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# Investor Presentation

September 2021

# DISCLOSURE STATEMENTS

## Cautionary Statement Regarding Forward-Looking Statements

This presentation 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,” “targets,” “believes,” “estimates,” “continue,” “future,” “will,” “potential,” similar expressions or the negative thereof, and the use of future dates. Forward-looking statements in this presentation include, but are not limited to, statements about market size and potential, the Company’s total addressable market and the Company’s future growth plans, initiatives and strategies. The Company cautions that its forward-looking statements by their nature involve risks and uncertainties, and actual results may differ materially depending on a variety of important factors, including, among others: the Company’s future operating results and financial performance; the effect of the COVID-19 pandemic on the Company’s business, operating results and financial condition; the ability to increase or maintain revenue; the ability to remain competitive; the ability to innovate and develop new products; the success of our future growth initiatives; the ability to engage new and retain current independent distributors and other 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 and comply with its debt covenants; the ability to obtain additional financing; 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, including without limitation its most recent Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 filed with the SEC on August 5, 2021. Investors are encouraged to read the Company’s filings on the Company’s website or at [www.SEC.gov](http://www.SEC.gov). 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.

# DISCLOSURE STATEMENTS

## Non-GAAP Financial Measures

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 Adjusted EBITDA. The Company's 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, non-cash compensation and separation-related expenses. 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. Investors should consider these non-GAAP measures only as a supplement to, not as a substitute for or as superior to, measures of financial performance prepared in accordance with GAAP. Reconciliations of the non-GAAP financial measures used in this presentation to most comparable GAAP measures can be found on the Company's website.

# LEADING ORTHOBIOLOGICS AND SPINE FIXATION BUSINESS

## Xtant Medical: (NYSE American: XTNT)

- Based in Bozeman, MT- tech derived from MSU
- Biologics are from human tissue, so we must honor the gift of donation
- Serves the specialized needs of Spine Surgeons

## Platform for Growth

- Exceptional market access with contracts and nationwide distribution
- Updated bioproduction capabilities
- Public Market Access

## Financially Sound

- Debt conversion resulting in a clean balance sheet
- Efficient cost structure
- Positive EBITDA\*

\*Non-GAAP Financial Measure





# EXPERIENCED SENIOR LEADERSHIP TEAM

## Xtant Executive Officers:



**SEAN BROWNE**  
**PRESIDENT, CHIEF  
EXECUTIVE OFFICER**

- Baxter
- McKesson
- Integra LifeSciences
- CCS Medical



**KEVIN BRANDT**  
**CHIEF COMMERCIAL  
OFFICER**

- Zimmer
- Stryker
- RTI



**GREG JENSEN**  
**CHIEF FINANCIAL  
OFFICER**

- American Solutions for Business
- WTC Industries
- EnviroStaff

## Key Commercial Leadership:



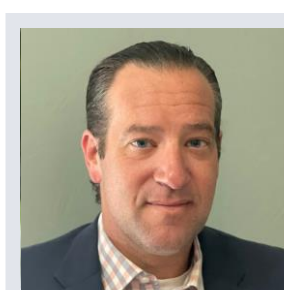
**DANA LYONS**  
**VP OF SALES**

- Biomet
- Stryker
- Zimmer
- Amedica



**JAMEY ROTTMAN**  
**VP OF MARKETING**

- Sulzer SpineTech
- Zimmer
- Amedica




**MICHAEL  
MANSFIELD**  
**VP OF BUSINESS  
DEVELOPMENT**


- Arthrex/DMM
- Bacterin

# EVOLUTION NOW HAS XTANT POISED FOR GROWTH

Xtant Medical unites exceptional biologics with intuitive fixation design to provide surgical solutions that advance regenerative medicine.

