person, heir, estate, attorney, representative, successor, assign, or agent acting on Employee's behalf in connection with any claim or right that might possibly be asserted by him or on his behalf.

(e) **Acknowledgment**. Employee acknowledges that the benefits provided under this Agreement are provided pursuant to Paragraph 3(a) of the Retention Agreement (Termination Prior to Change in Control). As set forth in the Retention Agreement, Employee will not be eligible to earn and will not receive any Separation Payment or COBRA Subsidy Benefit if the Company, in its sole discretion, concludes that facts and circumstances exist or existed that would have justified a termination for "Cause," as defined in Paragraph 3(d) of the Retention Agreement. Additionally, as set forth in the Retention Agreement, if the Company determines after any such severance benefits have commenced or otherwise been provided to Employee under this Agreement, that there are facts and circumstances that would have justified a termination of Employee's employment for "Cause," the Company may: (i) cease any future payment of the Separation Payment or the COBRA Subsidy Benefit, as applicable, otherwise payable to the Executive under this Agreement, and the Executive shall have no right to receive such benefits; and/or (ii) require that Employee repay, within not less than thirty (30) days, any and all Separation Payment and COBRA Subsidy Payments, as applicable, previously paid to the Employee under the terms of this Agreement. In the event that the Company elects, within its sole discretion, to exercise its rights as provided in the Retention Agreement, it shall provide written notice to Employee of such determination and election, as well as the period of time within which Employee is required to repay amounts previously paid, if applicable.

2. Released Parties. As used in this Agreement, "Released Parties" means:

(a) MIMEDX Group, Inc., and any and all of its past, present and future predecessors, successors, affiliates, parents, subsidiaries, divisions, and related companies, including, without limitation MIMEDX Group, Inc. Severance Plan; and

(b) Any and all past or present predecessors, subsidiaries, affiliates and benefit plans, and each of their past, present and future officers, directors, trustees, members, administrators, agents, attorneys, employees and insurance carriers, as well as the heirs, successors and assigns of any of such persons or such entities related to MIMEDX Group, Inc. and MIMEDX Group, Inc. Severance Plan;

(c) Any and all past, present and future partners, shareholders, directors, officers, trustees, managers, employees, attorneys, agents, benefit plans (and their sponsors, fiduciaries and administrators), insurers, reinsurers, members and servants of any of the entities described in Section 3(a) or (b).

3. Mutual Release of All Claims. In exchange for the consideration described in Section 2, Employee, for himself and on behalf of his heirs, estate, representatives, successors, assigns, and agents, hereby expressly and unconditionally releases and forever discharges Company and all other Released Parties from any and all claims arising at any time through the date of Employee's execution of this Agreement, including, without limitation, all possible claims arising out of or in any way relating to Employee's employment by Company, or the termination of that employment.

(a) This general release of claims covers, without limitation:

(i) any and all claims under any possible legal, equitable, contract, or tort theory including, without limitation, claims for wrongful discharge, employment termination in violation of public policy, negligent hiring, negligent supervision, infliction of emotional distress, fraud, promissory estoppel, breach of contract (except breach of this Agreement), breach of any other legal, equitable or fiduciary obligation, interference with contract or prospective economic advantage, false imprisonment, assault, battery, defamation, negligence, personal injury and invasion of privacy;

(ii) any and all claims under any possible statutory theory, including, without limitation, the following statutes, as amended: Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, Sections 1981 through 1988 of Title 42 of the United States Code, the Immigration Reform and Control Act, the Americans with Disabilities Act, the Rehabilitation Act, the Equal Pay Act, the Lilly Ledbetter Fair Pay Act, the Age Discrimination in Employment Act, the Older Workers Benefits Protection Act; the Pregnancy Discrimination Act, the Genetic Information Nondiscrimination Act, the Family and Medical Leave Act, the Occupational Safety and Health Act, Employee Retirement Income Security Act, the Sarbanes Oxley Act, the Dodd-Frank Act, the National Labor Relations Act, the Workers Adjustment and Retraining Notification Act, the Uniformed Services Employment and Reemployment Rights Act, the Health Insurance and Portability Accountability Act, the Fair Credit Reporting Act, Employee Polygraph Protection Act, the Georgia Fair Employment Practices Act, the Georgia Equal Pay Act, the Georgia Equal Employment for People with Disabilities Code, Retaliatory Employment Discrimination Act ("REDA"),

