

Xtant Medical Holdings, Inc.

NYSE MKT: XTNT

Second Quarter 2016 Earnings Call

August 2nd, 2016

Important Cautions

Regarding Forward Looking Statements

This presentation 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. You are cautioned not to place undue reliance on forward-looking statements that speak only as of the date on which they are made. Forward-looking statements reflect management's current estimates, projections, expectations and beliefs, and are subject to risks and uncertainties outside of our control that may cause actual results to differ materially from what is indicated in those forward-looking statements.

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 occurrence of the risks described in the "Risk Factors" section of our most recent quarterly report on Form 10-Q filed with the U.S. Securities and Exchange Commission. In addition to those factors, the following factors, among others could cause our actual results to differ materially from forward-looking or actual performance: our ability to integrate X-spine's business and realize the projected benefits of the transaction; our ability to meet our obligations under existing and anticipated contractual obligations, including financial covenants and other obligations in our secured lending facility; our ability to manage cash flow; the ability of our sales force to achieve expected results; and other factors. We assume no duty to update any forward-looking statements.

Annualized, pro forma, projected and estimated numbers used in this presentation are used only for illustrative purposes and are not forecasts and may not reflect actual results.

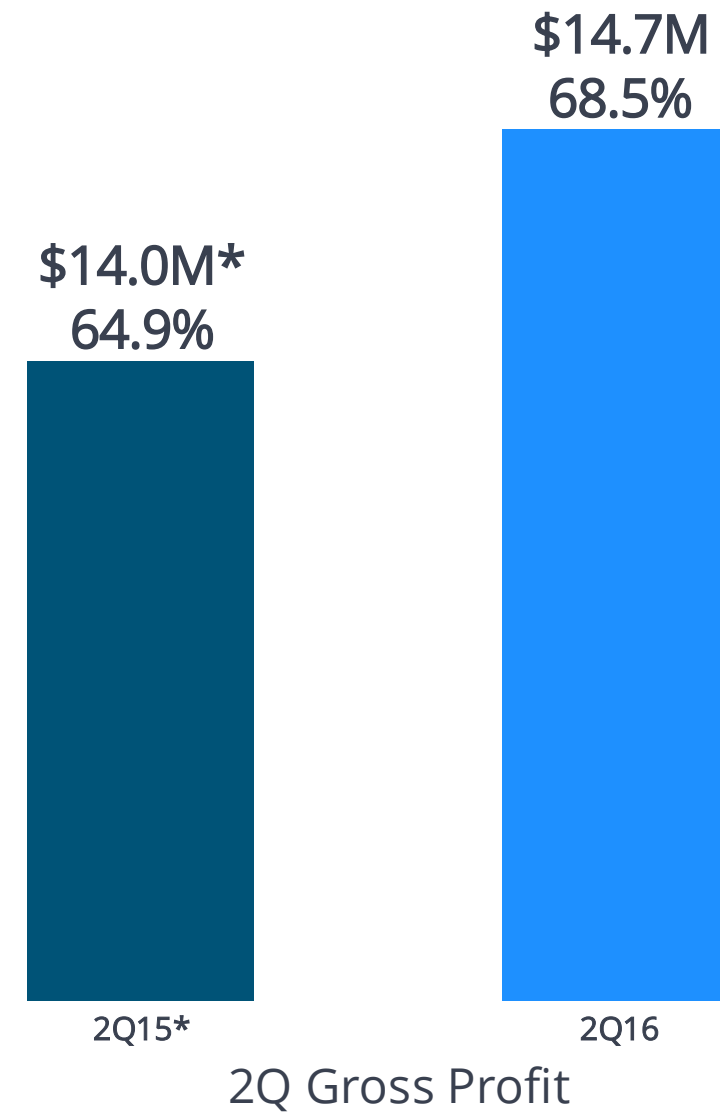
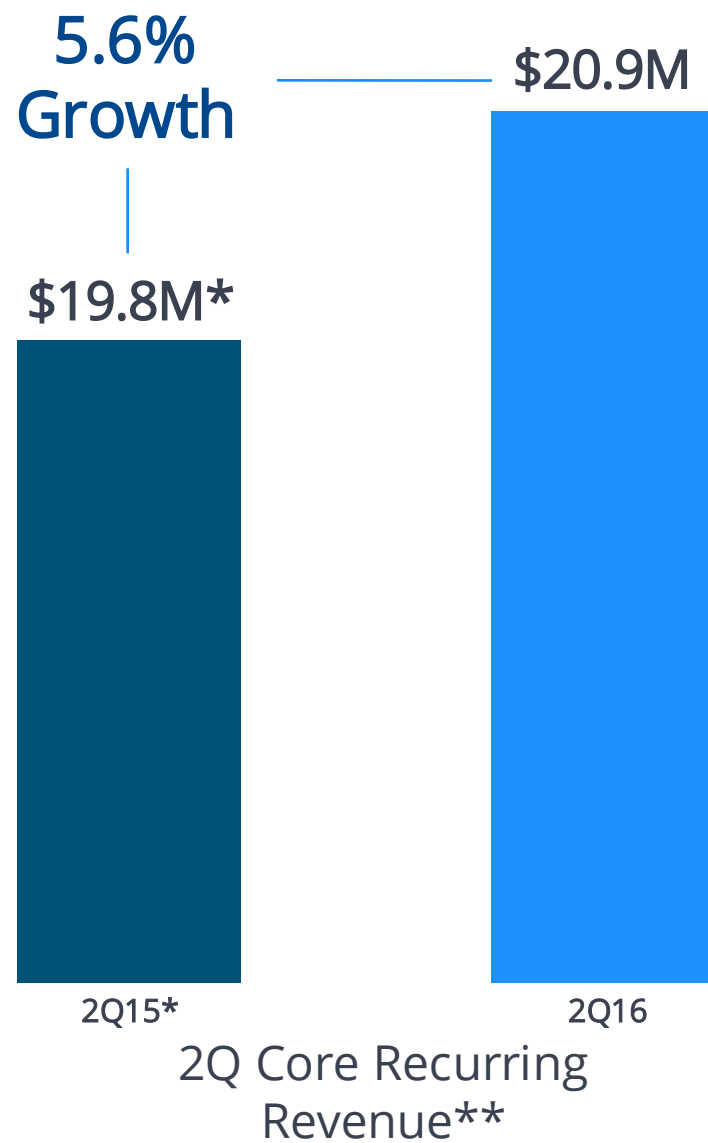
This presentation contains certain supplemental measures of performance, such as EBITDA, that are not required by, or presented in accordance with, generally accepted accounting principles in the United States ("GAAP"). Such measures should not be considered as replacements of GAAP. Further information with respect to and reconciliations of such measures to the nearest GAAP measure can be found in the Company's historical filings with the Securities and Exchange Commission