  
**1999**  
Bacterin Orthobiologics is founded

  
**2003**  
X-spine Systems is founded

  
**2015**  
Bacterin acquires X-spine, changes name to Xtant Medical

  
**XTANT**  
MEDICAL

**2019-2020**

- New management team
- Re-engineered most major functions
- Converted debt
- Lowered operating cost basis

Stabilization of Business

  
**XTANT**  
MEDICAL

**2021**  
**“Poised for Growth”**

- \$20M private placement
- Refinanced debt with reduced rates
- Capital efficient new product flow
- Leverageable channel strategy

# HONORING THE GIFT OF DONATION

**Xtant's Mission: "We honor the gift of donation by allowing our patients to live as full and complete a life as possible."**

## Reengineered Bioproduction Processes

Product mix demand changed to our sweet spot of Cortical Fiber-based products

Increased engineering support to improve processes, workflow and capacity

Changed donor specs resulting in increased yields

Reconfigured our plant to optimize workspace

Outsourced non-core products - more efficient and better at honoring the gift

**Net outcome – Improved capacity of bioproduction by over 50%**

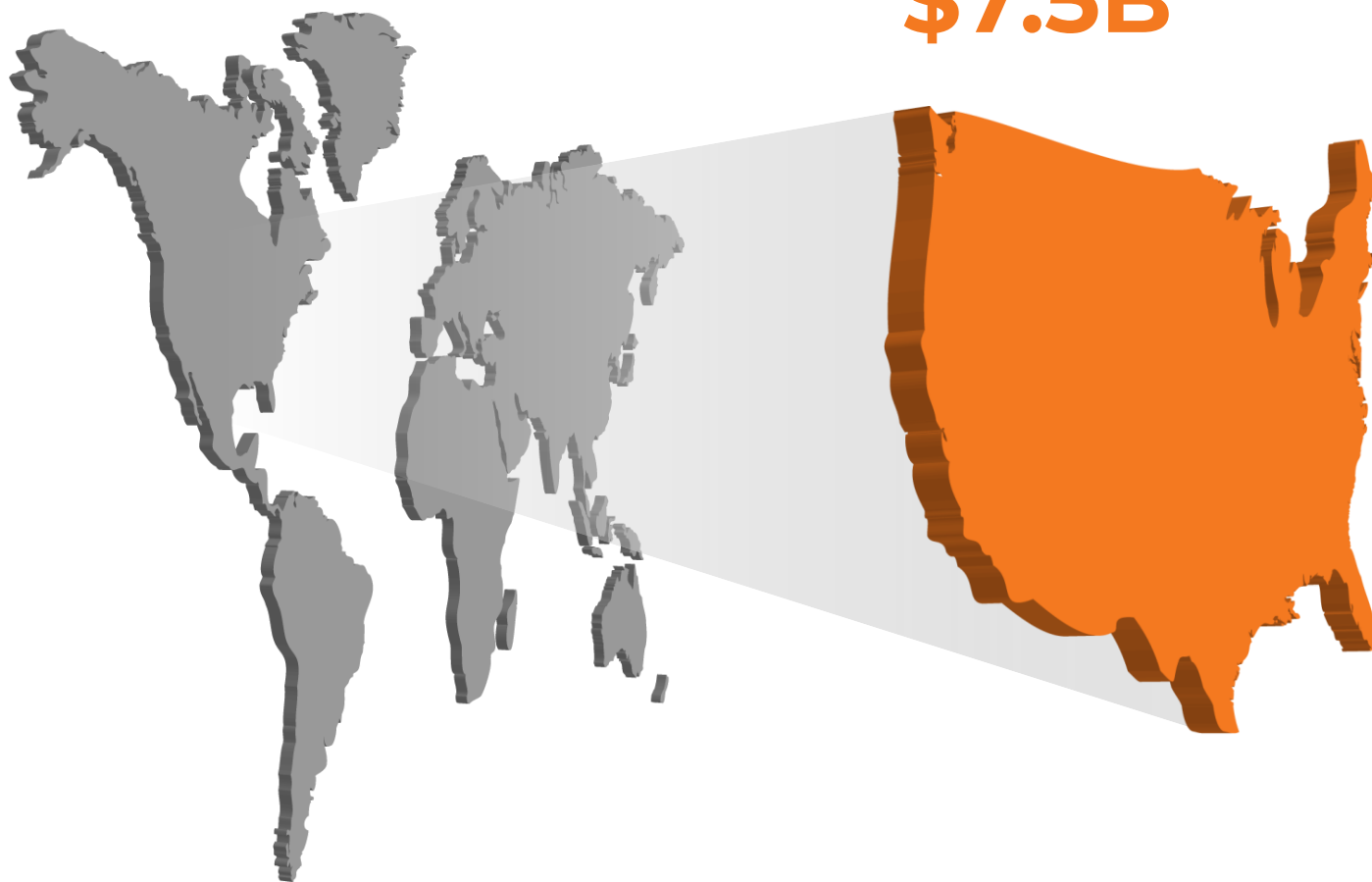
# GLOBAL SPINE AND ORTHOBIOLOGIC MARKET

Total WW market:

