



March 30, 2010

Dear Shareholders,

This is our first letter to shareholders to report year-end results. As announced in an 8-k filing in December, we changed our fiscal year-end from March 31st to December 31st. Your Board of Directors felt it was more efficient to report the Company's annual results on a calendar basis from January 1st through December 31st of each year. Therefore, we are reporting a nine-month transition period of April 1, 2009, through December 31, 2009. We will also start reporting quarterly results beginning the first quarter, which ends March 31, 2010.

Even though there are numerous electronic means to communicate, we will continue to mail quarterly letters to our shareholders in 2010. In 2010, we will also begin to conduct quarterly conference calls hosted by members of management. With these quarterly letters and conference calls, I hope to provide you with a better understanding of our progress. With our quarterly conference calls, our shareholders will also have the opportunity to ask questions. We will announce those call dates and times in a press release well in advance. We look forward to beginning to have that type of exchange with our shareholders.

MiMedx is fortunate to have a very astute base of shareholders. I would like to compliment Steve Gorlin, the founder of MiMedx Group, for originally assembling such a distinguished and successful group of shareholders. I have had the pleasure of speaking to many of you now, and I continue to be impressed by our shareholder group. This group of knowledgeable, influential, and successful individual shareholders will be a strong asset for the Company as we grow and begin to add an institutional investor base.

During the approximately ten months of 2009 that I served as your Chairman and CEO, a substantial amount of progress was made in numerous areas. We made decisions that focused our product development activities on both our collagen fiber and hydrogel materials. These decisions enabled the submission and clearance of our first product by the Food and Drug Administration ("FDA") and formed the documentation of the regulatory pathway that will enable the submission and subsequent clearance of additional new devices.

During 2010, we also implemented some management and structural changes that made our operations more cost effective and efficient. Also, we developed a branding program around our two exciting biomaterials technologies, which are our hydrogel materials and our collagen fiber materials. Going forward, our products manufactured from our hydrogel material will be called HydroFix™ as in, for example, HydroFix™ Vaso Shield. Our products manufactured from our collagen fibers will be called CollaFix™. Prior to the launch of our branding initiative, we divested one product line that did not meet the long-term strategic goals for MiMedx Group. As a result of these actions, our internal operations and our external brand recognition and related sales and marketing activities are now focused on our two biomaterials that present the greatest opportunities for new product innovations.

Most importantly, we recorded our first revenues from the sale of our HydroFix™ Vaso Shield, which was cleared by the FDA for use as a vessel guard for anterior spinal surgery. Although the Vaso Shield™ revenues were modest in December due to its limited distribution, we currently are in the process of launching the product nationally through independent sales representative organizations.

Last summer, we were fortunate enough to attract Bill Taylor to join our organization as our President and Chief Operating Officer. Bill managed one of the subsidiaries of my former company, Matria Healthcare, and he is a very experienced operating executive. He ran our highly successful manufacturing operation for nearly a decade, and Bill is very familiar with the FDA regulatory process for medical devices. In addition, a number of other executives from my former organization have joined the Company, initially on a part-time basis. These seasoned executives include our General Counsel, our Vice President of Administration, and our Vice President of Medical Affairs.

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To prepare the Company for the launch of our products in 2010, we were fortunate enough to hire Michael Carlton as our Vice President of Sales and Marketing late in 2009. Mike has a lengthy and successful background in sales management of orthopedic products. Early in 2010, we hired another very experienced sales and marketing executive, Matthew Bine, as our Director of Marketing and Product Management. Matt also brings an extensive background in biomaterials and orthopedics to the Company.

We continue to further develop and realign our staff to prepare for the production of our collagen fiber products. We have done extensive planning relative to our product development and the regulatory pathways we will utilize for clearances and approvals by the Food and Drug Administration. We recently filed two more 510-(k) applications for product clearances for the first of our CollaFix™ products and the second of our HydroFix™ products.

We were recently informed that we have gained regulatory approval from the European authorities for the marketing of our HydroFix™ Spine Shield for use as a plane of dissection in vertebral surgeries. This will allow an expanded use of this product in Europe beyond the FDA clearance we have in the United States.

Mike Carlton and I recently returned from a one week trip throughout Europe where we visited with a number of potential European distributors for our product lines. Our visit was very productive, and we were pleased with the high level of interest expressed by many of the distributors. We have signed several contracts, and we look forward to beginning to open the European market now to our HydroFix™ products and to our CollaFix™ products in the latter half of 2010.

We have just returned from the American Academy of Orthopaedic Surgeons meeting. We had a chance to show our HydroFix™ Vaso Shield and some prototypes of our first CollaFix™ products to numerous physicians and sales representative groups. I can summarize by saying they all received the products and concepts with enthusiasm. Our products could be “game changers” in that they may offer opportunities to significantly improve the clinical and cost effectiveness of certain orthopedic procedures. This is particularly true for our CollaFix™ products.

