

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): May 8, 2017

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 (see General Instruction A.2. below):

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 1.01. Entry into a Material Definitive Agreement

Fourteenth Amendment to Amended and Restated Credit Agreement

Effective May 11, 2017, Bacterin International, Inc. ("Bacterin"), a Nevada corporation and wholly-owned subsidiary of Xtant Medical Holdings, Inc. (the "Company"), as borrower, the Company, X-Spine Systems, Inc., an Ohio corporation and wholly-owned subsidiary of the Company, and Xtant Medical, Inc., a Delaware corporation and wholly-owned subsidiary of the Company, collectively as the guarantors, ROS Acquisition Offshore LP ("ROS") and OrbiMed Royalty Opportunities II, LP ("Royalty Opportunities"), entered into the Fourteenth Amendment to Amended and Restated Credit Agreement (the "Amendment"), which amended the existing Amended and Restated Credit Agreement (the "Facility").

Prior amendments to the Facility deferred Bacterin's accrued interest payment date for the fiscal quarter ended on December 31, 2016 until May 31, 2017. The Amendment further defers Bacterin's accrued interest payment date for the fiscal quarter ended on December 31, 2016 until June 30, 2017, while also deferring Bacterin's accrued interest payment date for the fiscal quarter ended on March 31, 2017 until June 30, 2017.

The interest due on June 30, 2017 for the fiscal quarter ended on December 31, 2016 will be \$1,147,329.47, plus interest accrued on such interest from January 2, 2017 until paid at a rate equal to 14% plus the higher of the LIBO Rate (as defined in the Facility) for the fiscal quarter ended on December 31, 2016, or 1%. The interest due on June 30, 2017 for the fiscal quarter ended on March 31, 2017 will be \$1,139,597.47, plus interest accrued on such interest from April 1, 2017 until paid at a rate equal to 14% plus the higher of the LIBO Rate for the fiscal quarter ended on March 31, 2017, or 1%.

The Amendment also allows for X-Spine to make additional term loans with ROS and Royalty Opportunities in an aggregate amount of up to \$15,000,000. The amount of each loan draw made by X-Spine will be subject to the Company's production of a thirteen-week cash flow forecast that is approved by ROS and Royalty Opportunities. The making of each Additional Delayed Draw Loan by ROS and Royalty Opportunities shall be subject to the satisfaction (or waiver in writing by each lender) of conditions precedent, including closing certificate, delivery of budget, the hiring of a Chief Restructuring Officer, a payoff letter from Silicon Valley Bank, and other satisfactory documents.

The foregoing descriptions of the Amendment does not purport to be complete and is qualified in its entirety by the full text of the Amendment, a copy of which is filed as Exhibits 10.1 and incorporated by reference herein.

Aurora Management Agreement

Also, on May 8, 2017, the Company entered into an agreement (the "CRO Agreement") with Aurora Management Partners Inc. ("Aurora"). Pursuant to the CRO Agreement, David Baker will now serve as Chief Restructuring Officer of the Company (the "CRO") and Wayne Tanner will serve as a Deputy Restructuring Officer of the Company. The CRO and Aurora personnel assisting on this engagement will report to the special restructuring committee of the Board of Directors of the Company and will provide periodic updates on progress made in fulfilling the scope of services. The term of the agreement will begin on May 8, 2017, and the term continues until the engagement is completed or earlier if the engagement is terminated by either party. Aurora will be paid the hourly rates set forth on Schedule A to the CRO Agreement and will be reimbursed for its expenses actually incurred in providing the services. The CRO Agreement may be terminated by either party, in its sole discretion, for any reason and the termination is effective immediately upon the other party's receipt of written notice of the termination.

The foregoing descriptions of the Amendment and the CRO Agreement do not purport to be complete and are qualified in their entirety by the full text of the Amendment and the CRO Agreement, copies of which are filed as Exhibits 10.1, 10.2 and 10.3 and incorporated by reference herein.

Item 2.03 Creation of Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement.

The disclosure set forth above under Item 1.01 is hereby incorporated by reference into this Item 2.03.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The disclosure set forth above under the Item 1.01 heading “Aurora Management Agreement” is hereby incorporated by reference into this Item 5.02. The new officers are being compensated by Aurora for their services and do not have any other compensation arrangements with the Company. The biographies for the new officers are below:

David Baker, Chief Restructuring Officer, age 61, is the Managing Partner of Aurora Management Partners, and has managed a wide variety of turnaround and bankruptcy consulting engagements involving domestic and international operations. David has served Aurora’s clients as Chairman, CEO, Federal Receiver, State Receiver, CRO, Financial Advisor, and COO. His debtor engagements include working capital management and assessment, debt reorganization, viability assessments and asset sales and acquisitions. David graduated from the University of North Carolina at Chapel Hill in 1977 with a B.S. in Accounting and subsequently earned his CPA certificate. From 1977 until 1985 he worked with national accounting firms. In 1985, he left public accounting to manage a multi-state textile manufacturer headquartered in North Carolina. In 1997 he began his turnaround career and co-founded Aurora in 2000.

Wayne Tanner, Deputy Restructuring Officer, age 62, is a Senior Managing Director, CPA for Aurora and brings over 35 years of consulting experience in a wide spectrum of executive management engagements. Wayne was a worldwide Equity Audit & Business Advisory Partner with Arthur Andersen for 22 years in Atlanta. For the last ten years, Wayne has performed executive consulting services with a variety of companies primarily in CEO, President and Board Member roles. His industry experience is vast and includes real estate, construction, technology, healthcare, retail, manufacturing and distribution among others. He also has experience in debt, mezzanine and equity placements from an origination and restructuring environment. Wayne is a CPA with a BBA in Accounting/Business Law and an MBA from the University of Georgia with post-graduate work at Harvard Business School. He is a Certified Fraud Examiner & an associate member of the ABA.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Fourteenth Amendment and Waiver to Amended and Restated Credit Agreement, dated as of May 11, 2017, by and among Bacterin International, Inc., Xtant Medical Holdings, Inc., X-Spine Systems, Inc., Xtant Medical, Inc., ROS Acquisition Offshore LP and OrbiMed Royalty Opportunities II, LP.
10.2	Agreement, dated May 8, 2017, between Xtant Medical Holdings, Inc. and Aurora Management Partners Inc.
99.1	Press Release dated May 12, 2017.