**\$9.7B**

Total US market:

**\$7.5B**



ORTHOBIOLOGICS:

**\$2.4B**

SPINAL IMPLANTS:

**\$5.1B**



# US ORTHOBIOLOGIC MARKET

Opportunity to leverage #4 U.S. market share position in demineralized bone matrix (DBM) via strong distribution and GPO/IDN relationships and expansion into adjacent markets.

## \$2.4B

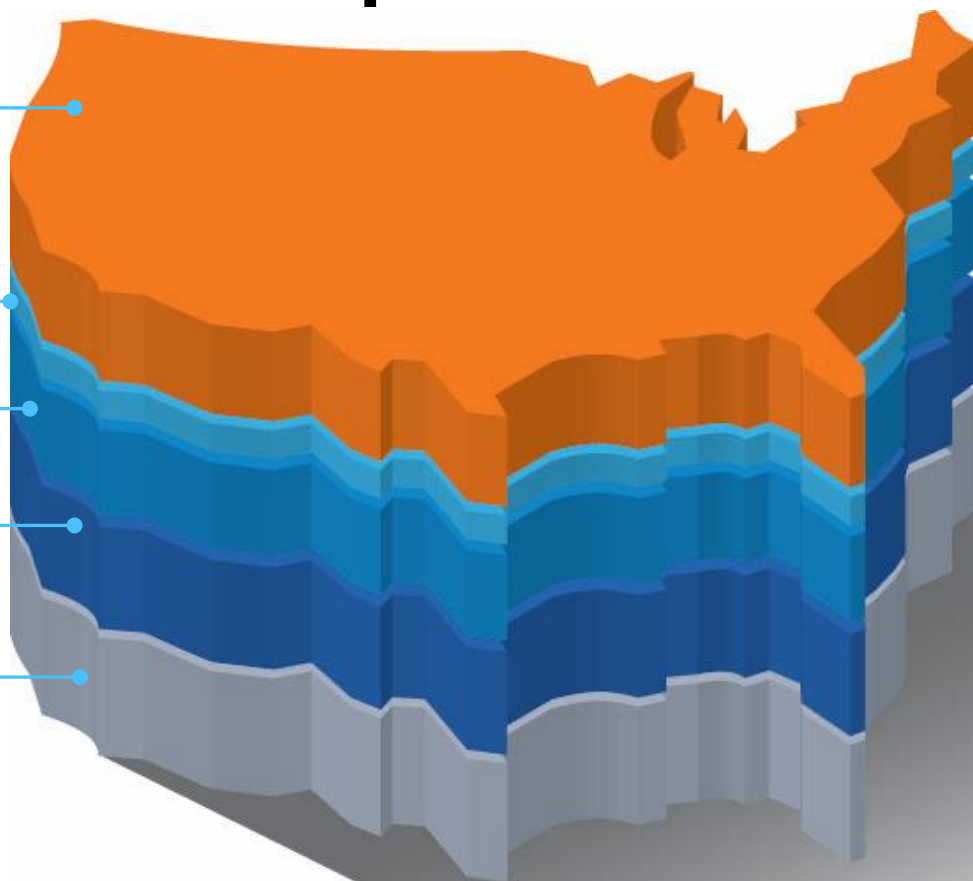
