



Innovations in Biomaterials

CollaFix HydroFix

December 20, 2010

Dear Shareholder:

I am pleased to be sharing some very important news regarding the Company's acquisition of Surgical Biologics. I have enclosed a copy of the press release announcing the acquisition which will give you more details.

This transaction allows MiMedx Group to add another unique biomaterial to our HydroFix™ and CollaFix™ biomaterial offerings. Surgical Biologics is the leader in the area of amniotic membrane tissue processing, and combining our corporate resources will allow MiMedx to maintain leadership in another emerging area of biomaterials. While Surgical Biologics' tissue processing procedures are regulated by the Food and Drug Administration ("FDA"), the processed tissue, when implanted for certain medical procedures, is not required to be cleared or approved by the FDA.

The founders of Surgical Biologics, John Daniel and Randall Spencer, are well known in the area of tissue processing, and they bring extensive expertise and experience to MiMedx Group. They will be key members of our management team. We are excited about the benefits we will attain through the combination of the assets of both organizations, and we look forward to combining the MiMedx talent with the talents of John, Randall and their colleagues at Surgical Biologics.

In effect, this will give us a third innovative biomaterial to offer to physicians. As we expected, we have found two schools of thought and preferences from physicians regarding implants. In the marketing of our HydroFix™ Vaso Shield and Spine Shield products, many physicians have expressed a desire for permanent vessel covers, while others prefer implants that are resorbable. As you are aware, our HydroFix™ Vaso Shield and Spine Shield products are permanent implants. The amnion membrane tissues are resorbable, and have other excellent medical qualities that will make them interesting to physicians for providing clinical benefits for their patients.

We will now have three very exciting biomaterial platforms to offer to physicians and our distribution networks. As our HydroFix™ and CollaFix™ products receive clearances from the FDA, they will continue to add to our innovative portfolio. Having the Surgical Biologics tissue implants become immediately available to our sales reps and distributors will be an exciting and very timely addition to the MiMedx Group product offerings.

As you might recall, our corporate tag line is "Innovations in Biomaterials". That certainly is demonstrated by this combination of the Surgical Biologics amnion membrane allografts with our HydroFix™ and CollaFix™ biomaterials.

Sincerely yours,

Pete Petit
Chairman and Chief Executive Officer

Please refer to the enclosed Press Release for the Safe Harbor Statement regarding forward-looking statements contained in the Press Release as well as in this letter.

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