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.

Dated: May 12, 2017

XTANT MEDICAL HOLDINGS, INC.

By: /s/ John Gandolfo

Name: John Gandolfo

Title: Chief Financial Officer

EXHIBIT INDEX

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99.1	Press Release dated May 12, 2017.

FOURTEENTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

This **FOURTEENTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT** (this "Amendment") is made and entered into as of May 11, 2017 (the "Amendment Closing Date") by and among **BACTERIN INTERNATIONAL, INC.**, a Nevada corporation (the "Borrower"), **ROS ACQUISITION OFFSHORE LP**, a Cayman Islands Exempted Limited Partnership ("ROS"), **ORBIMED ROYALTY OPPORTUNITIES II, LP**, a Delaware limited partnership ("Royalty Opportunities"), and, in their capacity as Guarantors under the Credit Agreement (as defined below), **XTANT MEDICAL HOLDINGS, INC.**, a Delaware corporation ("Holdings"), **X-SPINE SYSTEMS, INC.**, an Ohio corporation ("X-Spine" or the "Additional Delayed Draw Borrower") and **XTANT MEDICAL, INC.**, a Delaware corporation ("Xtant" and, along with Holdings and X-Spine, collectively, the "Guarantors").

WHEREAS, the Borrower, ROS and Royalty Opportunities are party to that certain Amended and Restated Credit Agreement, dated as of July 27, 2015, as amended by that certain First Amendment to Amended and Restated Credit Agreement, dated as of March 31, 2016, that certain Second Amendment to Amended and Restated Credit Agreement, dated as of May 25, 2016, that certain Third Amendment to Amended and Restated Credit Agreement, dated as of June 30, 2016, that certain Fourth Amendment to Amended and Restated Credit Agreement, dated as of July 29, 2016, that certain Fifth Amendment to the Amended and Restated Credit Agreement, dated as of August 12, 2016, that certain Sixth Amendment to the Amended and Restated Credit Agreement, dated as of September 27, 2016, that certain Seventh Amendment to the Amended and Restated Credit Agreement, dated as of December 31, 2016, that certain Eighth Amendment to Amended and Restated Credit Agreement, dated as of January 13, 2017, that certain Ninth Amendment to Amended and Restated Credit Agreement, dated as of January 31, 2017, that certain Tenth Amendment to Amended and Restated Credit Agreement, dated as of February 14, 2017, that certain Eleventh Amendment to Amended and Restated Credit Agreement, dated as of February 28, 2017, that certain Twelfth Amendment and Waiver to Amended and Restated Credit Agreement, dated as of March 31, 2017, and that certain Thirteenth Amendment to Amended and Restated Credit Agreement, dated as of April 30, 2017 (the "Credit Agreement"), pursuant to which (i) ROS and Royalty Opportunities, as Lenders under the Credit Agreement, have extended credit to the Borrower on the terms set forth therein and (ii) each Lender has appointed ROS as the administrative agent (the "Administrative Agent") for the Lenders;

WHEREAS, the Guarantors and the Administrative Agent entered into an Amended and Restated Guarantee, dated as of July 31, 2015 and supplemented on September 11, 2015, pursuant to which the Guarantors have agreed to guarantee the Obligations of the Borrower under the Credit Agreement;

WHEREAS, pursuant to Section 11.1 of the Credit Agreement, the Credit Agreement may be amended by an instrument in writing signed by each of the Borrower and the Administrative Agent (acting on behalf of the Lenders);

WHEREAS, the Borrower and the Lenders desire to amend certain provisions of the Credit Agreement as provided in this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions; Loan Document.** Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement. This Amendment shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents.

2. **Amendments.**

(a) Section 1.1 of the Credit Agreement is hereby amended by adding the following definitions in alphabetical order:

“Additional Delayed Draw Borrower” means X-Spine Systems, Inc., an Ohio corporation.

“Additional Delayed Draw Closing Date” means the date of the making of each Additional Delayed Draw Loan hereunder.

“Additional Delayed Draw Commitment Amount” means \$15,000,000, in the aggregate for all Lenders, allocated \$9,574,950 to ROS and \$5,425,050 to Royalty Opportunities.

“Additional Delayed Draw Loan” is defined in Section 2.6.

“Closing Budget” means the initial 13-week cash flow budget provided by the Borrower to the Administrative Agent in conjunction with the closing of the Fourteenth Amendment hereto.

“Weekly Budget” is defined in Section 7.1(n).

(b) The following definitions in Section 1.1 of the Credit Agreement are hereby amended and restated in their entirety as follows:

“Commitment” means (i) the Initial Commitment Amount, (ii) the Tranche A Commitment and (iii) the Additional Delayed Draw Commitment Amount.

“Loans” means (i) the Continuing Loans, (ii) the New Loans, (iii) the Tranche A Loan and (iv) the Additional Delayed Draw Loans.

(c) Article II of the Credit Agreement is hereby amended by adding the following as a new Section 2.6:

SECTION 2.6 Additional Delayed Draw Loans.

(a) On the terms and subject to the conditions of this Agreement, each Lender may, in its sole discretion, make term loans (each, an “Additional Delayed Draw Loan” and collectively the “Additional Delayed Draw Loans”) to the Additional Delayed Draw Borrower on each Additional Delayed Draw Closing Date in an amount determined by each Lender (but in no event shall the aggregate amount of all such Additional Delayed Draw Loans exceed the Additional Delayed Draw Commitment Amount).

