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

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**FORM 8-K**

**CURRENT REPORT**

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

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Date of Report (Date of earliest event reported): **February 24, 2021**

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**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.

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## Item 2.02 Results of Operations and Financial Condition.

On February 24, 2021, Xtant Medical Holdings, Inc. (the “Company”) announced its financial results for the fourth quarter and year ended December 31, 2020. 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’s non-GAAP adjusted EBITDA is calculated by adding back to net loss the charges for other expense, depreciation and amortization expense, interest expense, and tax expense and further adjusted by adding back in or excluding, as appropriate, provision for losses on accounts receivable, provision for excess and obsolete inventory, non-cash compensation, change in warrant derivative liability, separation-related expenses, field action expenses, and litigation reserve.

The Company uses adjusted EBITDA and the other non-GAAP measures in making operating decisions because it believes these measures provide meaningful supplemental information regarding its core operational performance. Additionally, these measures give 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 these measures 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 and other non-GAAP measures 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:

*Non-cash provision for losses on accounts receivable.* The Company excludes non-cash provision for losses on accounts receivable primarily because such item 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-cash provision for excess and obsolete inventory.* The Company excludes non-cash provision for excess and obsolete inventory primarily because such item 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.

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*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.

*Change in warrant derivative liability.* The Company excludes the change in fair market value of its warrants that are accounted for as liabilities from non-GAAP adjusted EBITDA primarily because it is a non-cash charge, it is not reflective of the Company's ongoing operating results, and it is not used by management to assess the core profitability of the Company's business operations. Because it is a non-cash expense, it does not impact the Company's operational performance, liquidity, or ability to invest in sales and marketing, research and development, and fund acquisitions and capital expenditures. 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.

*Separation-related expenses.* The Company excludes separation-related expenses 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. 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.

*Field action expenses.* The Company excludes expenses incurred in connection with the December 2018 recall of the Company's Calix Lumbar Spine Implant System because such expenses are not reflective of its ongoing operating results and are not used by management to assess the core profitability of its 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.

*Litigation reserve.* The Company excludes litigation reserve from non-GAAP adjusted EBITDA primarily because it 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.

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**Item 9.01 Financial Statements and Exhibits.**

*(d) Exhibits.*

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Press Release of Xtant Medical Holdings, Inc. dated February 24, 2021 entitled "Xtant Medical Announces Fourth Quarter and Full Year 2020 Financial Results" (furnished herewith)</a>

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**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/ Greg Jensen*

Greg Jensen

*Vice President, Finance and Chief Financial Officer*

Date: February 24, 2021

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### **Xtant Medical Announces Fourth Quarter and Full Year 2020 Financial Results**

BELGRADE, MT, February 24, 2021 – 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 fourth quarter and year ended December 31, 2020.

#### **Fourth Quarter 2020 Financial Highlights:**

- Revenue for the fourth quarter of 2020 totaled \$14.0 million, compared to \$17.0 million for the prior-year period
- Operating expenses in the fourth quarter of 2020 totaled \$8.7 million, compared to \$11.7 million for the prior-year period
- Income from operations totaled \$0.2 million, compared to an operating loss of \$0.3 million for the prior-year period
- Net loss incurred in the fourth quarter of 2020 totaled \$0.7 million, compared to a net loss of \$1.6 million for the prior-year period
- Non-GAAP Adjusted EBITDA for the fourth quarter of 2020 totaled \$1.1 million, compared to \$1.2 million for the prior-year period

“Highlighted by consecutive quarters of positive operating income in the second half of 2020, we are pleased with our progress despite the significant impact COVID-19 had on elective procedures in our largest markets,” said Sean Browne, President and CEO. “In response to the pandemic, we took aggressive steps to align our business with the changing market environment and reduce our costs. These actions, when combined with our successful 2020 debt restructuring and recently announced \$20 million private placement, provide us with positive momentum as we enter 2021.”

#### **Fourth Quarter and Full Year 2020 Financial Results**

Fourth quarter 2020 revenue was \$14.0 million, compared to \$17.0 million for the same period in 2019. Full year 2020 revenue was \$53.3 million, compared to \$64.7 million for 2019. The decline in revenue for both periods was largely attributed to the impact of COVID-19 and sudden drop in elective procedures that began in early March 2020. Elective procedures have recovered to some extent in the second half of 2020, partially offsetting this impact.

Gross profit for the fourth quarter of 2020 was 64.1%, compared to 67.3% for the same period in 2019 and was 64.5% for 2020, compared to 65.7% in 2019. These reductions in gross profit were primarily attributable to diminished economies of scale, partially offset by reduced depreciation expense.

Operating expenses for the fourth quarter of 2020 totaled \$8.7 million, compared to \$11.7 million for the fourth quarter of 2019, and were \$35.1 million in 2020 compared to \$44.8 million in 2019. These decreases were primarily the result of reduced sales commissions due to lower sales, and lower levels of salaries and wages, legal and consulting fees, executive recruiting fees, marketing-related costs and research and development expenses, in each case compared to the prior-year period.