(iii) and any state, or local law, statute, ordinance, regulation or executive order prohibiting employment discrimination based on any legally protected characteristic, prohibiting retaliation for "whistleblowing" or any other legally protected activity, relating to leaves of absence, or otherwise governing Employee's employment with, or separation of employment with, Company;

(iv) any and all claims of any kind or nature that Employee had, has, or may have, whether known or unknown, against Company or any of the Released Parties arising on or before the date of Employee's execution of this Agreement, including, without limitation, any continuing effects; and

(v) any and all claims for costs, expenses and fees of any and all attorneys who have at any time or are presently representing Employee in connection with this Agreement or any other claim or right released by him under this Agreement.

(b) This Agreement shall not waive, or be construed to waive: (i) any claim or right of Employee that cannot be waived under the law; (ii) any claim or right Employee might have to unemployment compensation benefits relating to Employee's separation from employment with Company; (iii) any claim or right Employee might have to any vested benefits for which Employee may be eligible under any employee benefit program or plan of Company; (iv) any claim or right that arises after the date of Employee's execution of this Agreement; (v)

any claim related to the enforcement of this Agreement;; and (vi) any right or claim for indemnification of Employee for third party claims arising out of or related to Employee's service as an employee, officer and director of the Company and its subsidiaries under those entities' certificates of incorporation and bylaws, any indemnification agreement to which Employee is a party and any insurance policies held by the Company or subsidiaries providing indemnification coverage (subject to and accordance with the terms of such documents, agreements and policies).

(c) The Parties understand that nothing in this Agreement prohibits Employee from filing an administrative charge or complaint or otherwise reporting any possible violations of federal law or regulation or making other disclosures that are protected under the whistleblower provisions of federal law or regulation to any governmental agency or entity, including, without limitation, the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, Congress, or any agency Inspector General, or participating or cooperating in any investigation by any such federal, state or local administrative agency of such charge or reported violation of law. Employee, however, waives his right to monetary, injunctive, or other relief to which Employee might be entitled should any federal, state or local administrative agency or any other third party pursue any claims on Employee's behalf arising out of or relating to his employment by Company or the termination of that employment. This means that by executing this Agreement, Employee will have waived any right to obtain a recovery if an administrative agency or any other person or entity pursues a claim against Company or any of the other Released Parties based on any actions taken by them up to the date of Employee's execution of this Agreement, and that Employee will have released Company and the other Released Parties of any and all claims described under this Section 4 arising up to the date of his execution of this Agreement. Nothing in this Section 4 shall prohibit Employee from making any disclosure in accordance with Section 7 including any disclosure to the U.S. Securities and Exchange Commission ("SEC") pursuant to Section 21F-17(b) of the Securities and Exchange Act of 1934, as amended, or receiving an award from the SEC in connection therewith.

4. Affirmations. Employee affirms that: (a) Employee has neither filed or caused to be filed nor is presently a party to any claim, complaint, grievance, or action against Company or any of the other Released Parties in any form or forum; (b) other than the payments described under Section 2(a), Company owes Employee no leave (paid or unpaid), compensation, wages, bonuses, commissions, or other payment or benefit of any kind; (c) Company in no way has interfered with Employee's exercise of any rights or denied Employee any benefit or entitlement provided under the Employee Retirement Income Security Act, the Family and Medical Leave Act, the National Labor Relations Act, the Fair Labor Standards Act or the Uniformed Services Employment and Reemployment Rights Act; (d) Employee suffered no on-the-job injuries or illnesses for which Employee has not already filed a workers' compensation claim; and (e) prior to signing this Agreement, Employee engaged in no conduct that would violate Section 7, 8, 10 or 11 of this Agreement. Employee acknowledges and understands that the truthfulness and accuracy of the foregoing affirmations are a material term of this Agreement, without which Company would not have entered this Agreement.