Demineralized Bone Graft **\$485M**

Allograft **\$163M**

Cellular Allograft **\$511M**

Synthetic Bone Graft **\$583M**

Growth Factor **\$672M**



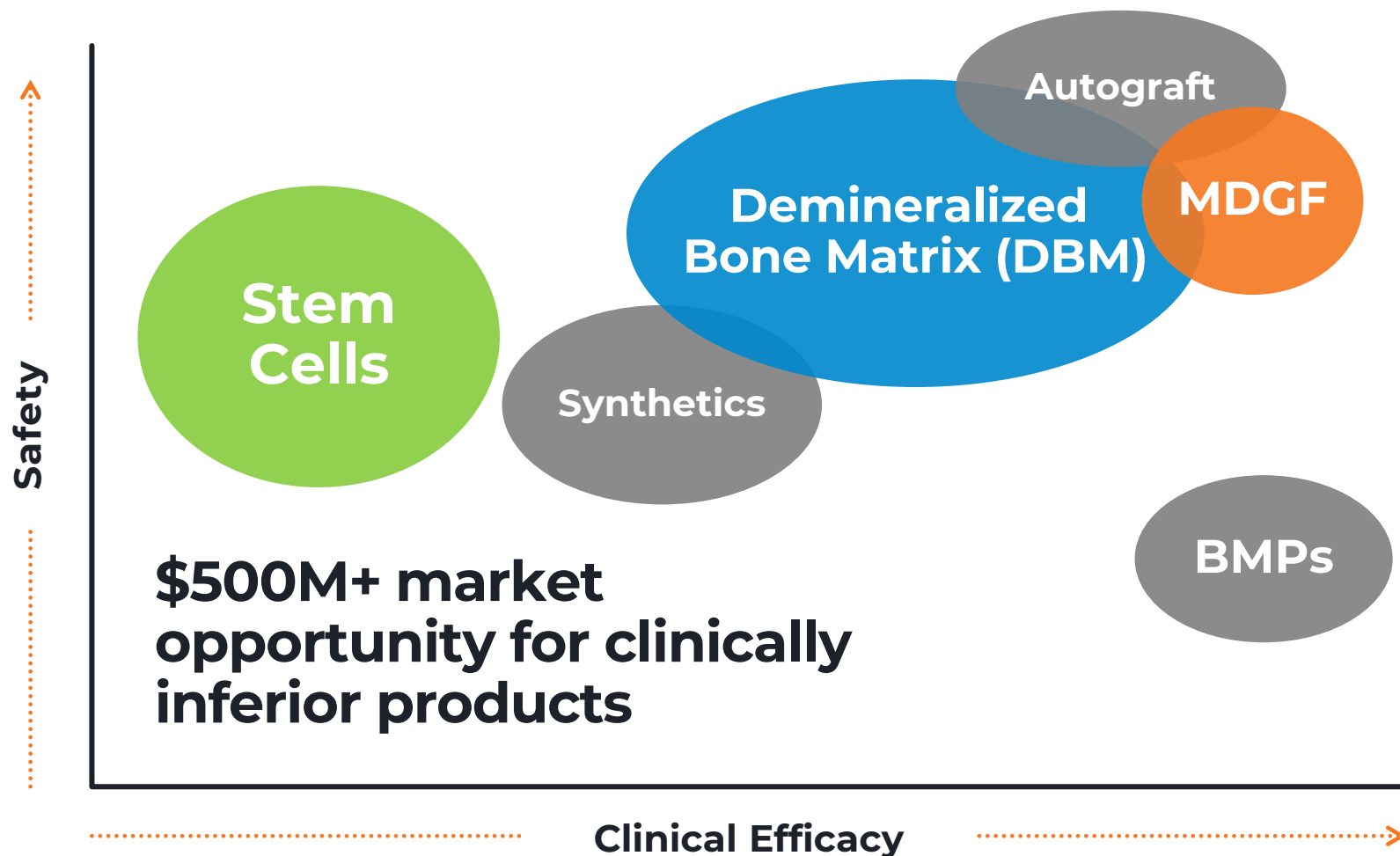
**Xtant's current portfolio addresses \$1.74B of the available market in the following areas:**

- Demineralized Bone Graft
- Cellular Allograft
- Allograft
- Synthetic Bone Graft