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Fourth quarter 2020 net loss totaled \$0.7 million, or \$0.01 per share, compared to the fourth quarter 2019 net loss of \$1.6 million, or \$0.12 per share. Net loss for 2020 was \$7.0 million, or \$0.25 per share, compared to \$8.2 million, or \$0.62 per share, in 2019.

Non-GAAP Adjusted EBITDA for the fourth quarter of 2020 totaled \$1.1 million, compared to \$1.2 million for the same period in 2019. Non-GAAP Adjusted EBITDA for 2020 totaled \$3.9 million, compared to \$3.9 million for 2019. The Company defines Adjusted EBITDA as net income/loss from operations before depreciation, amortization and interest expense and provision for income taxes, and as further adjusted to add back in or exclude, as applicable, non-cash special charges, provision for losses on inventory and accounts receivable, non-cash compensation, change in warrant derivative liability, separation related expenses, field action expenses and litigation reserves. A calculation and reconciliation of Adjusted EBITDA to net loss can be found in the attached financial tables.

### **Private Placement**

As previously announced, on February 22, 2021, the Company entered into a securities purchase agreement with a single healthcare-focused institutional investor pursuant to which the Company agreed to issue 8,888,890 shares of common stock at a purchase price of \$2.25 per share, and warrants to purchase up to 6,666,668 shares of our common stock at an exercise price of \$2.25 per share, in a private placement. The closing of the private placement is expected to occur on February 24, 2021, subject to the satisfaction of customary closing conditions. The Company expects to receive net proceeds of approximately \$18.4 million, after deducting fees and other estimated offering expenses, and expects to use the net proceeds for working capital and other general corporate purposes.

### **Conference Call**

Xtant Medical will host a webcast and conference call to discuss the fourth quarter 2020 financial results on Wednesday, February 24, 2021 at 9:00 AM ET. To access the webcast, [Click Here](#). To access the conference call, dial 877-407-6184 within the U.S. or 201-389-0877 outside the U.S. A replay of the call will be available at [www.xtantmedical.com](http://www.xtantmedical.com), under "Investor Info."

### **About Xtant Medical Holdings, Inc.**

Xtant Medical Holdings, Inc. ([www.xtantmedical.com](http://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 <sup>™</sup> and <sup>®</sup> 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.

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## 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,” similar expressions or the negative thereof, and the use of future dates. Forward-looking statements in this release include the Company’s belief that it has positive momentum entering 2021 and its expectations regarding the timing of closing and use of net proceeds for its pending private placement. 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: risks associated with the private placement; the effect of the COVID-19 pandemic on the Company’s business, operating results and financial condition; the Company’s future operating results and financial performance; the ability to increase or maintain revenue; the ability to remain competitive; the ability to innovate and develop new products; the ability to engage and retain qualified personnel; 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 obtain and protect Company intellectual property and proprietary rights and operate without infringing the rights of others; the ability to service Company debt, comply with its debt covenants and access additional indebtedness; the ability to obtain additional 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, 2020 filed with the Securities and Exchange Commission (SEC) on February 24, 2021 and subsequent SEC filings by the Company. Investors are encouraged to read the Company’s filings with the SEC, available at [www.sec.gov](http://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

David Carey  
Lazar FINN  
Ph: 212-867-1762  
Email: [dcarey@finnpartners.com](mailto:dcarey@finnpartners.com)

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**XTANT MEDICAL HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except number of shares and par value)

	<u>As of</u> <u>December 31, 2020</u>	<u>As of</u> <u>December 31, 2019</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 2,341	\$ 5,237
Trade accounts receivable, net of allowance for credit losses of \$653 and doubtful accounts of \$500, respectively	6,880	10,124
Inventories	21,408	16,101
Prepaid and other current assets	736	784
Total current assets	<u>31,365</u>	<u>32,246</u>
Property and equipment, net	4,347	4,695
Right-of -use asset, net	1,690	2,100
Goodwill	3,205	3,205
Intangible assets, net	457	515
Other assets	402	394
Total Assets	<u>\$ 41,466</u>	<u>\$ 43,155</u>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current Liabilities:		
Accounts payable	\$ 2,289	\$ 2,188
Accrued liabilities	6,120	6,632
Current portion of lease liability	423	394
Finance lease obligations	20	176
Current portion of long-term debt	16,797	-
Total current liabilities	<u>25,649</u>	<u>9,390</u>
Long-term Liabilities:		
Lease liability, less current portion	1,303	1,726
Long-term debt, plus premium and less issuance costs	-	76,244
Total Liabilities	<u>26,952</u>	<u>87,360</u>
Stockholders' Equity (Deficit)		
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; 77,573,680 shares issued and outstanding as of December 31, 2020 and 75,000,000 shares authorized; 13,161,762 shares issued and outstanding as of December 31, 2019	-	-
Additional paid-in capital	244,850	179,061
Accumulated deficit	(230,336)	(223,266)
Total Stockholders' Equity (Deficit)	<u>14,514</u>	<u>(44,205)</u>
Total Liabilities & Stockholders' Equity (Deficit)	<u>\$ 41,466</u>	<u>\$ 43,155</u>