5. No Admission of Wrongdoing. The Parties agree that neither this Agreement nor the furnishing of the consideration for this Agreement shall be deemed or construed at any time for any purpose as an admission by Company or by Employee of liability or unlawful conduct of any kind, or evidence of any liability or unlawful conduct of any kind. Nothing in the preceding sentence shall preclude introduction of this Agreement by Company to establish that Employee's claims have been resolved and/or released, or by either Party to establish a breach of this Agreement.

6. Confidentiality Agreement. Subject to Section 4(c) and except as otherwise required by law, Employee agrees that he will not disclose, disseminate, or publicize, or cause or permit to be disclosed, disseminated, or publicized, directly or indirectly, specifically or generally, to any person, corporation, association, governmental agency, or other entity, (i) the existence of this Agreement; (ii) the terms and conditions of this Agreement, including that any sums were paid to Employee; and (iii) the content of any and all settlement discussions related to this Agreement; (iii) any confidential information regarding Employee's employment with the Company; or (iv) any claims or allegations of wrongdoing, or the basis for any such claims or allegations, which were or could have been made or asserted against the Company or any of the Released Parties, except that such information may be disclosed: (a) to Employee's accountant, attorneys, domestic partner, and/or spouse, provided that, to the maximum extent permitted by applicable law, rule, code, or regulation, they agree to maintain the confidentiality of the Agreement; (b) to the extent necessary to report income to appropriate taxing authorities; (c) in response to an order of a court of competent jurisdiction or a subpoena issued under authority thereof; (d) in response to any subpoena issued by a state or federal governmental agency; or (e) as otherwise required by law. Other than in the case of subpoenas, court orders, or other communications (including information requests) regarding an investigation or action by the SEC, to the extent that Employee is subpoenaed by any person or entity (including but not limited to any government agency) to give testimony or produce documents (in a deposition, court proceeding, or otherwise) which in any way relates to Employee's employment by the Company and/or any of the Released Parties and/or this Agreement, Employee will, except as provided for in and subject to Section 4(c) of this Agreement or as prohibited by the order of court or government agency, give prompt notice of such request to William F. Hulse, Esq., or his successor at the Company. Nothing in this provision shall restrict Employee's ability to communicate directly with any governmental or regulatory agency regarding any potential violation of law or regulation.

The parties acknowledge and agree that this Section 7 of the Agreement shall be in addition to, and shall not be considered or construed as superseding or in conflict with, any other obligation, whether contractual or otherwise, that Employee owes or may owe to the Company

The Parties acknowledge and agree that this Section 7 is a material provision of this Agreement, and that any breach of this Section 7 shall be a material breach of this Agreement.

Nothing in this Agreement is intended to interfere with Employee's right to make truthful statements about the terms and conditions of his employment with the Company for the purpose of engaging in protected concerted activity, or to interfere with any other rights protected under Section 7 of the National Labor Relations Act, provided that such statements are entitled to protection under the law.

7. Mutual Non-Disparagement Agreement. Subject to Section 4(c) and except as otherwise required by law, Employee will refrain from directly or indirectly making any comment, engaging in publicity, or taking any other action that reflects adversely upon Company or any other of the Released Parties. The Parties acknowledge and agree that this Section 8 is a material provision of this Agreement, and that any breach of this Section 8 shall be a material breach of this Agreement.

The parties acknowledge and agree that this Section 8 of the Agreement shall be in addition to, and shall not be considered or construed as superseding or in conflict with, any other obligation, whether contractual or otherwise, that Employee owes or may owe to the Company.

The Company agrees to refrain from, directly or indirectly, making any comment, engaging in publicity that reflects adversely on Employee.

