
# Q4:22 & Full Year 2022 Results Conference Call

February 28, 2023

# Disclaimer & Cautionary Statements

Some of the information and statements contained in this presentation and certain oral statements made from time to time by representatives of MIMEDX constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that do not directly or exclusively relate to historical facts. Such forward-looking statements include statements regarding:

- Future sales or sales growth, expense levels, segment contributions and margins;
- Estimates of potential market size for the Company's current and future products;
- Plans for expansion outside of the U.S.;
- Expectations regarding the U.S. Centers for Medicare and Medicaid Services (CMS) and Medicare Administrative Contractors (MACs) reimbursement policies and the impact of CMS and MAC reimbursement policy proposals on the Company's business and financial results in 2023 and beyond;
- The Company's expectations regarding its mDHACM product's potential use as a safe and effective treatment option, and that it may be an effective treatment for persons battling inflammatory conditions; the Company's plans for meetings with the U.S. Food & Drug Administration (FDA), and planned biologics license application (BLA) submissions to the FDA, and their timing; plans for future clinical trials, including the Company's decision to pursue or not pursue, and their timing;
- The effectiveness of amniotic tissue as a therapy for any particular intended uses or condition;
- Expected spending on clinical trials and research and development;
- The Company's long-term strategy and goals for value creation, the status of its pipeline products, expectations for future products, and expectations for future growth and profitability



MIMEDX

# Disclaimer & Cautionary Statements

Additional forward-looking statements may be identified by words such as "believe," "expect," "may," "plan," "potential," "will," "preliminary," and similar expressions, and are based on management's current beliefs and expectations. Forward-looking statements are subject to risks and uncertainties, and the Company cautions investors against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ from expectations include:

- Future sales are uncertain and are affected by competition, access to customers, patient access to healthcare providers, the reimbursement environment and many other factors;
- The results of a clinical trial or trials may not demonstrate that the product is safe or effective, or may have little or no statistical value; the Company may change its plans due to unforeseen circumstances, and delay or alter the timeline for future trials, analyses, or public announcements; the timing of any meeting with the FDA depends on many factors and is outside of the Company's control, and the results from any meeting are uncertain; a BLA submission requires a number of prerequisites, including favorable study results and statistical support, and completion of a satisfactory FDA inspection of the Company's manufacturing facility or facilities; plans for future clinical trials depend on the results of pending clinical trials, discussion with the FDA, and other factors; and conducting clinical trials is a time-consuming, expensive, and uncertain process;
- The future market for the Company's products can depend on regulatory approval of such products, which might not occur at all or when expected, and is based in part on assumptions regarding the number of patients who elect less acute and more acute treatment than the Company's products, market acceptance of the Company's products, and adequate reimbursement for such therapies;
- The process of obtaining regulatory clearances or approvals to market a biological product or medical device from the FDA or similar regulatory authorities outside of the U.S. is costly and time consuming, and such clearances or approvals may not be granted on a timely basis, or at all, and the ability to obtain the rights to market additional, suitable products depends on negotiations with third parties which may not be forthcoming;
- Whether there is full access to hospitals and healthcare provider facilities, as a continuation or escalation of access restrictions or lockdown orders resulting from the ongoing COVID-19 pandemic; and
- Expected spending can depend in part on the results of pending clinical trials;

The Company describes additional risks and uncertainties in the Risk Factors section of its most recent annual report and quarterly reports filed with the Securities and Exchange Commission. Any forward-looking statements speak only as of the date of this press release and the Company assumes no obligation to update any forward-looking statement.



