

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **November 12, 2024**

XTANT MEDICAL HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34951
(Commission
File Number)

20-5313323
(IRS Employer
Identification No.)

664 Cruiser Lane
Belgrade, Montana
(Address of principal executive offices)

59714
(Zip Code)

(406) 388-0480
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 \$0.000001 per share	XTNT	NYSE American LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On November 12, 2024, Xtant Medical Holdings, Inc. (the “Company”) announced its financial results for the three and nine months ended September 30, 2024. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in Item 2.02 of this report (including Exhibit 99.1) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly provided by specific reference in such a filing.

To supplement its consolidated financial statements prepared in accordance with United States generally accepted accounting principles (“GAAP”), the Company uses certain non-GAAP financial measures, such as non-GAAP adjusted EBITDA, which are included in the press release furnished as Exhibit 99.1 to this report. The Company defines non-GAAP adjusted EBITDA as net income or loss from operations before depreciation, amortization and interest expense, and provision for income tax expense or benefit, and further adjusted by adding back in or excluding, as appropriate, separation related expenses, legal settlements, non-cash compensation, acquisition-related expenses, acquisition-related fair value adjustments, gain on bargain purchase, and unrealized foreign currency translation loss or gain.

The Company uses adjusted EBITDA in making operating decisions because it believes this measure provides meaningful supplemental information regarding its core operational performance. Additionally, this measure gives the Company a better understanding of how it should invest in sales and marketing and research and development activities and how it should allocate resources to both ongoing and prospective business initiatives. The Company also uses adjusted EBITDA to help make budgeting and spending decisions, for example, among sales and marketing expenses, general and administrative expenses, and research and development expenses. Additionally, the Company believes its use of non-GAAP adjusted EBITDA facilitates management’s internal comparisons to historical operating results by factoring out potential differences caused by charges not related to its regular, ongoing business, including, without limitation, non-cash charges and certain large and unpredictable charges.

As described above, the Company excludes the following items from its non-GAAP financial measures for the following reasons:

Separation related expenses. The Company excludes separation related expenses primarily because such expenses are not reflective of the Company’s ongoing operating results and are not used by management to assess the core profitability of the Company’s business operations. The Company further believes that excluding this item from its non-GAAP results is useful to investors in that it allows for period-over-period comparability.

Legal settlements. The Company excludes legal settlements primarily because such expenses are not reflective of the Company’s ongoing operating results and are not used by management to assess the core profitability of the Company’s business operations. The Company further believes that excluding this item from its non-GAAP results is useful to investors in that it allows for period-over-period comparability.

Non-cash compensation. The Company excludes non-cash compensation, which is a non-cash charge related to equity awards granted by the Company. Although non-cash compensation is a recurring charge to the Company’s operations, management has excluded it because it relies on valuations based on future events, such as the market price of the Company’s common stock, that are difficult to predict and are affected by market factors that are largely not within the control of the Company. Thus, management believes that excluding non-cash compensation facilitates comparisons of the Company’s operational performance in different periods, as well as with similarly determined non-GAAP financial measures of comparable companies.

Acquisition-related expenses. The Company excludes expenses directly related to the Company’s acquisitions and integration into the Company from non-GAAP adjusted EBITDA primarily because such expenses are not reflective of the Company’s ongoing operating results and are not used by management to assess the core profitability of the Company’s business operations. These expenses include legal and accounting fees and transition related services and are not considered normal, recurring, cash operating expenses necessary to operate the Company’s business. The Company further believes that excluding this item from its non-GAAP results is useful to investors in that it allows for period-over-period comparability.

Acquisition-related fair value adjustments. The Company excludes acquisition-related fair value adjustments from non-GAAP adjusted EBITDA primarily because such adjustments are not reflective of the Company’s ongoing operating results and are not used by management to assess the core profitability of the Company’s business operations. The Company further believes that excluding this item from its non-GAAP results is useful to investors in that it allows for period-over-period comparability.

Gain on bargain purchase. The Company excludes gain on bargain purchase primarily because this gain is not reflective of the Company's ongoing operating results and is not used by management to assess the core profitability of the Company's business operations. The Company further believes that excluding this item from its non-GAAP results is useful to investors in that it allows for period-over-period comparability.

Unrealized foreign currency translation gain or loss. The Company excludes unrealized foreign currency translation gain or loss, as applicable, from non-GAAP adjusted EBITDA primarily because such gain or loss is not reflective of the Company's ongoing operating results and is not used by management to assess the core profitability of the Company's business operations. The Company further believes that excluding this item from its non-GAAP results is useful to investors in that it allows for period-over-period comparability.