8. Cooperation. Except as provided for in and subject to Section 4(c) of this Agreement, Employee agrees that he will reasonably cooperate with the Company regarding any investigation, or the defense or prosecution of any claims, proceedings, arbitrations, or actions now pending or in existence, or which may be brought in the future, against or on behalf of the Company, which relate to events or occurrences that transpired during his employment with the Company. Employee's cooperation shall include, but not necessarily be limited to: (i) attending meetings with and truthfully answering questions posed by representatives and/or attorneys of the Company; (ii) providing or producing documents relevant to such claim, proceeding, arbitration, or action, as applicable, to the extent that such documents are in Employee's possession, custody, or control and as may be requested, from time to time, by representatives and/or attorneys of the Company; (iii) executing truthful and complete declarations or affidavits; and (iv) appearing as a witness at depositions, trials, arbitration hearings, or other proceedings without the necessity of a subpoena and testifying truthfully and completely. The Company agrees to reimburse Employee for all of his reasonable, out-of-pocket expenses associated with such cooperation, including reasonable travel expenses, in accordance with any applicable Company policy as in effect from time to time, so long as Employee provides advance written notice of his request for reimbursement and provide satisfactory documentation of the expenses. Nothing in this provision shall be construed or applied so as to obligate Employee to violate any law or legal obligation. Nothing herein is intended to unduly interfere with Employee's other business or personal activities, and the Company shall use reasonable efforts to ensure any cooperation requested thereby does not unduly interfere with any subsequent employment and, to the extent that such cooperation does unreasonably interfere with Employee's subsequent employment, it will be requested only if, upon a good faith determination by the Company, it is reasonably necessary. If Employee is required to provide more than an aggregate of 50 hours of Employee's time pursuant to this Section 9, the Company will compensate Employee for any additional time over 50 hours at the rate of \$500.00 per hour; provided that Employee provides the Company with an estimate of the hours required for any such task beyond the 50 hours.

9. Return of Company Property. Employee represents and warrants that he has returned all Company-issued property, including, without limitation, credit cards, keys, laptops, mobile and other computing devices, including all related peripheral equipment such as batteries and power cords, computer software, files, manuals, letters, notes, records, drawings, notebooks, reports and any other documents and tangible items that Employee received, acquired, prepared, used or maintained in connection with conducting business for or on behalf of Company, whether maintained at Employee's office, home or any other location, and in all forms, including electronic form and expressly including documents and tangible items containing confidential information. Employee will not retain, disclose or make any further use, directly or indirectly, of any such Company property.

10. Existing Post-Employment Obligations. Employee acknowledges and agrees that nothing in this Agreement shall in any way limit, restrict, diminish, waive or otherwise reduce any post-employment obligation owed by Employee to Company under any agreement entered by Employee prior to this Agreement, any established policy of Company and/or governing law, including, without limitation, the Retention Agreement, MIMEDX Confidentiality and Non-Solicitation Agreement, MIMEDX Employee Inventions Assignment Agreement, and MIMEDX Non-Competition Agreement.

11. No Right to Reemployment. Employee acknowledges that neither Company nor any of the other Released Parties will ever be obligated to employ or reemploy Employee after he signs this Release.

12. Amendment. This Agreement may not be modified, altered or changed except in a writing executed by both Parties wherein specific reference is made to this Agreement and to which a copy of this Agreement is attached.

13. Entire Agreement. This Agreement represents and contain the entire understanding between the Parties in connection with the subject matter therein. The Parties expressly acknowledge and recognize that there are no oral agreements, understandings or representations between them other than those contained in this Agreement, and any such prior agreements or understandings are hereby specifically terminated. This Agreement shall be binding upon and shall inure to the benefit of the executors, administrators, personal representatives, heirs, and/or successors and assigns of the Parties.

14. Severability. If any term, condition, clause, or provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable under the law, then only that term, condition, clause, or provision shall be stricken from this Agreement, and this Agreement shall remain in full force and effect in all other respects, provided, however, if the general release of all claims in Section 4 is deemed to be invalid or unenforceable, Employee agrees to enter into a valid general release of all claims against the Released Parties that is drafted by and satisfactory to Company. Further, if a court should determine that any portion of this Agreement is overbroad or unreasonable, such provision shall be given effect to the maximum extent possible by narrowing or enforcing in part that aspect of the provision found to be overbroad or unreasonable.

15. Construction. This Agreement was negotiated between the Parties and shall not be construed against any Party.

16. Governing Law. This Agreement shall be governed and construed in accordance with the laws of Georgia, without reference to principles of conflicts of laws.