(b) The Additional Delayed Draw Borrower may irrevocably request that an Additional Delayed Draw Loan be made by delivering to the Administrative Agent a Loan Request on or before 1:00 p.m. Eastern Time on a day that is at least two Business Days prior to each Additional Delayed Draw Closing Date (or such other time as may be agreed by the Administrative Agent), which Loan Request shall specify the amount of Additional Delayed Draw Loans requested by the Additional Delayed Draw Borrower. Unless otherwise agreed by the Administrative Agent, such Loan Request shall be made in accordance with the most recent Weekly Budget (or the Closing Budget, if such Additional Delayed Draw Loan is made prior to the delivery of the first Weekly Budget).

(c) The Lenders may, in their sole collective discretion, on each Additional Delayed Draw Closing Date and subject to the terms and conditions hereof, make the Additional Delayed Draw Loan in the amount determined by the Lenders (and pro rata in accordance to their share of the Additional Delayed Draw Commitment Amount), but not greater than the amount requested in the applicable Loan Request, available to the Additional Delayed Draw Borrower, as applicable, by wire transfer to the account the Additional Delayed Draw Borrower, as applicable, shall have specified in the applicable Loan Request.

(d) The Additional Delayed Draw Borrower shall become a “Borrower” under this Agreement and each other Loan Document with the same force and effect as if originally named as a Borrower therein, and each reference to the “Borrower” under this Agreement and each other Loan Document shall also be a reference to the Additional Delayed Draw Borrower.

(d) Section 3.6 of the Credit Agreement is hereby amended by deleting the last sentence from such Section 3.6 in its entirety and inserting the following as the last sentence thereof:

“Notwithstanding the foregoing, interest accrued on the Loans for the Fiscal Quarters ended on December 31, 2016 and March 31, 2017 and otherwise required to be paid in cash on January 2, 2017 and March 31, 2017, respectively, shall instead be required to be paid in cash on June 30, 2017, plus interest accrued on such interest from January 2, 2017 and March 31, 2017, as applicable, to the date of payment thereof at a rate equal to the Applicable Margin plus the higher of (i) the LIBO Rate for the Fiscal Quarter ended on December 31, 2016 or the Fiscal Quarter ended on March 31, 2017, as applicable, and (ii) 1.00%.”

(e) Article V of the Credit Agreement is hereby amended by adding the following as a new Section 5.2:

SECTION 5.2 Conditions to Additional Delayed Draw Loans. The making of each Additional Delayed Draw Loan by the Lenders shall be in the sole and absolute discretion of the Lenders, collectively, and subject to the satisfaction (or waiver in writing by each Lender) of each of the following conditions precedent and such other conditions as each Lender may require in its sole and absolute discretion:

(a) The Administrative Agent shall have received a Closing Certificate, dated as of each Additional Delayed Draw Closing Date, as the case may be, and duly executed and delivered by the Chief Restructuring Officer of Holdings as well as by the Additional Delayed Draw Borrower, the Borrower and the Guarantors, in which certificate such parties shall agree and acknowledge that the statements made therein shall be deemed to be true and correct representations and warranties of such parties as of such date, and, at the time such certificate is delivered, such statements shall in fact be true and correct, and such statements shall include that (i) the representations and warranties set forth in each Loan Document shall, in each case, be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect), before and after giving effect to the making of the Additional Delayed Draw Loan and to the application of the proceeds thereof, as though made on and as of the date hereof, (ii) no Default shall have then occurred and be continuing, or would result from the Loan to be advanced on the Additional Delayed Draw Closing Date, as the case may be, and (iii) all of the conditions set forth in this Section 5.2 have been satisfied. All documents and agreements required to be appended to the Closing Certificate, if any, shall be in form and substance satisfactory to each Lender in its sole and absolute discretion, shall have been executed and delivered by the requisite parties, and shall be in full force and effect.

(b) Holdings, the Additional Delayed Draw Borrower, the Borrower and the Guarantors shall have delivered to the Administrative Agent the Weekly Budget (or the Closing Budget, if such Additional Delayed Draw Loan is made prior to the delivery of the first Weekly Budget); it being understood that the Lenders will not make an Additional Delayed Draw Loan to the Additional Delayed Draw Borrower if such Weekly Budget (or Closing Budget) shows a projected cash balance for the upcoming two-week period of \$500,000 or greater.

(c) All documents executed or submitted pursuant hereto by or on behalf of Holdings, the Borrower, the Additional Delayed Draw Borrower or any Subsidiary shall be satisfactory in form and substance to the Administrative Agent and its counsel, and the Administrative Agent and its counsel shall have received all information, approvals, resolutions, opinions, documents or instruments as the Administrative Agent or its counsel may reasonably request.

(f) Section 7.1 is hereby amended by (i) deleting “and” at the end of Section 7.1(l), (ii) replacing the period at the end of Section 7.1(m) with “; and” and (iii) adding the following as new Section 7.1(n):

(n) by 1:00 p.m. Eastern Time on each Wednesday, commencing on May 10, 2017, a weekly budget, in form and substance satisfactory to each Lender in its sole discretion (the “Weekly Budget”), including (i) a cash flow projection for the following 13 weeks (inclusive of the current week), (ii) the prior week’s financial performance, including as compared to the projection of such week’s financial performance included in the Closing Budget and most recent Weekly Budget delivered pursuant hereto, (iii) the prior week’s sales results, including as compared to the sales results in the prior Fiscal Quarter and the prior year; (iv) a borrowing base certificate, in substantially the same form as the borrowing base certificates delivered under the SVB Loan Agreement, including summary accounts receivable and accounts payable agings and inventory certificates, and (v) any additional supporting documentation that may be requested by each Lender in its sole and absolute discretion.