Any market or industry data contained in this presentation is based on a variety of sources, including internal data and estimates, independent industry publications, government publications, reports by market research firms or other published independent sources. Industry publications and other published sources generally state that the information contained therein has been obtained from third-party sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. Our internal data and estimates are based upon information obtained from trade and business organizations and other contacts in the markets in which we operate and management's understanding of industry conditions, and such information has not been verified by any independent sources. Accordingly, investors should not place undue reliance on such data and information.

Top Line Results

*2Q15 Results are on a pro forma basis

** The Company defines "Core Recurring Revenue" as total revenue less Other revenue and OEM Revenue



Distribution Channel

Calling on Orthopedic Surgeons & Neurosurgeons

351

**Total Xtant Field
Sales Assets**

Down from 356 in first
quarter due to
purposeful RIF

1.5M

2Q16 Revenue from portfolio
selling, 6.6% of total revenue,
up from \$935K in 1Q16

10-12%

Management goal for
portfolio selling

New Products

OsteoSelect[®] PLUS DBM PUTTY

- Revenue Contribution Expected in 2H16
- Total Addressable Market approximately \$400M

Atrix·C[™]

Cervical Allograft Interbody Spacer

- \$75,000+ revenue in 2Q16 (Pilot Launch)
- Total Addressable Market approximately \$282M

ARANAX[™] CERVICAL PLATING SYSTEM

- \$87,000+ revenue in 2Q16 (Pilot Launch)
- Total Addressable Market approximately \$160M

Xspan[™] Laminoplasty Fixation System

- 510(k) clearance Announced March 30, 2016
- Total Addressable Market Approximately \$110M