Non-GAAP adjusted EBITDA is reconciled to net loss, the most directly comparable GAAP measure, in the press release.

Non-GAAP financial measures are not in accordance with, or an alternative for, GAAP measures and may be different from non-GAAP financial measures used by other companies. In addition, non-GAAP financial measures are not based on any comprehensive or standard set of accounting rules or principles. Accordingly, the calculation of the Company's non-GAAP financial measures may differ from the definitions of other companies using the same or similar names, limiting, to some extent, the usefulness of such measures for comparison purposes. Non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with the Company's financial results as determined in accordance with GAAP. Non-GAAP financial measures should only be used to evaluate the Company's financial results in conjunction with the corresponding GAAP measures. Accordingly, the Company qualifies its use of non-GAAP financial information in a statement when non-GAAP financial information is presented.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release of Xtant Medical Holdings, Inc. dated November 12, 2024 entitled "Xtant Medical Reports Third Quarter 2024 Financial Results" (furnished herewith)
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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 hereunto duly authorized.

XTANT MEDICAL HOLDINGS, INC.

By: /s/ Scott Neils
Scott Neils
Chief Financial Officer

Date: November 12, 2024

Xtant Medical Reports Third Quarter 2024 Financial Results*Third Quarter Revenue Growth of 12%**Reaffirms Full Year 2024 Revenue Guidance of \$116 Million to \$120 Million
Representing Growth of 27% to 31%*

BELGRADE, Mont., Nov. 12, 2024 — **Xtant Medical Holdings, Inc.** (NYSE American: XTNT), a global medical technology company focused on surgical solutions for the treatment of spinal disorders, today reported financial and operating results for the third quarter ended September 30, 2024.

Third Quarter 2024 Financial Highlights

- Revenue of \$27.9 million, up 12%, compared to the prior year quarter; year to date revenue of \$85.8 million, up 36% compared to prior year period
- Gross margin of 58.4% compared to 61.3% for the prior year quarter
- Net loss of \$5.0 million compared to net income of \$9.2 million in the prior year quarter which included a \$11.0 million bargain purchase gain related to the acquisition of Surgalign Holdings
- Adjusted EBITDA of \$(196,000) compared to \$440,000 in the prior year quarter

Recent Business Highlights

- Launched OsteoVive+, a moldable, viable bone matrix for use in a variety of grafting procedures
- Launched Cortera Posterior Fixation System, a comprehensive solution designed to streamline thoracolumbar fixation surgeries
- Signed a license agreement for Q-Codes and corresponding SimpliMax Dual Layer Amniotic Membrane, which provides for a minimum of \$5.25 million in licensing and royalty fees
- Completed \$5.0 million private placement on August 9, 2024

Sean Browne, President and CEO of Xtant Medical, stated, “During the third quarter, we expanded our market opportunities with the launch of two new products, OsteoVive+ (stem cells) and Cortera Posterior Fixation System. Importantly, OsteoVive+ is produced internally to our high standards, giving us greater control over the supply chain and enabling a higher margin contribution on incremental sales, which we expect to accelerate in the fourth quarter.”

Browne continued, “2024 is shaping up largely as we planned with revenue growth of 36% year-to-date. We are therefore reaffirming our full year revenue guidance of \$116 million to \$120 million. The growth we expect in the fourth quarter will be driven by the strength of our products, continued strong operational execution and importantly, it will be entirely organic. The market opportunities in biologics are expansive, and we are striving to build a resilient and scalable business, which we believe will drive long-term growth and increase profitability for our stockholders.”

Third Quarter 2024 Financial Results

Total revenue for the three months ended September 30, 2024 was \$27.9 million, an increase of 12%, compared to \$25.0 million in the prior year quarter. The increase is primarily due to the contribution of additional sales resulting from the acquisition of the Surgalign Holdings’ hardware and biologics business, which was partially offset by reduced surgical procedures using our products.

Gross margin for the third quarter of 2024 was 58.4%, compared to 61.3% for the prior year quarter. The decrease is primarily due to reduced production throughput, partially offset by additional scale.

Operating expenses for the third quarter of 2024 totaled \$20.1 million, an increase of 7.3% compared to \$18.7 million for the third quarter of 2023. The increase was primarily due to additional commission expense resulting from revenue growth, additional compensation expense related to additional headcount and additional stock-based compensation.