3. **Conditions to Effectiveness of Amendment.** This Amendment shall become effective upon the satisfaction (or waiver in writing by each Lender) of each of the following conditions precedent:

(a) receipt by the Borrower, the Additional Delayed Draw Borrower, the Guarantors, the Administrative Agent and the Lenders of a counterpart signature of the others to this Amendment duly executed and delivered by each of the Borrower, the Additional Delayed Draw Borrower, the Guarantors, the Administrative Agent and the Lenders;

(b) the hiring by Holdings of a Chief Restructuring Officer acceptable to each Lender in its sole and absolute discretion (the “CRO”), reporting directly to the special restructuring committee of the board of directors of Holdings, to (i) oversee all aspects of daily and weekly cash flows, including both receivables and payables management (ii) be granted sole approval rights over all cash disbursements and (iii) develop and ensure compliance with the Weekly Budget;

(c) receipt by the Administrative Agent of the Closing Budget in a form acceptable to the Lenders, collectively, in their sole and absolute discretion;

(d) receipt by the Administrative Agent of all notices, certificates, and other documentation provided by the Borrower or any of its Affiliates, or any of its or their officers or directors, to Silicon Valley Bank pursuant to the SVB Loan Agreement since April 1, 2017, including any borrowing base certificates, summary accounts receivable and accounts payable agings, and inventory certificates;

(e) receipt by the Administrative Agent of a payoff letter from Silicon Valley Bank, in form and substance satisfactory to each Lender in its sole and absolute discretion;

(f) receipt by the Administrative Agent of a Secretary’s Certificate, with respect to the Borrower, the Additional Delayed Draw Borrower and the Guarantors, in substantially the form delivered on the Restatement Date, in each case attaching resolutions of each such Person’s Board of Directors (or other managing body, in the case of other than a corporation) then in full force and effect authorizing the execution, delivery and performance of this Amendment and the transactions contemplated hereby;

(g) receipt by the Administrative Agent of a copy of a good standing certificate for each of the Borrower, the Additional Delayed Draw Borrower and the Guarantors, dated within 30 days of the date hereof, from the jurisdiction of formation for each such Person; and

(h) receipt by the Administration Agent of an opinion of counsel to the Borrower, the Additional Delayed Draw Borrower and the Guarantors, in form and substance reasonably satisfactory to the Lenders in their sole discretion.

4. **Joinder of Additional Delayed Draw Borrower.** By executing and delivering this Amendment, the Additional Delayed Draw Borrower hereby agrees to become a "Borrower" under the Credit Agreement and each other Loan Document with the same force and effect as if originally named as a Borrower therein and agrees to be bound by all the terms and conditions therein.

5. **Expenses.** The Borrower agrees to pay on demand all expenses of the Administrative Agent (including, without limitation, the fees and out-of-pocket expenses of Covington & Burling LLP, counsel to the Administrative Agent) incurred in connection with the Administrative Agent's review, consideration and evaluation of this Amendment, including the rights and remedies available to it in connection therewith, and the negotiation, preparation, execution and delivery of this Amendment.

6. **Representations and Warranties.** The Borrower, the Additional Delayed Draw Borrower and the Guarantors represent and warrant to each Lender as follows:

(a) After giving effect to this Amendment, the representations and warranties of the Borrower, the Additional Delayed Draw Borrower and the Guarantors contained in the Credit Agreement or any other Loan Document shall, (i) with respect to representations and warranties that contain a materiality qualification, be true and correct in all respects on and as of the date hereof, and (ii) with respect to representations and warranties that do not contain a materiality qualification, be true and correct in all material respects on and as of the date hereof, and except that the representations and warranties limited by their terms to a specific date shall be true and correct as of such date.

(b) Before and after giving effect to this Amendment, no Default or Event of Default under the Credit Agreement has occurred or will occur or be continuing.

(c) (i) Each of the Borrower, the Additional Delayed Draw Borrower and the Guarantors has taken all necessary action to authorize the execution, delivery and performance of this Amendment; (ii) this Amendment has been duly executed and delivered by each such Person and constitutes each such Person's legal, valid and binding obligation, enforceable in accordance with its terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity), and (iii) no authorization or other action by, and no notice to or filing with, any Governmental Authority or other Person is required for the due execution, delivery or performance by any such Person of this Amendment.

7. **No Implied Amendment or Waiver.** Except as expressly set forth in this Amendment, this Amendment shall not, by implication or otherwise, limit, impair, constitute a waiver of or otherwise affect any rights or remedies of the Administrative Agent or the Lenders under the Credit Agreement or the other Loan Documents, or alter, modify, amend or in any way affect any of the terms, obligations or covenants contained in the Credit Agreement or the other Loan Documents, all of which shall continue in full force and effect. Nothing in this Amendment shall be construed to imply any willingness on the part of the Administrative Agent or the Lenders to agree to or grant any similar or future amendment, consent or waiver of any of the terms and conditions of the Credit Agreement or the other Loan Documents.

8. **Reaffirmation of Security Interests.** The the Borrower, the Additional Delayed Draw Borrower and the Guarantors each individually (i) affirms that each of the security interests and liens granted in or pursuant to the Loan Documents are valid and subsisting and (ii) agrees that this Amendment and the amended and restated Note shall in no manner impair or otherwise adversely affect any of the security interests and liens granted in or pursuant to the Loan Documents.

9. **Reaffirmation of Guarantee.** Each Guarantor (a) acknowledges and consents to all of the terms and conditions of this Amendment, (b) affirms all of its obligations under the Loan Documents and (c) agrees that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge the Guarantor's obligations under the Loan Documents.