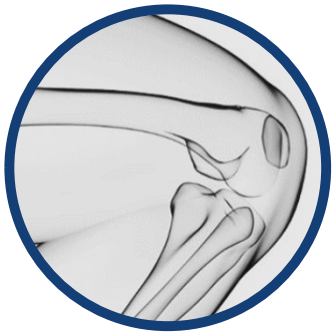
MIMEDX

# Joe Capper

Chief Executive Officer

# Strong Foundation & Exciting Potential for Value Creation

A Pioneer & Leader in Placental Biologics



Large Potential Opportunity with Knee Osteoarthritis ("KOA") Program

Q4

Strong end to 2022 with highest reported net sales since Q4:19

# Why MIMEDX?


**Products**

Leading and growing product portfolio built on best-in-class technology

**People**

Dedicated & talented employee base making a difference in the lives of the patients we serve

**Financial Profile**

A strong profile today with significant opportunity to further improve on the way to sustainable profitability



MIMEDX

# Where We Are Headed

1. Build on our Leadership Position in Wound & Surgical
2. Expand into Adjacent Markets, Including KOA
3. Demonstrate Expense Control & Continuous Process Improvement

**Focusing the Business on 3 Growth Objectives for Long-Term Success**



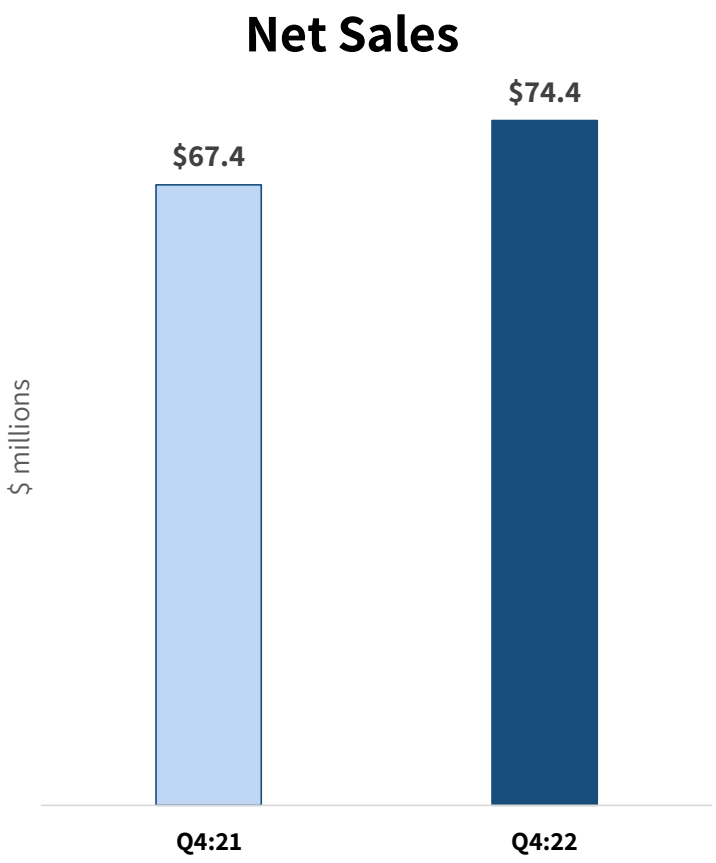
MIMEDX

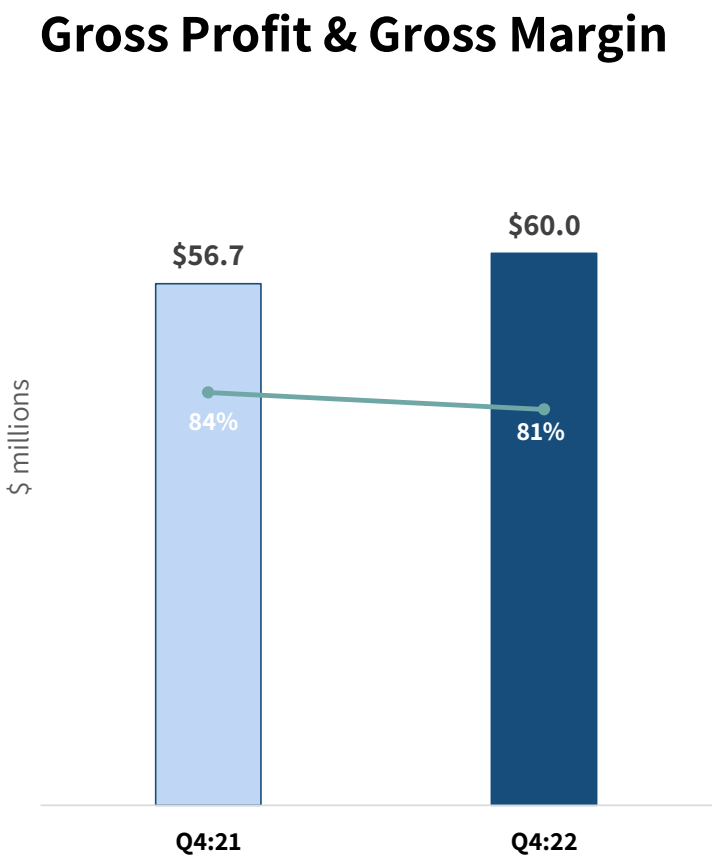
# Pete Carlson

Chief Financial Officer

# Net Sales, Gross Profit & Gross Margin

- Q4:22 represents the **highest quarterly net sales since Q4:19**
- Growth in both Wound & Surgical with **strong contributions from recently launched products**
- Q4:22 gross margin negatively impacted by production variances; going forward focused on **improving gross margin**