Net loss for the third quarter of 2024 was \$5.0 million, or \$(0.04) per share, compared to net income of \$9.2 million, or \$0.07 per share in the prior year quarter. Net income for the third quarter of 2023 includes a bargain purchase gain of \$11.0 million related to the acquisition of Surgalign Holdings’ hardware and biologics business in August 2023.

Non-GAAP Adjusted EBITDA for the third quarter of 2024 was a loss of \$196,000, compared to non-GAAP Adjusted EBITDA of \$440,000 for the prior-year period. The Company defines Adjusted EBITDA as net income/loss from operations before depreciation, amortization and interest expense and provision for income tax/benefit, and as further adjusted to add back in or exclude, as applicable, separation related expenses, legal settlements, non-cash compensation, acquisition-related expenses, acquisition-related fair value adjustments, gain on bargain purchase and foreign currency exchange gains/losses. A calculation and reconciliation of Adjusted EBITDA to net loss can be found in the attached financial tables.

As of September 30, 2024, the Company had \$6.6 million of cash and cash equivalents compared to \$5.7 million as of December 31, 2023.

2024 Financial Guidance

Xtant Medical reaffirmed its full year 2024 revenue guidance of \$116 million to \$120 million. Revenue guidance for 2024 represents annual growth of 27% to 31%.

Conference Call

Xtant Medical will host a webcast and conference call to discuss third quarter 2024 financial results at 4:30 pm ET on Tuesday, November 12, 2024.

To access the webcast, visit <https://www.webcaster4.com/Webcast/Page/3039/51623>.

To access the conference call, dial 888-999-3182 within the U.S. or 848-280-6330 outside the U.S. Passcode: Xtant Medical Holdings.

A replay of the call will be available on the Investor section of the Company's website at www.xtantmedical.com.

About Xtant Medical Holdings, Inc.

Xtant Medical's mission of honoring the gift of donation so that our patients can live as full and complete a life as possible, is the driving force behind our company. Xtant Medical Holdings, Inc. (www.xtantmedical.com) is a global medical technology company focused on the design, development, and commercialization of a comprehensive portfolio of orthobiologics and spinal implant systems to facilitate spinal fusion in complex spine, deformity and degenerative procedures. Xtant people are dedicated and talented, operating with the highest integrity to serve our customers.

The symbols TM and [®] denote trademarks and registered trademarks of Xtant Medical Holdings, Inc. or its affiliates, registered as indicated in the United States, and in other countries. All other trademarks and trade names referred to in this release are the property of their respective owners.

Non-GAAP Financial Measures

To supplement the Company's consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses certain non-GAAP financial measures in this release, including Adjusted EBITDA. Reconciliations of the non-GAAP financial measures used in this release to the most comparable GAAP measures for the respective periods can be found in tables later in this release. The Company's management believes that the presentation of these measures provides useful information to investors. These measures may assist investors in evaluating the Company's operations, period over period. Management uses the non-GAAP measures in this release internally for evaluation of the performance of the business, including the allocation of resources. Investors should consider non-GAAP financial measures only as a supplement to, not as a substitute for or as superior to, measures of financial performance prepared in accordance with GAAP.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “intends,” “expects,” “anticipates,” “plans,” “believes,” “estimates,” “continue,” “future,” “will,” “potential,” “going forward,” “guidance,” similar expressions or the negative thereof, and the use of future dates. Forward-looking statements in this release include the Company’s financial guidance for 2024, expectations for the acceleration of incremental sales in the fourth quarter, the Company’s ability to build a resilient and scalable business, the Company’s anticipated long-term growth and increased profitability for stockholders. The Company cautions that its forward-looking statements by their nature involve risks and uncertainties, and actual results may differ materially depending on a variety of important factors, including, among others: the Company’s future operating results and financial performance; its ability to increase or maintain revenue; the Company’s ability to become operationally self-sustaining and less reliant on third-party manufacturers and suppliers; risks associated with its acquisitions and the integration of those businesses; anticipated shortages of stem cells which will adversely affect future revenues; the ability to implement successfully its future growth initiatives and risks associated therewith; possible future impairment charges to long-lived assets and goodwill and write-downs of excess inventory; the ability to remain competitive; the ability to innovate, develop and introduce new products and the success of those products; the ability to engage and retain new and existing independent distributors and agents and qualified personnel and the Company’s dependence on key independent agents for a significant portion of its revenue; the effect of labor and hospital staffing shortages on the Company’s business, operating results and financial condition, especially when they affect key markets; the effect of inflation, increased interest rates and other recessionary factors and supply chain disruptions; the effect of product sales mix changes on the Company’s financial results; government and third-party coverage and reimbursement for Company products; the ability to obtain and maintain regulatory approvals and comply with government regulations; the effect of product liability claims and other litigation to which the Company may be subject; the effect of product recalls and defects; the ability to license certain of the Company’s intellectual property on commercially reasonable terms and to maintain any such licenses; the ability to obtain and protect Company intellectual property and proprietary rights and operate without infringing the rights of others; risks associated with the Company’s clinical trials; international risks; the ability to service Company debt, comply with its debt covenants and access additional indebtedness; the ability to maintain sufficient liquidity to fund its operations and obtain financing on favorable terms or at all; and other factors. Additional risk factors are contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission (SEC) on April 1, 2024 and subsequent SEC filings by the Company, including without limitation its most recent Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 anticipated to be filed with the SEC. Investors are encouraged to read the Company’s filings with the SEC, available at www.sec.gov, for a discussion of these and other risks and uncertainties. The Company undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this cautionary statement.