**Marrow-Derived Growth Factor new product line introduction**

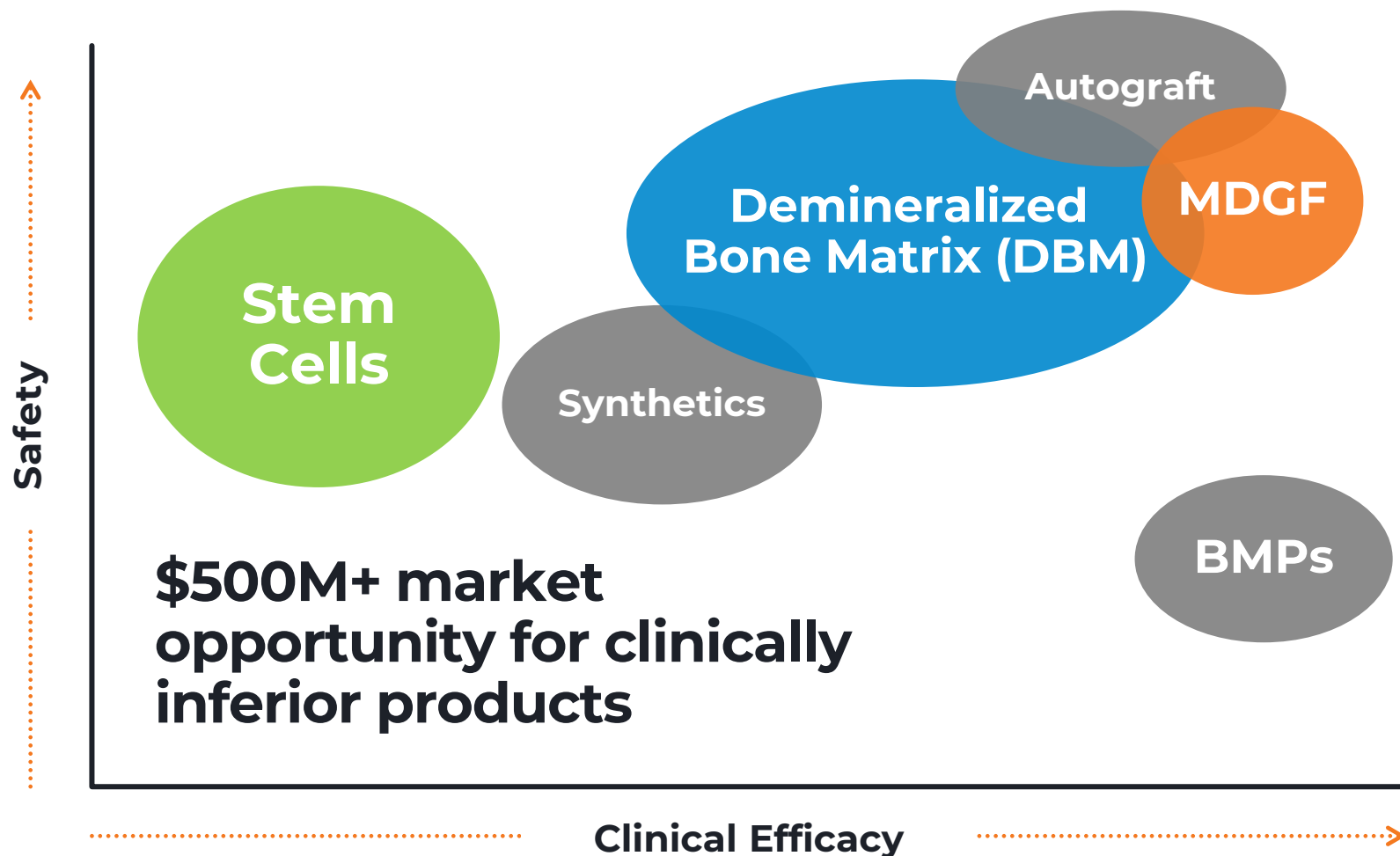
(Released in Q3 2021)

# BIOLOGICS SAFETY & EFFICACY



Growing evidence undermining the \$511M Stem Cell Market (e.g., HCA will not reimburse)