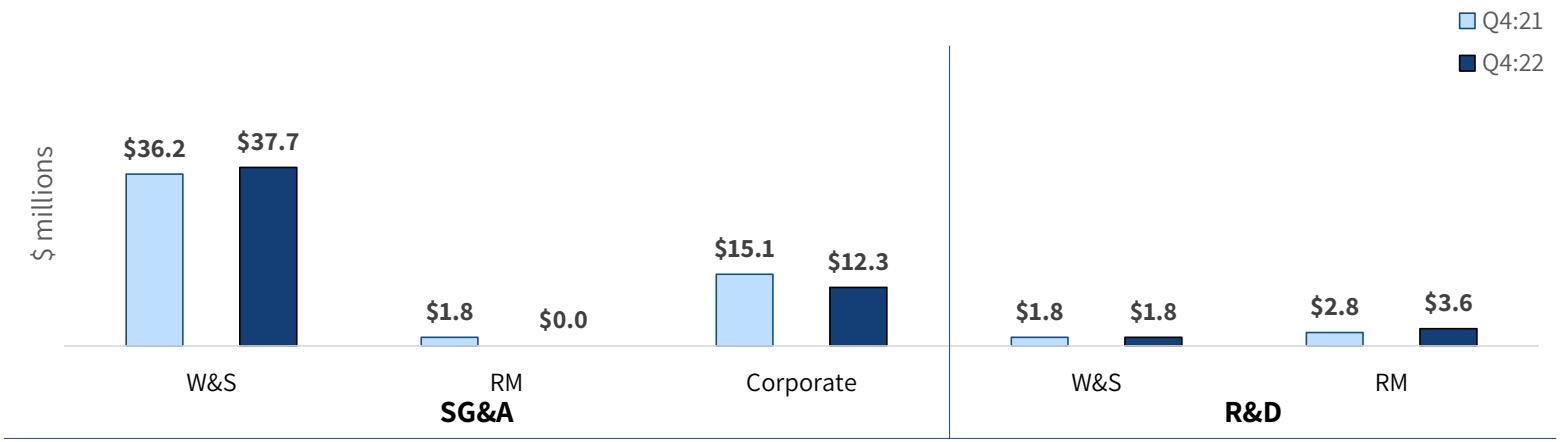



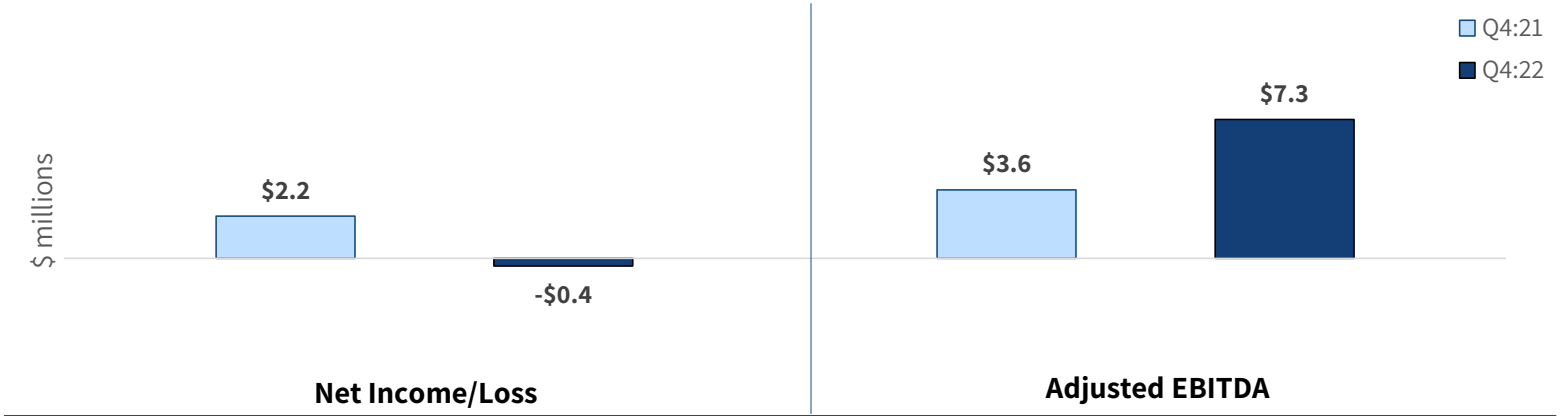



MIMEDX

# Operating Expenses, Net Income/Loss & Adjusted EBITDA

- Significant actions taken to **improve Company's cost base**
- Focused on **demonstrating expense control and improving profitability in 2023** and beyond