Investor Relations Contact:

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XTANT MEDICAL HOLDINGS, INC.
Condensed Consolidated Balance Sheets
(In thousands, except number of shares and par value)

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,596	\$ 5,715
Restricted cash	490	208
Trade accounts receivable, net of allowance for credit losses and doubtful accounts of \$1,038 and \$920, respectively	20,545	20,731
Inventories	41,886	36,885
Prepaid and other current assets	1,893	1,330
Total current assets	<u>71,410</u>	<u>64,869</u>
Property and equipment, net	10,284	8,692
Right-of -use asset, net	995	1,523
Goodwill	7,302	7,302
Intangible assets, net	8,788	10,085
Other assets	103	141
Total Assets	<u>\$ 98,882</u>	<u>\$ 92,612</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 8,298	\$ 7,054
Accrued liabilities	8,871	10,419
Current portion of lease liability	795	830
Current portion of finance lease obligations	68	65
Line of credit	12,887	4,622
Current portion of long-term debt	2,750	-
Total current liabilities	<u>33,669</u>	<u>22,990</u>
Long-term Liabilities:		
Lease liability, less current portion	247	759
Finance lease obligations, less current portion	65	116
Long-term debt, plus premium and less issuance costs	19,138	17,167
Other liabilities	38	231
Total Liabilities	<u>53,157</u>	<u>41,263</u>
Commitments and Contingencies	-	-
Stockholders' Equity		
Preferred stock, \$0.000001 par value; 10,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, \$0.000001 par value; 300,000,000 shares authorized; 138,680,874 shares issued and outstanding as of September 30, 2024 and 130,180,031 shares issued and outstanding as of December 31, 2023	-	-
Additional paid-in capital	301,966	294,330
Accumulated other comprehensive (loss) income	54	29
Accumulated deficit	(256,295)	(243,010)
Total Stockholders' Equity	<u>45,725</u>	<u>51,349</u>
Total Liabilities & Stockholders' Equity	<u>\$ 98,882</u>	<u>\$ 92,612</u>

XTANT MEDICAL HOLDINGS, INC.
Condensed Consolidated Statements of Operations
(Unaudited, in thousands, except number of shares and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 27,937	\$ 25,019	\$ 85,754	\$ 63,195
Cost of sales	11,630	9,685	33,562	24,865
Gross Profit	<u>16,307</u>	<u>15,334</u>	<u>52,192</u>	<u>38,330</u>
Gross Profit %	58.4%	61.3%	60.9%	60.7%
Operating Expenses				
General and administrative	7,493	7,144	22,991	16,983
Sales and marketing	11,890	11,085	37,530	26,855
Research and development	701	490	1,863	844
Total Operating Expenses	<u>20,084</u>	<u>18,719</u>	<u>62,384</u>	<u>44,682</u>
Loss from Operations	(3,777)	(3,385)	(10,192)	(6,352)
Other (Expense) Income				
Interest expense	(1,199)	(760)	(3,026)	(2,120)
Interest income	-	48	-	133
Foreign currency exchange gain	27	-	106	-
Other expense	(13)	-	(6)	-
Bargain purchase gain	-	11,028	-	11,028
Total Other (Expense) Income	<u>(1,185)</u>	<u>10,316</u>	<u>(2,926)</u>	<u>9,041</u>
Net (Loss) Income from Operations Before Provision for Income Taxes	<u>(4,962)</u>	<u>6,931</u>	<u>(13,118)</u>	<u>2,689</u>
Provision for Income Taxes				
Current and Deferred	(62)	2,300	(166)	2,274
Net (Loss) Income	<u>\$ (5,024)</u>	<u>\$ 9,231</u>	<u>\$ (13,284)</u>	<u>\$ 4,963</u>
Net (Loss) Income Per Share:				
Basic	\$ (0.04)	\$ 0.07	\$ (0.10)	\$ 0.04
Dilutive	\$ (0.04)	\$ 0.07	\$ (0.10)	\$ 0.04
Shares used in the computation:				
Basic	135,100,233	128,140,238	131,881,302	115,380,792
Dilutive	135,100,233	135,663,274	131,881,302	123,832,401