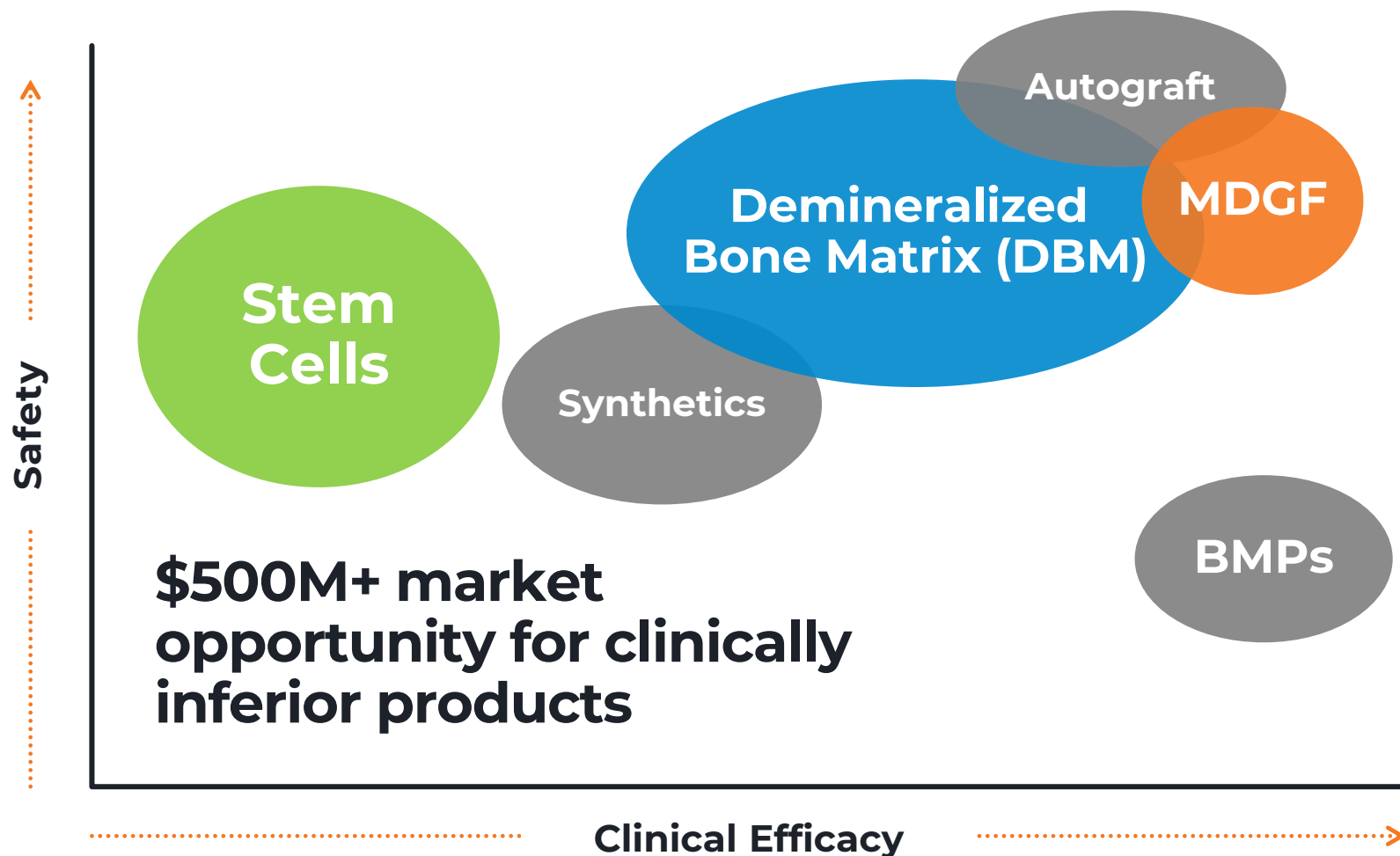
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Strong clinical evidence that points to a very high safety and effectiveness profile for DBM