OsteoVive™

Announced March 24, 2016

\$252 million total addressable market

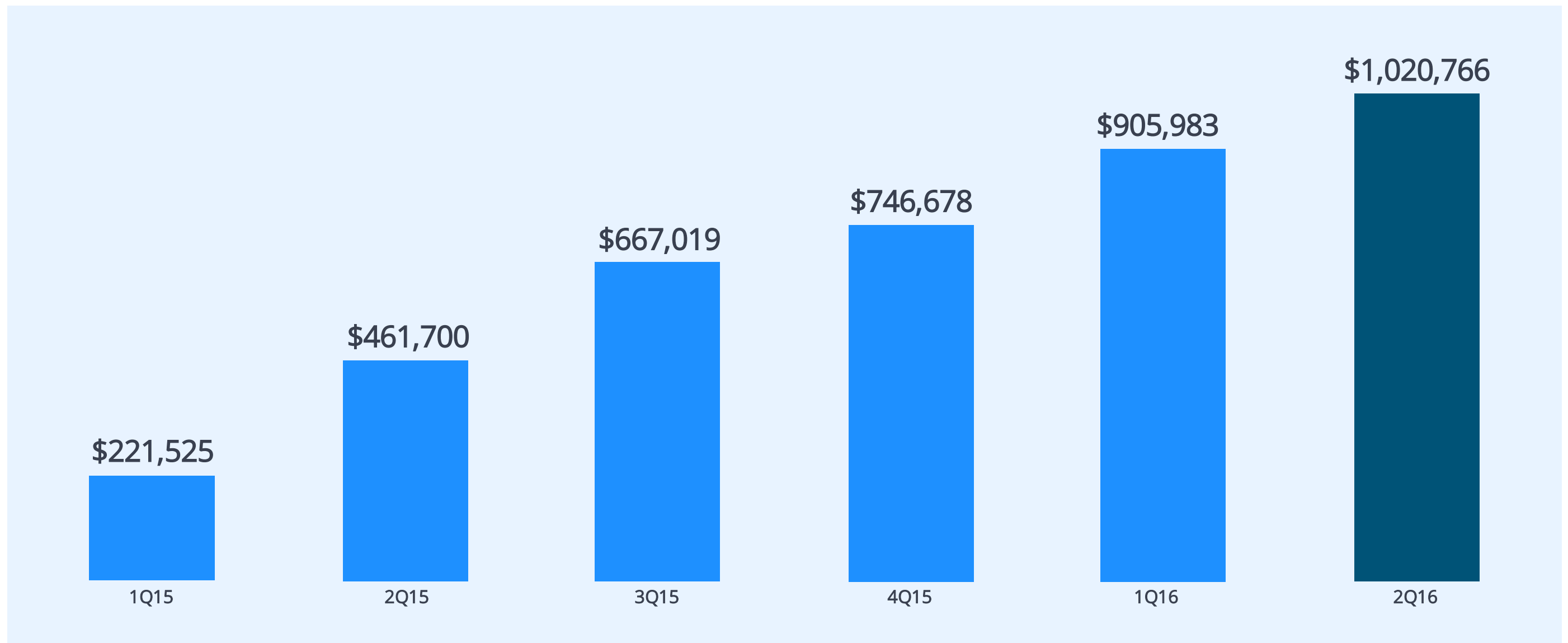
Unique, viable cell line (MIAMI)

Launched towards end of 2Q 2016



Continued Demand for 3Demin

3Demin Revenue





FINANCIAL OVERVIEW

Financial Overview

Second Quarter 2016 Summary (\$000's)

(000's)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015*
Revenue	\$21,462	\$21,622
Gross Profit	\$14,703	\$14,033
Gross Margin	68.5%	64.9%
Net Gain (Loss) From Operations	(\$2,122)	(\$1,374)
Net Income (Loss)	(\$4,463)	(\$4,453)
EBITDA** Gain (Loss)	\$333	\$949

*Results listed under "Three Months Ended June 30, 2015" are on a pro forma basis

**The Company defines earnings before interest, taxes, depreciation and amortization ("EBITDA") as net income/loss from operations before depreciation, amortization, impairment charges and non-cash stock-based compensation.

Balance Sheet

Consolidated Balance Sheet, (\$000's) • Actual Results

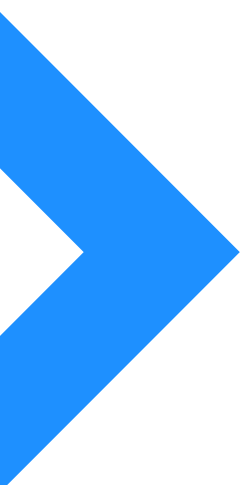
	As of June 30, 2016*	As of December 31, 2015
Cash & Cash Equivalents	\$2,217	\$6,368
Total Current Assets	\$43,731	\$45,040
Total Assets	\$141,306	\$141,027
Total Liabilities	\$141,802	\$132,151
Total Stockholders' Equity (Deficit)	(\$496)	\$8,877

2016 Non-GAAP Profitability & Break Even

- Non-GAAP profitability is defined as EBITDA less cash based interest expense
- Revised guidance for full year 2016 non-GAAP profitability is (\$3.2M) to (\$2.2M)
- Break even revenues occur at approximately \$24.2M per quarter
- After break even, on an incremental basis the Company anticipates approximately 45% of profitable contribution margin

