Entellus Medical, Inc.
Supplemental Financial Information
Non-GAAP Financial Measure Reconciliations

To supplement its consolidated financial statements prepared in accordance with United States generally accepted accounting principles (GAAP), Entellus uses certain non-GAAP financial measures, including earnings before interest, taxes, depreciation and amortization (EBITDA), as adjusted. The company's non-GAAP adjusted EBITDA is calculated by adding back to net loss charges for interest, income taxes, depreciation and amortization expenses, non-cash stock-based compensation, non-operating income and expense, non-cash contingent consideration adjustments, non-cash inventory step-up amortization, and special charges, including transaction and integration related expenses. The company's management believes that the presentation of adjusted EBITDA provides useful information to investors. This measure may assist investors in evaluating the company's operations, period over period. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. 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 Entellus'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 should only be used to evaluate the company's financial results in conjunction with the corresponding GAAP measures.

Adjusted EBITDA
Reconciliation of Net Loss to Non-GAAP Adjusted EBITDA
(in thousands - unaudited)

	2016					2017	
	Q1	Q2	Q3	Q4	YTD	Q1	Q2
Net Loss (GAAP)	**$ (6,872)**	**$ (5,021)**	**$ (9,519)**	**$ (7,318)**	**$ (28,730)**	**$ (8,338)**	**$ (8,043)**
Non-GAAP Adjustments							
Interest expense	562	562	562	562	2,248	565	446
Depreciation and amortization	349	378	585	775	2,087	716	729
EBITDA	$ (5,961)	$ (4,081)	$ (8,372)	$ (5,981)	$ (24,395)	$ (7,057)	$ (6,868)
Stock-based compensation expenses	1,205	1,320	1,535	1,855	5,915	1,814	1,907
Transaction and integration expenses (1)(2)	31	269	-	-	300	-	1,194
Inventory step-up amortization (3)	-	11	42	-	53	-	-
Adjusted EBITDA	$ (4,725)	$ (2,481)	$ (6,795)	$ (4,126)	$ (18,127)	$ (5,243)	$ (3,767)

(1) 2016 transaction and integration costs relate to the XeroGel acquisition.
(2) 2017 transaction and integration expenses expected related to the Spirox, Inc. acquisition.
(3) Inventory step-up amortization attributable to one-time start-up costs related to the XeroGel acquisition.