10. **Waiver and Release.** TO INDUCE THE ADMINISTRATIVE AGENT, ACTING ON BEHALF OF THE LENDERS, TO AGREE TO THE TERMS OF THIS AMENDMENT, THE BORROWER, THE ADDITIONAL DELAYED DRAW BORROWER AND THE GUARANTORS AND THEIR AFFILIATES (COLLECTIVELY, THE **RELEASING PARTIES**) REPRESENT AND WARRANT THAT AS OF THE DATE HEREOF THERE ARE NO CLAIMS OR OFFSETS AGAINST OR RIGHTS OF RECOUPMENT WITH RESPECT TO OR DEFENSES OR COUNTERCLAIMS TO THEIR OBLIGATIONS UNDER THE LOAN DOCUMENTS AND IN ACCORDANCE THEREWITH THEY:

(a) WAIVE ANY AND ALL SUCH CLAIMS, OFFSETS, RIGHTS OF RECOUPMENT, DEFENSES OR COUNTERCLAIMS, WHETHER KNOWN OR UNKNOWN, ARISING PRIOR TO THE DATE HEREOF; AND

(b) FOREVER RELEASE, RELIEVE, AND DISCHARGE THE ADMINISTRATIVE AGENT, THE LENDERS, THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, PREDECESSORS, SUCCESSORS, ASSIGNS, ATTORNEYS, ACCOUNTANTS, AGENTS, EMPLOYEES, AND REPRESENTATIVES (COLLECTIVELY, THE **RELEASED PARTIES**), AND EACH OF THEM, FROM ANY AND ALL CLAIMS, LIABILITIES, DEMANDS, CAUSES OF ACTION, DEBTS, OBLIGATIONS, PROMISES, ACTS, AGREEMENTS, AND DAMAGES, OF WHATEVER KIND OR NATURE, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, CONTINGENT OR FIXED, LIQUIDATED OR UNLIQUIDATED, MATURED OR UNMATURED, WHETHER AT LAW OR IN EQUITY, WHICH THE RELEASING PARTIES EVER HAD, NOW HAVE, OR MAY, SHALL, OR CAN HEREAFTER HAVE, DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY BASED UPON, CONNECTED WITH, OR RELATED TO MATTERS, THINGS, ACTS, CONDUCT, AND/OR OMISSIONS AT ANY TIME FROM THE BEGINNING OF THE WORLD THROUGH AND INCLUDING THE DATE HEREOF, INCLUDING WITHOUT LIMITATION ANY AND ALL CLAIMS AGAINST THE RELEASED PARTIES ARISING UNDER OR RELATED TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY.

(c) IN CONNECTION WITH THE RELEASE CONTAINED HEREIN, THE RELEASING PARTIES ACKNOWLEDGE THAT THEY ARE AWARE THAT THEY MAY HEREAFTER DISCOVER CLAIMS PRESENTLY UNKNOWN OR UNSUSPECTED, OR FACTS IN ADDITION TO OR DIFFERENT FROM THOSE WHICH THEY KNOW OR BELIEVE TO BE TRUE, WITH RESPECT TO THE MATTERS RELEASED HEREIN. NEVERTHELESS, IT IS THE INTENTION OF THE RELEASING PARTIES, THROUGH THIS AGREEMENT AND WITH ADVICE OF COUNSEL, FULLY, FINALLY, AND FOREVER TO RELEASE ALL SUCH MATTERS, AND ALL CLAIMS RELATED THERETO, WHICH DO NOW EXIST, OR HERETOFORE HAVE EXISTED. IN FURTHERANCE OF SUCH INTENTION, THE RELEASES HEREIN GIVEN SHALL BE AND REMAIN IN EFFECT AS A FULL AND COMPLETE RELEASE OR WITHDRAWAL OF SUCH MATTERS NOTWITHSTANDING THE DISCOVERY OR EXISTENCE OF ANY SUCH ADDITIONAL OR DIFFERENT CLAIMS OR FACTS RELATED THERETO.

(d) THE RELEASING PARTIES COVENANT AND AGREE NOT TO BRING ANY CLAIM, ACTION, SUIT, OR PROCEEDING AGAINST THE RELEASED PARTIES, DIRECTLY OR INDIRECTLY, REGARDING OR RELATED IN ANY MANNER TO THE MATTERS RELEASED HEREBY, AND FURTHER COVENANT AND AGREE THAT THIS AGREEMENT IS A BAR TO ANY SUCH CLAIM, ACTION, SUIT, OR PROCEEDING.

(e) THE RELEASING PARTIES REPRESENT AND WARRANT TO THE RELEASED PARTIES THAT THEY HAVE NOT HERETOFORE ASSIGNED OR TRANSFERRED, OR PURPORTED TO ASSIGN OR TRANSFER, TO ANY PERSON OR ENTITY ANY CLAIMS OR OTHER MATTERS HEREIN RELEASED.

11. **Counterparts; Governing Law.** This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of such when so executed and delivered shall be an original, but all of such counterparts shall together constitute but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by fax transmission or other electronic mail transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Amendment. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

BACTERIN INTERNATIONAL, INC.,
as the Borrower

By: /s/ John Gandolfo
Name: John Gandolfo
Title: Secretary

XTANT MEDICAL HOLDINGS, INC.,
(fka: Bacterin International Holdings, Inc.)
as a Guarantor

By: /s/ John Gandolfo
Name: John Gandolfo
Title: Secretary

X-SPINE SYSTEMS, INC.,
as a Guarantor and the Additional Delayed Draw Borrower

By: /s/ John Gandolfo
Name: John Gandolfo
Title: Secretary

XTANT MEDICAL, INC.,
as a Guarantor

By: /s/ John Gandolfo
Name: John Gandolfo
Title: Secretary

Signature Page to Fourteenth Amendment to A&R Credit Agreement

ROS ACQUISITION OFFSHORE LP,
as a Lender and as the Administrative Agent

By OrbiMed Advisors LLC, solely in its
capacity as Investment Manager

By: /s/ W. Carter Neild _____
Name: W. Carter Neild
Title: Member

ORBIMED ROYALTY OPPORTUNITIES II, LP,
as a Lender

By OrbiMed ROF II LLC,
its General Partner
By OrbiMed Advisors LLC,
its Managing Member

By: /s/ W. Carter Neild _____
Name: W. Carter Neild
Title: Member

Signature Page to Fourteenth Amendment to A&R Credit Agreement



Aurora Management Partners Inc.
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May 8, 2017

Mr. Carl O' Connell
Chief Executive Officer
Xtant Medical Holdings Inc.
664 Cruiser Lane
Belgrade MT 59714

Dear Mr. O'Connell

This letter along with the attached Schedules A and B (this "Agreement") set forth the agreement between Xtant Medical Holdings, Inc. (the "Company"), on the one hand, and Aurora Management Partners Inc. ("Aurora"), on the other, (the Company and Aurora each, a "Party") under which Aurora agrees to provide personnel to serve as the Company's Chief Restructuring Officer, and, if the Company and Chief Restructuring Officer deem appropriate, Deputy Restructuring Officers.