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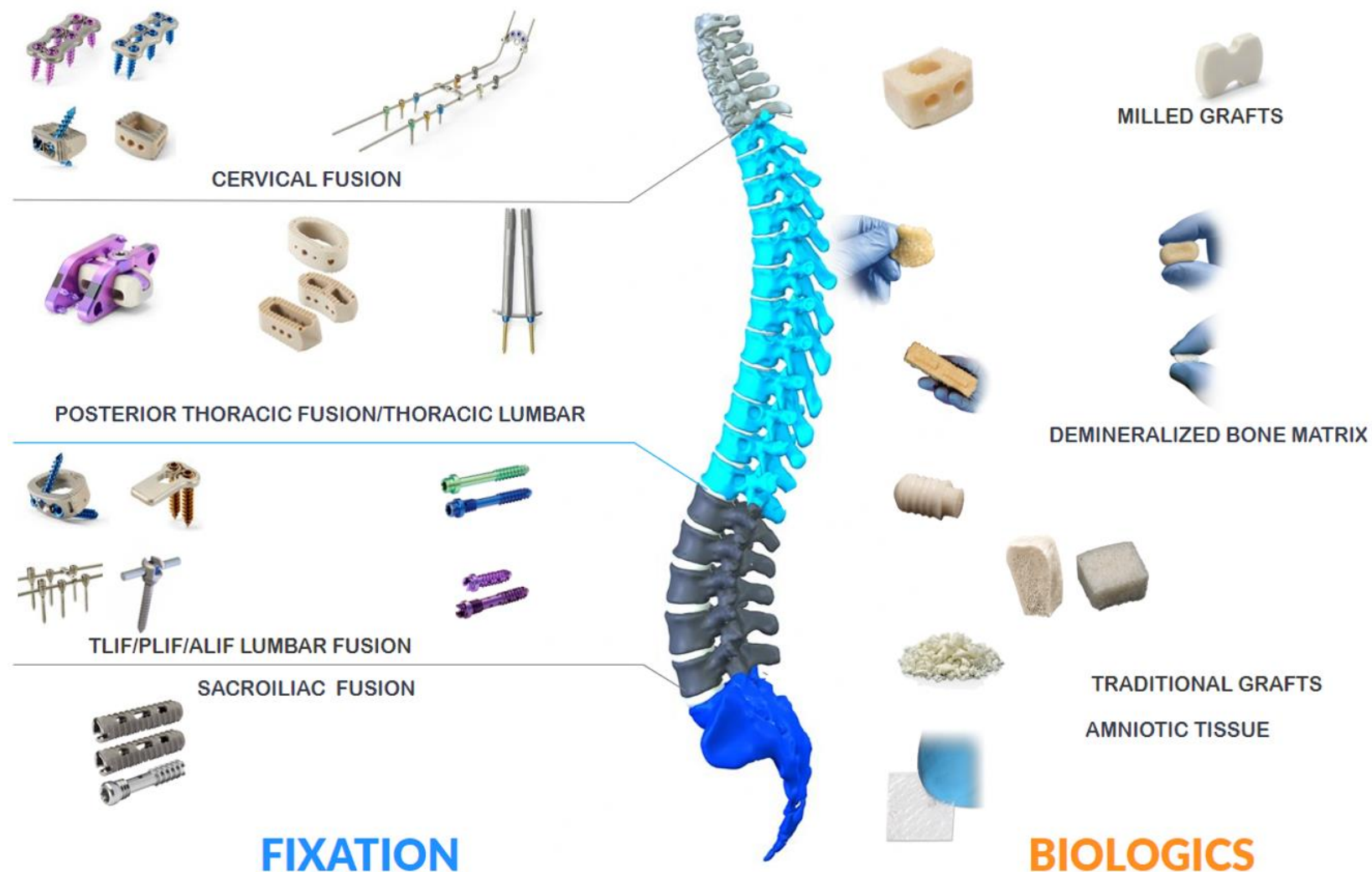


Growing evidence undermining the \$511M Stem Cell Market (e.g., HCA will not reimburse)

Strong clinical evidence that points to a very high safety and effectiveness profile for DBM

Marrow-Derived Growth Factor (MDGF) – Highly Effective and very safe

# COMPLEMENTARY PRODUCT OFFERING





# GROWTH STRATEGY PILLARS

## XTANT MEDICAL GROWTH STRATEGY

### New Product Flow

Drive new innovations and distributor mindshare

### Expand Distribution Network

Sell deeper and broader – become a strong national company

### Leverage Adjacent Markets

Utilize current portfolio to penetrate underserved vertical markets

### M&A Activity

Acquire best in class technologies to enhance current portfolio

# ORGANIC GROWTH INITIATIVE: NEW PRODUCT FLOW

- Introduce 4-6 new products per year
- Roll-out next generation of demineralized bone matrix
- Expand fixation product set