# Full Year 2022 Results

**Net Sales**
**$267.8 million**
*+3.6% growth vs. 2021 as-reported*
*+10.5% growth from continuing product portfolio*

**Gross Margin**
**82.0%**
*Negatively impacted by lower production volume*

**R&D Expense**
**$22.8 million**
*+$5.5 million vs. 2021*

**SG&A Expense**
**$208.8 million**
*+$10.4 million vs. 2021*

**Net Loss**
**$30.2 million**
*vs. $10.3 million in 2021*

**Adjusted EBITDA**
**$3.9 million**
*vs. $18.7 million in 2021*

**Wound & Surgical Segment Contribution**
**$66.7 million**
*25.2% of segment sales*

**Regenerative Medicine Segment Loss**
**$15.0 million**
*vs. $11.4 million in 2021*

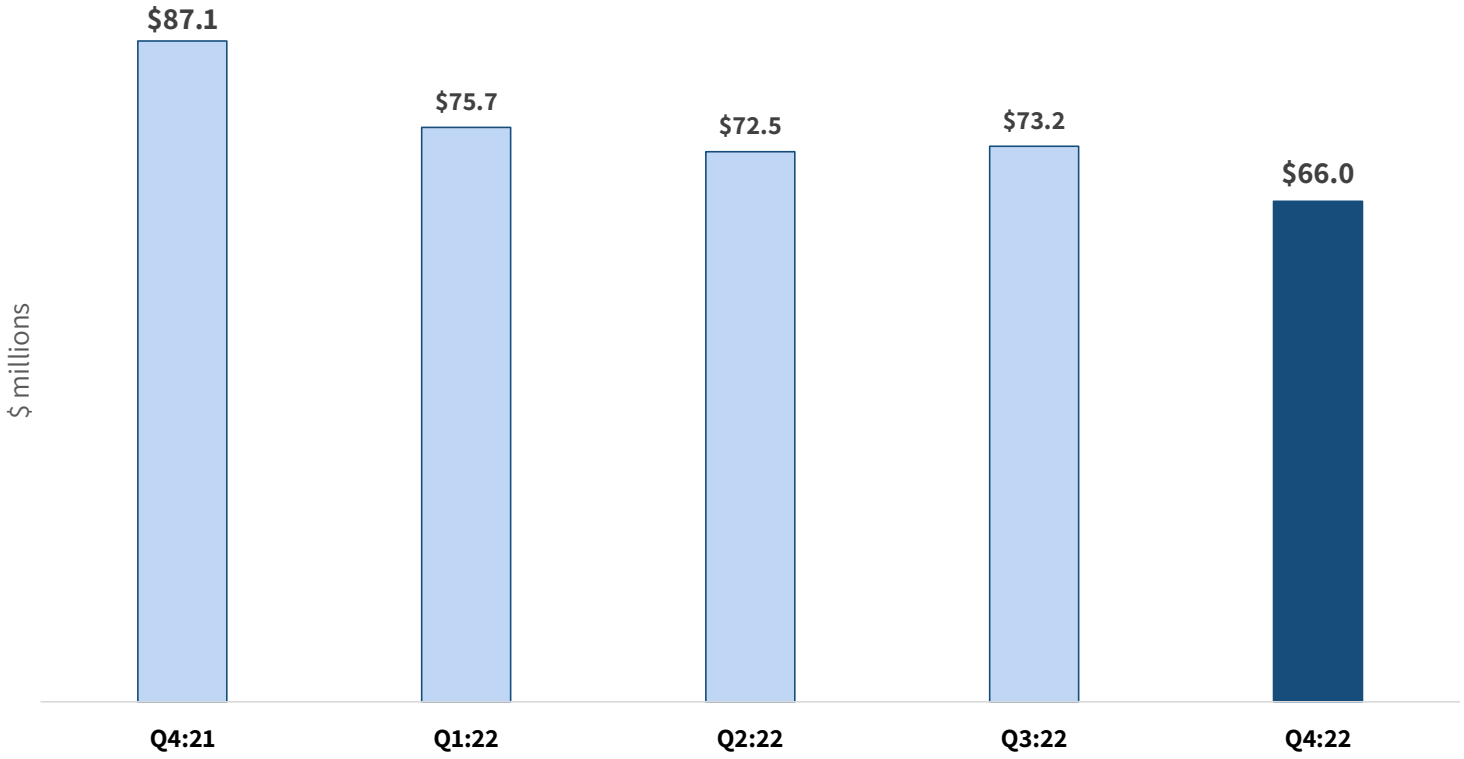
**SG&A Expenses in Corporate & Other**
**$62.9 million**
*23.5% of net sales*



MIMEDX

# Year End 2022 Cash Position

- Balance sheet and disciplined cash management continues
- Q4:22 includes initial payment to Turn Therapeutics for access to antimicrobial IP
- **Do not currently anticipate need to raise additional capital to fund operations and R&D efforts, including KOA**






MIMEDX

# Looking Forward

## Revenue Growth Goal

**Goal to deliver low double digit percentage annual net sales growth**

2023 expected to be characterized by ongoing challenges in private physician office setting

## Expense Discipline Goals

Focused on profitability targets, including:

- **Wound & Surgical segment contribution margin at or above 30% of segment net sales**
- **Corporate & Other SG&A expenses at or below 20% of net sales**