**XTANT MEDICAL HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited, in thousands, except number of shares and per share amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>Revenue</b>				
Orthopedic product sales	\$ 13,981	\$ 16,942	\$ 53,188	\$ 64,516
Other revenue	34	22	149	166
Total revenue	<u>14,015</u>	<u>16,964</u>	<u>53,337</u>	<u>64,682</u>
<b>Cost of sales</b>				
Cost of sales	5,032	5,553	18,945	22,166
Gross profit	<u>8,983</u>	<u>11,411</u>	<u>34,392</u>	<u>42,516</u>
Gross profit %	64.1%	67.3%	64.5%	65.7%
<b>Operating expenses</b>				
General and administrative	3,210	4,478	13,503	17,344
Sales and marketing	5,405	6,994	20,983	26,493
Research and development	128	257	657	932
Total operating expenses	<u>8,743</u>	<u>11,729</u>	<u>35,143</u>	<u>44,769</u>
Income (Loss) from operations	240	(318)	(751)	(2,253)
<b>Other income (expense)</b>				
Interest expense	(718)	(1,268)	(5,976)	(5,772)
Other income (expense)	-	11	-	(98)
Total Other Expense	<u>(718)</u>	<u>(1,257)</u>	<u>(5,976)</u>	<u>(5,870)</u>
Net Loss Before Provision for Income Taxes	<u>(478)</u>	<u>(1,575)</u>	<u>(6,727)</u>	<u>(8,123)</u>
<b>Provision for income taxes</b>				
Current and deferred	(229)	(30)	(296)	(98)
Net Loss	<u>\$ (707)</u>	<u>\$ (1,605)</u>	<u>\$ (7,023)</u>	<u>\$ (8,221)</u>
<b>Net loss per share:</b>				
Basic	\$ (0.01)	\$ (0.12)	\$ (0.25)	\$ (0.62)
Dilutive	\$ (0.01)	\$ (0.12)	\$ (0.25)	\$ (0.62)
<b>Shares used in the computation:</b>				
Basic	74,508,626	13,161,762	28,499,847	13,163,931
Dilutive	74,508,626	13,161,762	28,499,847	13,163,931

**XTANT MEDICAL HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited, in thousands)

	<b>Twelve Months Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Operating activities:</b>		
Net loss	\$ (7,023)	\$ (8,221)
<b>Adjustments to reconcile net loss to net cash provided by operating activities:</b>		
Depreciation and amortization	2,079	3,143
Gain on disposal of fixed assets	(369)	(61)
Non-cash interest	5,963	5,726
Non-cash rent expense	16	20
Stock-based compensation	1,084	515
Provision for reserve on accounts receivable	307	513
Provision for excess and obsolete inventory	485	509
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	2,890	(647)
Inventories	(5,792)	692
Prepaid and other assets	40	204
Accounts payable	101	(4,278)
Accrued liabilities	(512)	1,472
Net cash used in operating activities	(731)	(413)
<b>Investing activities:</b>		
Purchases of property and equipment	(1,545)	(879)
Proceeds from sale of fixed assets	241	335
Net cash used in investing activities	(1,304)	(544)
<b>Financing activities:</b>		
Payments on financing leases	(156)	(455)
Payments on long-term debt	(315)	-
Costs associated with debt restructuring	(1,058)	-
Proceeds from issuance of common stock, net of issuance costs	620	-
Proceeds from exercise of common stock warrants	48	-
Costs associated with Second Amended and Restated Credit Agreement	-	(148)
Net cash used in financing activities	(861)	(603)
Net change in cash and cash equivalents	(2,896)	(1,560)
Cash and cash equivalents at beginning of period	5,237	6,797
Cash and cash equivalents at end of period	\$ 2,341	\$ 5,237

**XTANT MEDICAL HOLDINGS, INC.**  
**CALCULATION OF NON-GAAP CONSOLIDATED EBITDA AND ADJUSTED EBITDA**  
(Unaudited, in thousands)

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net Loss	\$ (707)	\$ (1,605)	\$ (7,023)	\$ (8,221)
Other expense	1	-	7	101
Depreciation and amortization	718	807	2,079	3,145
Interest expense	421	1,268	5,976	5,772
Tax expense	229	30	296	98
Non-GAAP EBITDA	<u>662</u>	<u>500</u>	<u>1,335</u>	<u>895</u>
Non-GAAP EBITDA/Total revenue	4.7%	2.9%	2.5%	1.4%
<b>NON-GAAP ADJUSTED EBITDA CALCULATION</b>				
Provision for losses on accounts receivable	11	60	307	514
Provision for excess and obsolete inventory	55	(8)	485	509
Non-cash compensation	358	259	1,084	515
Change in warrant derivative liability	-	(11)	(7)	(2)
Separation-related expenses	-	-	698	-
Field action expenses	-	253	-	560
Litigation reserve	-	119	5	919
Non-GAAP Adjusted EBITDA	<u>\$ 1,086</u>	<u>\$ 1,172</u>	<u>\$ 3,907</u>	<u>\$ 3,910</u>
Non-GAAP Adjusted EBITDA/Total revenue	7.7%	6.9%	7.3%	6.0%