17. Consultation with Attorney; Voluntary Release. Employee acknowledges that he has been advised to consult with an attorney and provided a fair and reasonable opportunity to do so before executing this Agreement. Employee further acknowledges that he has carefully read and fully understands all of the provisions of this Agreement, and that he has executed it of his own free will, act and deed, without coercion, and with full knowledge of the nature and consequences thereof.

18. Consideration Period. Employee acknowledges that he has been given the opportunity to consider this Agreement for a period of sixty (60) days (the "Consideration Period") from the Separation Date, which is a reasonable period of time. If Employee executes this Agreement prior to the expiration of the Consideration Period, Employee will thereby waive the remainder of the Consideration Period.

19. Revocation Period. Employee has a period of seven (7) calendar days following Employee's execution of this Agreement in which to revoke this Agreement (the "Revocation Period"). For a revocation to be valid, Employee must deliver written notice that he has revoked this Agreement to MIMEDX Group, Inc., 1775 West Oak Commons Court, Marietta, GA 30062, Attention: Chief Human Resources Officer, by the expiration of the Revocation Period. If Employee revokes this Agreement as provided under this Section, Company shall have no obligations under this Agreement, including making any payments described under Section 2. If Employee does not revoke this Agreement as provided under this Section, then this Agreement shall take effect on the eighth (8th) day following Employee's execution of this Agreement (the "Effective Date").

20. Knowing and Voluntary Waiver of Age Discrimination Claims. Employee acknowledges that he enters this Agreement and waives any and all age discrimination claims under the Age Discrimination in Employment Act on a "knowing and voluntary" basis, as set forth in 29 U.S.C. § 626(f).

21. **Execution in Counterparts.** This Agreement may be executed in two or more counterparts, which together shall constitute one and the same instrument.

22. **Electronic Copies.** The Parties acknowledge and agree that an electronic copy of this Agreement, executed by both Parties, shall constitute an original of same.

SIGNATURES ON NEXT PAGE

EMPLOYEE SWEARS THAT HE HAS CAREFULLY READ THE FOREGOING AGREEMENT, THAT EMPLOYEE UNDERSTANDS COMPLETELY ITS CONTENTS, THAT EMPLOYEE UNDERSTANDS THE SIGNIFICANCE AND CONSEQUENCES OF SIGNING IT, AND THAT EMPLOYEE HAS HAD A FULL AND FAIR OPPORTUNITY TO HAVE AN ATTORNEY EXPLAIN ALL OF ITS CONTENTS AND RAMIFICATIONS.

HAVING ELECTED TO EXECUTE THIS AGREEMENT, TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO RECEIVE THEREBY THE PAYMENTS AND OTHER BENEFITS SET FORTH IN THIS AGREEMENT, EMPLOYEE FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS THAT EMPLOYEE HAS OR MIGHT HAVE AGAINST COMPANY.

IN WITNESS WHEREOF, Employee and Company knowingly and voluntarily executed this Agreement as of the date(s) set forth below:

For Employee:

/s/ Peter Carlson

Peter Carlson

for himself and his heirs, estate, representatives,
successors, assigns, and agents

Dated: July, 14, 2023

For MIMEDX Group, Inc.:

Dated: July 21, 2023

/s/ Kate Surdez

(Signature)

Kate Surdez

(Print Name)

CHRO

(Title)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(A) AND 15d-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Joseph H. Capper, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, of MiMedx Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2023

/s/Joseph H. Capper

Joseph H. Capper
Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULES 13a-14(A) AND 15d-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Doug Rice, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, of MiMedx Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2023

/s/ Doug Rice

Doug Rice
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned Joseph H. Capper, the Chief Executive Officer of MiMedx Group, Inc. (the “Company”), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (the “Report”). Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned hereby certifies, to his knowledge, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 30, 2023

/s/ Joseph H. Capper

Joseph H. Capper

Chief Executive Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned Doug Rice, the Chief Financial Officer of MiMedx Group, Inc. (the “Company”), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (the “Report”). Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned hereby certifies, to his knowledge, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 30, 2023

/s/ Doug Rice
Doug Rice
Chief Financial Officer