MIMEDX

# Joe Capper

Chief Executive Officer

# Clear Momentum to End 2022 and Start 2023

**Great finish to 2022…**

Strong quarterly revenue growth of 10%

Adoption of new products, commercial focus & execution

Numerous changes to drive increased efficiency and expense rationalization

**…and a strong start to 2023!**

Launched EPIFIX® in Japan with GUNZE Medical

Added experienced leadership in Operations

Initiated KOA study

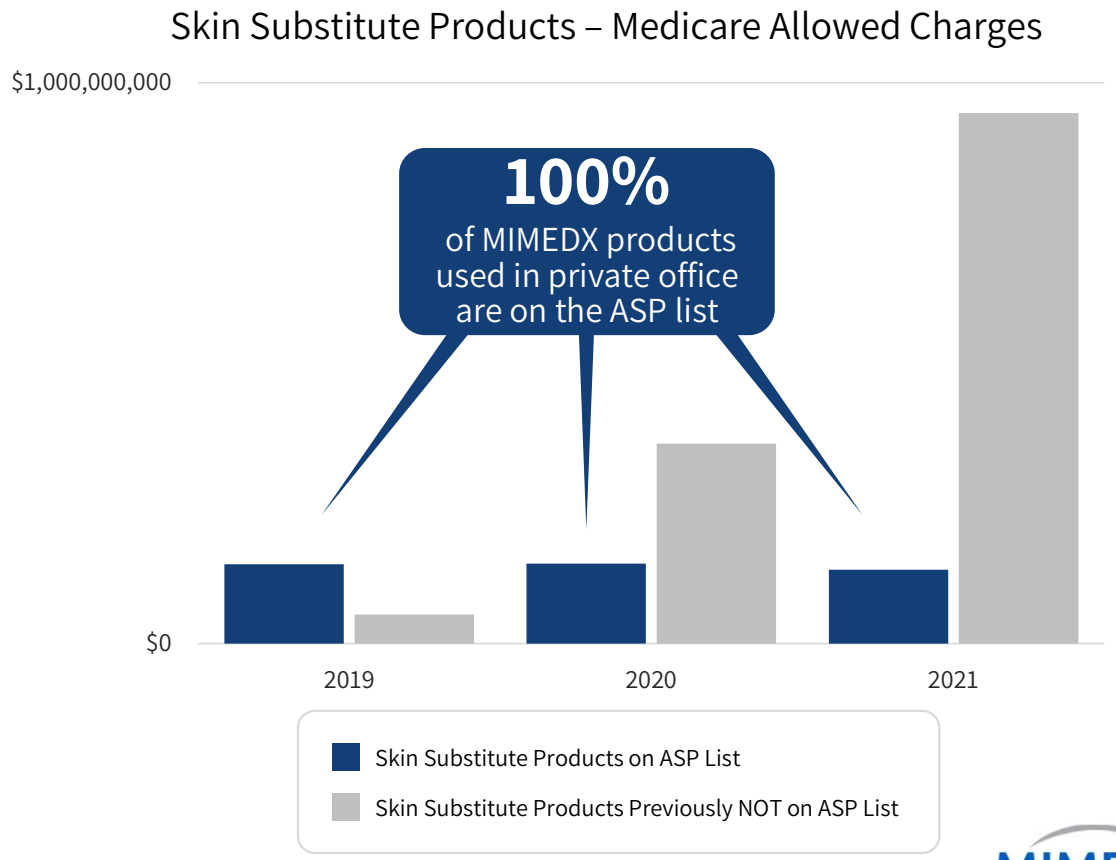


MIMEDX

# Changes to CMS Physician Office Reimbursement are Needed

- Skin Substitute Products Previously NOT on ASP List have Led to **Explosion of Medicare Allowed Charges**
- Non-ASP List Skin Substitute Sales Growth Led by **Increased Use of Financial Incentives**
- **Significant Potential Savings for Medicare** by Transitioning All Skin Substitutes to ASP List
- **Expect CMS to Finalize Reimbursement Changes During 2023** & Become Effective Beginning 2024

## MIMEDX is Uniquely Positioned to Benefit from Potential Changes in Physician Office Setting




ASP List refers to the Medicare Part B ASP Drug Pricing Files
CMS refers to the Centers for Medicare and Medicaid Services
Source: https://www.cms.gov/Research-Statistics-Data-and-Systems/Downloadable-Public-Use-Files/Part-B-National-Summary-Data-File/Overview; Accessed: November 30, 2022



MIMEDX

# Conclusion

Strong business with products that make a positive difference in the lives of patients

Dedicated team committed to our Mission

Growing revenue base and improving profitability

Deep pipeline with numerous opportunities for continued growth

a pioneer & leader in placental biologics



MIMEDX

# Q&A