Aurora will provide David Baker to serve as the Company's Chief Restructuring Officer (the "CRO") and Wayne Tanner as a Deputy Restructuring Officer. The CRO may also designate additional Aurora professionals as Deputy Restructuring Officers to further fulfill the obligations of this Agreement.

In completing this assignment, the CRO and Aurora personnel assisting on this engagement will report to the special restructuring committee of the Board of Directors of the Company and will provide periodic updates on progress made in fulfilling the scope of services.

In its capacity as the CRO, Aurora will have the authority during this engagement to discuss directly with the Company's lenders, the Company's business, finances and operations and other matters that come to the attention of the CRO.

Scope of Services. Aurora will provide services to fulfill the CRO role as defined below:

1. Provide the services of Chief Restructuring Officer (CRO), which would be equal to the services typically provided by the office of the chief operating officer, and Deputy Restructuring Officers (CROs) to assist the CRO;
2. Assist with the day-to-day operations of the Company;
3. Assist the Company in implementation of the Operating Business Plan, cash flows, budgets and any other financial work deemed necessary to evaluate the Business Plan regarding any proposed ongoing operations;
4. Oversee all aspects of daily and weekly cash flows, including both receivables and payables management;

5. The CRO will be granted sole approval rights over all cash disbursements;
6. Develop and ensure compliance with any required Company weekly budgets, including but not limited to cash flow projections, prior week's financial performance, prior week's sales results, and calculations of the aggregate amount borrowed and to be borrowed under the indebtedness arrangements;
7. Assist with the Company's Capital Infusion and other debt and equity transactions to maximize compliance with the Company's business plan;
8. Manage the development, evaluation, negotiation, and execution of any restructuring, debt or equity transactions, liquidation or sale transaction;
9. Negotiate with existing lenders, creditors, and other parties in interest in the implementation of a chosen transaction;
10. Provide timely updates to the Company's directors and lender's and supplement with written materials and schedules as needed; and
11. All other items as agreed from time to time between the Company and Aurora.

Compensation. The compensation for work performed will be based on Aurora's hourly rates as noted in Schedule A. Invoices will include detailed descriptions of the work performed for the period covered. Invoices will be rendered weekly for work performed during the seven-day period of the prior week. Each invoice is due via wire transfer within three (3) days of presentation by Aurora. Aurora's fees are not contingent on the outcome of the matters. A normal and customary initial retainer in the amount of \$50,000 will be requested before work commences. This retainer shall remain in place until completion of work and shall not be offset against Aurora weekly billings. The remaining retainer shall be returned to the Company upon completion of the engagement.

Expenses. Aurora's invoices will also include billings for all customary out-of-pocket expenses incurred by Aurora, billed at the actual cost incurred, and such expenses shall be reimbursed by the Company on a weekly basis.

The Parties further agree:

Indemnification; Contribution; Limitation of Liability. In connection with engagements of the type covered by this Agreement, Aurora requires the client to provide rights to indemnification and contribution, and a limitation of liability. Therefore, by signing this Agreement, the Company agrees to all provisions contained in Schedule B attached hereto, which provisions are expressly incorporated herein by this reference.

Term; Termination. The term of this Agreement shall commence as of May XX, 2017, and the term continues until the engagement is completed, or earlier if the engagement is terminated by either Party. This Agreement may be terminated by either Party, in its sole discretion, for any reason. The termination is effective immediately upon the other Party's receipt of written notice of the termination. Upon any termination of this Agreement, Aurora shall be entitled to all fees and expenses incurred pursuant to this Agreement prior to the Party's receipt of such notice, and all such fees and expenses will be immediately due and payable by the Company; however, this paragraph does not limit any payment obligations of the Company under this Agreement.

Client Cooperation; Reliance on Client's Information. The Company acknowledges and agrees that the ability of Aurora to perform the engagement hereunder requires the full cooperation and assistance by the Company and its personnel. The Company therefore agrees to furnish to Aurora all information, documents and other materials requested by Aurora and to make available to Aurora for meetings, conference calls and otherwise all personnel identified by Aurora. The Company will enable Aurora to receive on a timely basis all information requested by Aurora related to the engagement under this Agreement. The Company acknowledges and agrees that Aurora, in performance of the engagement hereunder, will be relying on the truth, completeness and accuracy of all written documentation delivered and the verbal communications made by the Company and its representatives, to Aurora.

Confidentiality. Aurora agrees to keep all sensitive information pertaining to the Company confidential and not to disclose to third parties such information (to the extent it has not become public without regard to disclosure by Aurora), absent the authorization of the Company. If Aurora receives a subpoena or other court process compelling disclosure of any information pertaining to the engagement under this Agreement, Aurora will provide the Company as much notice as is practicable in the circumstances so as to allow the Company to attempt to preclude or condition the disclosure of any confidential information.

Independent Contractor Relationship. Aurora shall serve as an independent contractor to the Company in rendering its services under this Agreement. This Agreement does not create, and shall not be construed to create, a relationship of principal/agent, joint venture, partnership, employer/employee, master/servant, or any comparable relationship, as between Aurora and the Company, and the Parties expressly deny the existence of any such relationship.

Income Tax. The Company will not pay any income taxes on account of Aurora. Nor will the Company be required to withhold any monies from the compensation of Aurora for tax purposes.