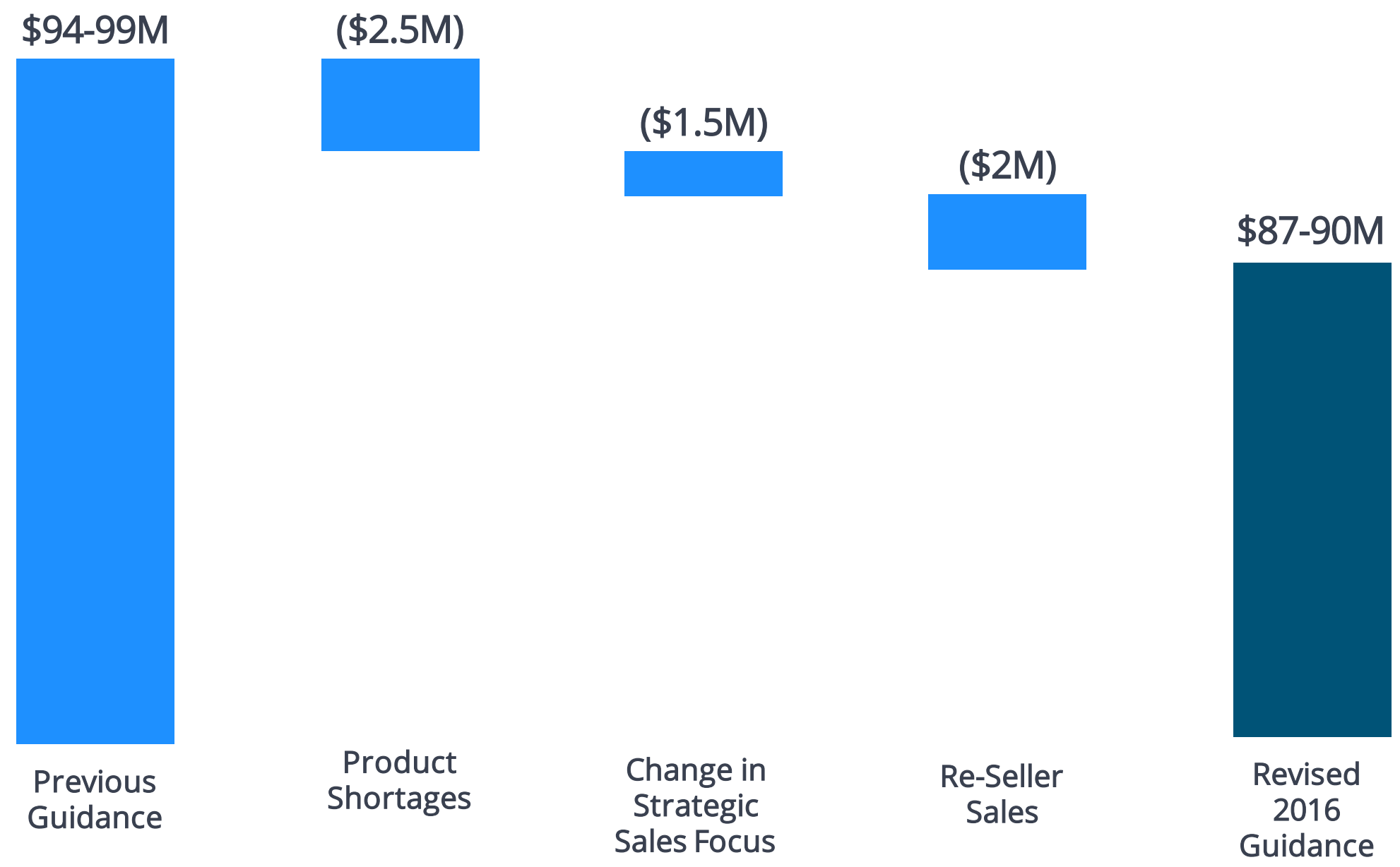
Incremental Revenue Flow Through

(\$000's)	Break Even	Incremental
Quarterly Revenue	\$24,250	\$1,000
Gross Profit	\$16,611	\$750
Gross Margin	68.5%	75%
Commissions	\$7,275	\$300
All Other Operations & Cash-Based Interest Expense	\$9,336	\$0
Income From Operations	-	\$450
Operating Margin	0%	45%



SUMMARY

Revenue Bridge



Guidance

(\$000's)

Full Year 2016 Guidance

Revenue	\$87,000	-	\$90,000
EBITDA**	\$2,300	-	\$3,300
Cash Based Interest Expense	\$5,450	-	\$5,450
Non-GAAP Profitability	(\$3,150)	-	(\$2,150)

Growth Drivers

Tremendous Growth Ahead of Us

- Increasing portfolio selling contribution from 6.6% to 10%-12% of revenue
- Optimizing biologics processing capacity increasing through the rest of the year
- 100 new instrumentation trays to be deployed in the second half of 2016
- 3Demin revenue growth accelerating in the second half of the year
- OsteoSelect Plus & OsteoVive become available

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