Over the course of 2009, we continued to reduce expenses as we focused the organization primarily on our new product development activities. We made the decision to consolidate all of the manufacturing of our biomaterials into our Atlanta facility. Our very talented Tampa staff will focus their expertise on new product innovations. My goal is to see that our Tampa staff and their technology center become well known in our sector of healthcare as a real “power-house” in new product innovation and manufacturing techniques. This operation will continue to be lead by Dr. Thomas Koob, our Chief Scientific Officer and the inventor of our collagen fiber product.

Also during 2009, we completed two rounds of financing. Even though we were raising money in the most difficult environment that I have ever encountered, we were successful. In the process, we found some new shareholders, and as I stated previously, I was introduced to many of our existing shareholders. I believe that we could raise the additional funding we need through our existing shareholder group, if necessary. In the months ahead, your Board of Directors will decide the most effective way to raise the additional funding. With our current budget, we think that those additional funds will not exceed five million dollars, but the exact amount of additional funding needed will depend on how rapidly our HydroFix™ Vaso Shield is accepted in the market. While our early sales results are gratifying, one can never quite tell until products have “withstood the test of time”. We have other products that will be manufactured from our HydroFix™ material coming, and we anticipate the introduction of our CollaFix™ products beginning in the summer of 2010.

To facilitate trading in our shares, the Board is considering applying for listing on a national exchange. We feel strongly that doing so will create a much more orderly market and will allow us to begin to approach institutional

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investors. This will also encourage analysts to follow the Company and publish reports that evaluate our performance and their expectations for our future.

In order to pursue listing on a national exchange, we may need to consider a reverse stock split to meet applicable trading price requirements. I have accomplished this once before in my business career, and it worked out very well. I believe MiMedx Group has all the attributes necessary to enable our stock to continue to attract positive attention, and therefore, we do not anticipate that a reverse stock split would result in a reduction of our market capitalization. We will be sharing more information on the fulfillment of this strategy in future shareholder communications.

Relative to our operating results for the year, we have significantly reduced the operating losses for the Company and significantly improved our balance sheet in terms of net worth because we successfully completed two rounds of fundraising. For the nine months ended December 31, 2009, we reduced G&A expenses by 33% and R&D expense by 16% as compared to the previous comparable nine-month period ended December 31, 2008. As of December 31, 2009, our Total Stockholder's Equity was \$6,071,878 as compared to \$4,206,579 as of December 31, 2008.

We look forward to reporting our first quarter results around April 20th, and we will enjoy talking to our shareholders on our first conference call which we will announce shortly. In the meantime, please check our website at www.mimedxgroup.com.

We appreciate the confidence you have shown in our management and your Board of Directors. We look forward to growing the value of your investment in MiMedx Group.

Sincerely yours,

A handwritten signature in black ink that reads "Pete".

Parker H. "Pete" Petit
Chairman of the Board and Chief Executive Officer

Important Note regarding forward-looking statements and risk factors: *This letter includes statements that look forward in time or that express management's beliefs, expectations or hopes. Those statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The statements include those regarding potential expansion of the Company's institutional investor base, the potential for development of and receipt of regulatory clearances for additional products, the potential cost savings and efficiencies to be realized from management and structural changes, the prospect for a national launch of the HydroFix™ Vaso Shield, the European launch of the Company's products, the ability of the Company to raise additional funds from existing shareholders and the amount of required additional funding, the prospect that the Company's stock may be listed on a national exchange and that the Company may effect a reverse split of its Common Stock, and the prospect for improving the market for the Company's Common Stock. These future events may not occur as and when expected, if at all, and, together with the Company's business, are subject to various risks and uncertainties. These risks and uncertainties include that the Company currently requires substantial additional capital to continue as a going concern and achieve its goals and such capital may be difficult or impossible to obtain from existing shareholders or otherwise, the Company may not be able to attract an institutional investor base, the Company may not receive regulatory clearances or approvals for any or all of the currently contemplated potential uses of its biomaterials, the requisite clearance and approval processes may be more costly and time consuming than the Company currently anticipates and, in some cases, may prove too costly or time consuming to continue to pursue, physicians may not accept the Company's products, the Company may not realize the anticipated cost savings and efficiencies from recent management and structural changes, cost*

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increases and competitive pressures may adversely affect the Company's ability to obtain revenues and achieve profits, the Company may not be able to achieve a satisfactory distribution system for its products in the U.S. or in Europe, the Company may not apply for or be eligible for listing on a national exchange and may decide not to effect a reverse split of its Common Stock and that the market for the Company's Common Stock may not improve. The risks and uncertainties also include the risk factors detailed in our Securities and Exchange Commission filings, including our Form 10-K filing for the year ended December 31, 2010, , and the Company's other SEC filings. The Company does not undertake to update its forward-looking statements.

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