Governing Law; Right to Attorneys' Fees. The laws of the State of North Carolina shall govern this Agreement and any controversy arising under it, without regard to conflicts of laws principles. The prevailing party in any dispute arising under this Agreement shall be entitled to recover from the other all reasonable legal fees and costs, and the costs of any experts, incurred for or in any lawsuit on the dispute.

Mandatory Mediation. Prior to the commencement of any court action by one Party against the other, any dispute or claim arising between them out of this Agreement or out of any resulting transaction must be submitted to mediation. The mediation shall be conducted by one (1) mediator whose selection shall be agreed to in good faith by both Parties. The mediation shall be held in Charlotte, NC. The fees and expenses of the mediation service and/or mediator shall be shared equally between the Parties, and paid in advance to the extent required by the service and/or mediator. The Parties agree to exercise their best efforts, and attempt in good faith, to resolve all disputes in such mediation. For any dispute or claim to which this paragraph applies, should a Party commence court action against the other without first attempting to resolve the dispute through such a mediation, or refuse to mediate after a request by the other has been made under this paragraph, such Party will be precluded from any recovery of attorneys' fees and/or expenses, whether recovery is based on applicable law or this Agreement.

Waiver of Jury Trial. Each of the Parties to this Agreement hereby waives any right to a jury trial with respect to any claim, action, suit or proceeding made or brought by one of the Parties against the other in connection with or arising under this Agreement.

Conflicts of Interest. Nothing contained in this Agreement or otherwise shall diminish or impair the right of Aurora to accept engagements, directly or indirectly, from the Company's lender(s) or from other professionals or other third parties, provided such engagements do not involve the relationship of the lender(s), the other professionals or the other third parties, with the Company.

Assignment and Modification. This Agreement may not be waived, amended, modified or assigned, in any way, in whole or in part, including by operation of law, without the prior written consent of both Parties.

Entire Agreement. The Agreement constitutes the full and entire understanding and agreement among the Parties with respect to the subject matter hereof and supersedes any and all prior agreements, arrangements and understandings, both written and oral, with respect to the subject matter hereof.

Counterparts. This Agreement may be executed in multiple counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

Headings. Headings in this Agreement are set forth for convenience only and shall not be used to interpret or construe its provisions.

Authority. The undersigned represent that they have authority to enter into the Agreement on behalf of their respective Parties.

All communications to Aurora should be directed to:

Mr. David M. Baker, CTP
Aurora Management Partners Inc.
112 South Tryon Street, Suite 1770
Charlotte, NC 28284
Phone: (828) 638-5744 (direct)
Email: dbaker@auroramp.com

Thank you for allowing Aurora the opportunity to assist you. If the Company agrees to the terms of this Agreement, please sign below and return the signature to us via facsimile or electronic copy, retaining the original for your file.

IN WITNESS, THEREOF, the Parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

AURORA MANAGEMENT PARTNERS INC.

By: /s/ David M. Baker
David M. Baker, CTP
Managing Partner

Dated: 5/8/17

Xtant Medical Holdings, Inc.

By: /s/ Carl O' Connell
Carl O' Connell
Chief Executive Officer

Dated: 5/8/17

SCHEDULE A

AURORA MANAGEMENT PARTNERS INC. HOURLY RATES

Director through Managing Partner	\$	350-695
Consultant/Senior Consultant	\$	250-350
Analysts	\$	175-250
Administrative	\$	85

Chargeable rates are subject to change effective January 1 of each year, upon advance written notice to the Company. Travel time is invoiced at 50% of stated rates.

As discussed, Aurora will charge fees at rates above not to exceed \$125,000 per month plus travel expenses to the Company for the scope of work described and anticipated for this type of engagement.

SCHEDULE B

Unless otherwise noted, all capitalized terms used below shall have the meanings set forth above in the Agreement.

Indemnification; Reimbursement. As a material part of the consideration for the agreement by Aurora to provide services under the Agreement, the Company agrees:

(i) to indemnify and hold harmless Aurora and its affiliates, and their respective past, present and future directors, officers, shareholders, partners, members, employees, agents, representatives, advisors, consultants, analysts, subcontractors and controlling persons (collectively, the "Indemnified Parties"), to the fullest extent that applicable law permits, from and against any and all losses, claims, damages or liabilities (or actions in respect thereof), joint or several, (A) arising out of or based on any untrue statement (or alleged untrue statement) of any material fact contained in materials or any other information (written or oral) provided to any third party by or on behalf of the Company, or the omission (or alleged omission) to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or (B) otherwise arising out of and/or relating to the Agreement, any transaction or proposed transaction, or any actions taken or omitted to be taken by an Indemnified Party or the Company in connection with the Agreement, however, the Company shall not be liable under clause (i)(B) for any loss, claim, damage or liability finally judicially determined by a court of competent jurisdiction to have resulted solely from the willful misconduct or gross negligence by such Indemnified Party; and

(ii) to reimburse each Indemnified Party for all expenses (including, without limitation, the reasonable fees and expenses of counsel) as they are incurred in connection with investigating, preparing, pursuing, defending, settling or compromising any action, suit, dispute, inquiry, investigation or proceeding, pending or threatened, brought by or against any person (including, without limitation, any shareholder or derivative action), arising out of or relating to the Agreement, or such engagement, transaction or actions.

Contribution. If, for any reason, the foregoing indemnification or reimbursement is unavailable to any Indemnified Party, or insufficient to fully indemnify any such party or to hold it harmless regarding any losses, claims, damages, liabilities or expenses referred to in such indemnification or reimbursement provisions, then the Company shall contribute to the amount paid or payable by the Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and Aurora, on the other, in connection with the matters contemplated by the Agreement. If, however, the allocation provided by the preceding sentence is not permitted by applicable law, then the Company shall contribute to such amount paid or payable by any Indemnified Party in such proportion as is appropriate to reflect not only such relative benefits, but also the relative fault, of the Company, on the one hand, and such Indemnified Party, on the other, in connection therewith, as well as any other relevant equitable considerations. Notwithstanding the foregoing, in no event shall the Indemnified Parties be required to contribute an aggregate amount in excess of the amount of fees actually received by Aurora from the Company under the Agreement. Relative benefits to the Company, on the one hand, and Aurora, on the other, shall be deemed to be in the same proportion as (i) the total value paid or received, or contemplated to be paid or received, by the Company, and its security holders, creditors, and other affiliates, as the case may be, pursuant to the transaction(s) (whether or not consummated) contemplated by the engagement hereunder, bears to (ii) the fees received by Aurora under the Agreement.