XTANT MEDICAL HOLDINGS, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited, in thousands)

	Nine Months Ended September 30,	
	2024	2023
Operating activities:		
Net (loss) income	\$ (13,284)	\$ 4,963
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	3,076	2,157
Gain on disposal of fixed assets	(182)	(104)
Non-cash interest	369	266
Non-cash rent	(18)	5
Stock-based compensation	3,277	1,801
Provision for expected credit losses	330	316
Provision for excess and obsolete inventory	695	398
Release of valuation allowance	-	(2,394)
Gain on bargain purchase	-	(11,028)
Other	17	-
Changes in operating assets and liabilities, net of the effects of the acquisition:		
Accounts receivable	(128)	(7,047)
Inventories	(5,657)	(1,669)
Prepaid and other assets	(503)	69
Accounts payable	1,290	1,298
Accrued liabilities	(1,843)	2,369
Net cash used in by operating activities	<u>(12,561)</u>	<u>(8,600)</u>
Investing activities:		
Purchases of property and equipment	(3,441)	(1,093)
Proceeds from sale of fixed assets	278	70
Acquisition of Suralign SPV, Inc.	-	(17,000)
Acquisition of Suralign Holding, Inc.'s hardware and biologics business, net of cash acquired	-	(4,448)
Net cash used in investing activities	<u>(3,163)</u>	<u>(22,471)</u>
Financing activities:		
Payments on financing leases	(49)	(46)
Borrowings on line of credit	86,315	55,345
Repayments of line of credit	(78,050)	(54,724)
Proceeds from private placement, net of cash issuance costs	4,456	14,011
Proceeds from issuance of long-term debt, net of issuance costs	5,000	4,899
Payments on long term debt	(648)	-
Proceeds from exercise of stock based compensation	13	-
Payment of taxes from withholding of common stock on vesting of restricted stock units	(110)	(119)
Net cash provided by financing activities	<u>16,927</u>	<u>19,366</u>
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(40)	(53)
Net change in cash and cash equivalents and restricted cash	1,163	(11,758)
Cash and cash equivalents and restricted cash at beginning of period	5,923	20,507
Cash and cash equivalents and restricted cash at end of period	<u>\$ 7,086</u>	<u>\$ 8,749</u>
Reconciliation of cash and restricted cash reported in the condensed consolidated balance sheets		
Cash and cash equivalents	\$ 6,596	\$ 8,664
Restricted cash	490	85
Total cash and restricted cash reported in the condensed consolidated balance sheets	<u>\$ 7,086</u>	<u>\$ 8,749</u>

XTANT MEDICAL HOLDINGS, INC.
Calculation of Non-GAAP Consolidated EBITDA and Adjusted EBITDA
(Unaudited, in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net (Loss) Income	\$ (5,024)	\$ 9,231	\$ (13,284)	\$ 4,963
Depreciation and amortization	1,073	883	3,076	2,157
Interest expense	1,199	712	3,026	1,987
Tax expense (benefit)	62	(2,300)	166	(2,274)
Non-GAAP EBITDA	<u>(2,690)</u>	<u>8,526</u>	<u>(7,016)</u>	<u>6,833</u>
Non-GAAP EBITDA/Total revenue	-9.6%	34.1%	-8.2%	10.8%
NON-GAAP ADJUSTED EBITDA CALCULATION				
Separation related expenses	464	-	490	(15)
Legal settlements	-	140	-	140
Non-cash compensation	1,139	745	3,277	1,801
Acquisition-related expenses	-	1,023	338	1,326
Acquisition-related fair value adjustments	918	1,026	3,448	1,188
Gain on bargain purchase	-	(11,028)	-	(11,028)
Unrealized foreign currency translation (gain) loss	(27)	8	(106)	8
Non-GAAP Adjusted EBITDA	<u>\$ (196)</u>	<u>\$ 440</u>	<u>\$ 431</u>	<u>\$ 253</u>