Settlements. The Company shall not settle or compromise or consent to the entry of any judgment in, or otherwise seek to terminate, any pending or threatened action, suit, dispute, inquiry, investigation or proceeding for which indemnification may be sought hereunder (whether or not an Indemnified Party is an actual or potential party), unless such settlement, compromise, consent or termination includes a release in favor of the Indemnified Parties reasonably satisfactory to Aurora.

Limitation of Liability. The Company further agrees that neither Aurora nor any other Indemnified Party shall have any liability (whether direct or indirect and regardless of the legal theory advanced) to the Company, or any person or entity asserting claims on behalf of or in right of the Company, related to or arising out of the Agreement, any transaction or proposed transaction, or any actions taken or omitted to be taken by an Indemnified Party or the Company in connection with the Agreement, except for losses, claims, damages or liabilities incurred by the Company finally judicially determined by a court of competent jurisdiction to have resulted solely from the willful misconduct or gross negligence of such Indemnified Party.

The indemnity and reimbursement and the other obligations and agreements of the Company set forth in this schedule (i) shall apply to any services provided by Aurora in connection with its engagement prior to the date hereof, and to any modifications or amendments to the Agreement, (ii) shall be in addition to any obligation or liability which the Company may otherwise have to any Indemnified Party, (iii) shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Company or any Indemnified Party or any person controlling any of them, and (iv) shall survive the completion of the services under, and any termination of, the Agreement.



Xtant Medical Announces OrbiMed Financing and Engagement of Aurora Management Partners

BELGRADE, Mont., May 12, 2017 (GLOBE NEWSWIRE) -- Xtant™ Medical Holdings, Inc. (NYSE MKT:XTNT), a leader in the development of regenerative medicine products and medical devices, today announced it has entered into an amendment to its senior credit facility with affiliates of OrbiMed Advisors ("OrbiMed") for a financing of up to \$15 million with the proceeds being used to pay off its outstanding balance of approximately \$9 million under its accounts receivable credit facility with Silicon Valley Bank ("SVB") with the remainder for general working capital purposes. Additionally, OrbiMed has deferred the interest originally due under the senior credit facility January 2, 2017 and March 31, 2017 to June 30, 2017.

Xtant Medical also announced it has entered into an agreement on May 8, 2017 with Aurora Management Partners Inc. to engage David Baker and Wayne Tanner as restructuring officers to assist with day-to-day operations of the company and implementation of an operating business plan. The restructuring officers will report to the special restructuring committee of Xtant Medical's Board of Directors.

About Xtant Medical Holdings, Inc.

Xtant Medical Holdings, Inc. (NYSE MKT: XTNT) develops, manufactures and markets class-leading regenerative medicine products and medical devices for domestic and international markets. Xtant products serve the specialized needs of orthopedic and neurological surgeons, including orthobiologics for the promotion of bone healing, implants and instrumentation for the treatment of spinal disease, tissue grafts for the treatment of orthopedic disorders, and biologics to promote healing following cranial, and foot and ankle surgeries. With core competencies in both biologic and non-biologic surgical technologies, Xtant can leverage its resources to successfully compete in global neurological and orthopedic surgery markets. For further information, please visit www.xtantmedical.com.

Important Cautions Regarding Forward-looking Statements

This press release contains certain disclosures that may be deemed forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to significant risks and uncertainties. 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 "continue," "efforts," "expects," "anticipates," "intends," "plans," "believes," "estimates," "projects," "forecasts," "strategy," "will," "goal," "target," "prospects," "potential," "optimistic," "confident," "likely," "probable" or similar expressions or the negative thereof.

Statements of historical fact also may be deemed to be forward-looking statements. We caution that these 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 ability to comply with covenants in the Company's senior credit facility and to make deferred interest payments; the ability to maintain sufficient liquidity to fund operations; the ability to remain listed on the NYSE MKT; the ability to obtain financing on reasonable terms; the ability to increase revenue; the ability to continue as a going concern; the ability to maintain sufficient liquidity to fund operations; the ability to achieve expected results; the ability to remain competitive; government regulations; the ability to innovate and develop new products; the ability to obtain donor cadavers for products; the ability to engage and retain qualified technical personnel and members of the Company's management team; the availability of Company facilities; government and third-party coverage and reimbursement for Company products; the ability to obtain regulatory approvals; the ability to successfully integrate recent and future business combinations or acquisitions; the ability to use net operating loss carry-forwards to offset future taxable income; the ability to deduct all or a portion of the interest payments on the notes for U.S. federal income tax purposes; the ability to service Company debt; product liability claims and other litigation to which we may be subjected; product recalls and defects; timing and results of clinical studies; the ability to obtain and protect Company intellectual property and proprietary rights; infringement and ownership of intellectual property; the ability to remain accredited with the American Association of Tissue Banks; influence by Company management; the ability to pay dividends; and the ability to issue preferred stock; and other factors.

Additional risk factors are listed in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q under the heading "Risk Factors." You should carefully consider the trends, risks and uncertainties described in this document, the Form 10-K and other reports filed with or furnished to the SEC before making any investment decision with respect to our securities. If any of these trends, risks or uncertainties actually occurs or continues, our business, financial condition or operating results could be materially adversely affected, the trading prices of our securities could decline, and you could lose all or part of your investment. 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 us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.