## 2021

- **MarrowCellutions + OsteoSponge**  
BMA Delivery System



- **OsteoMix**  
Graft Mix Delivery System



- **Osteo 100**  
Moldable Allograft



- **Growth Factor Powder**



## 2022

- **OsteoVive PLUS**  
Viable Cell Strip



- **Fortrex 2.0 MIS**  
Percutaneous Pedicle Screw System



- **Spider 2.0 (2.0)**  
Cervical Plate



- **InTice P/T**  
Lumbar Interbody Device



- **Xsert**  
Expandable Lumbar Interbody



## OUT Years

- **Growth Factor Strip**



- **Growth Factor Shapes**



- **OsteoSelect**  
Pre-Loaded Graft Gun



# EXPAND DISTRIBUTION NETWORK INITIATIVE

## CONTRACTUAL ACCESS:

- All National GPO Contracts
- 385 IDN Contracts
- DOD/VA Access

**Plan to Increase  
Distributor Revenue  
by 10% Annually**

**Penetration: 10%**

**Expansion: 10+**

**Plan to Add 10+  
Distributors per Quarter**

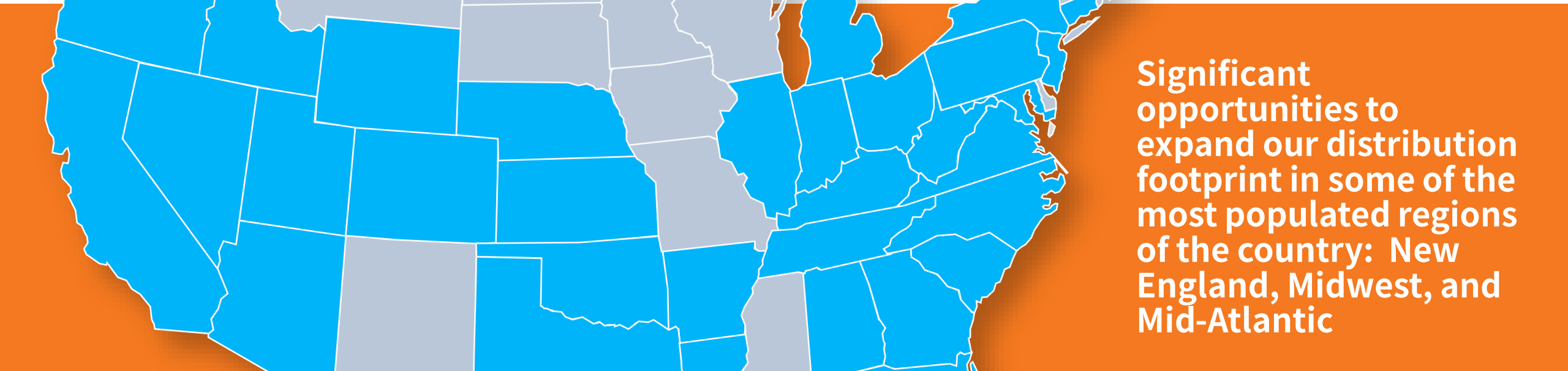
## Open Distribution Channel

288 current distributors  
\$224K revenue per distributor  
annually – target to grow to  
\$300K per distributor by 2024

## Build a National Network:

Approx. 44% of all sales come from  
TX, CA, AZ

New agreements open-up Midwest,  
Mid-Atlantic & New England



**Significant opportunities to expand our distribution footprint in some of the most populated regions of the country: New England, Midwest, and Mid-Atlantic**

- \* Blue states have Independent Agents of over \$100K/YR, while Gray states have agents below \$100K/YR

# PLAN TO GROW ADJACENT MARKETS

82%

of Xtant's Biologics Revenue is Focused on Spine Procedures



OsteoSponge®  
Cancellous DBM



3Demin®  
Cortical DBM Fibers



OsteoSelect®  
DBM Putty



OsteoVive®  
Viable Cell Allograft

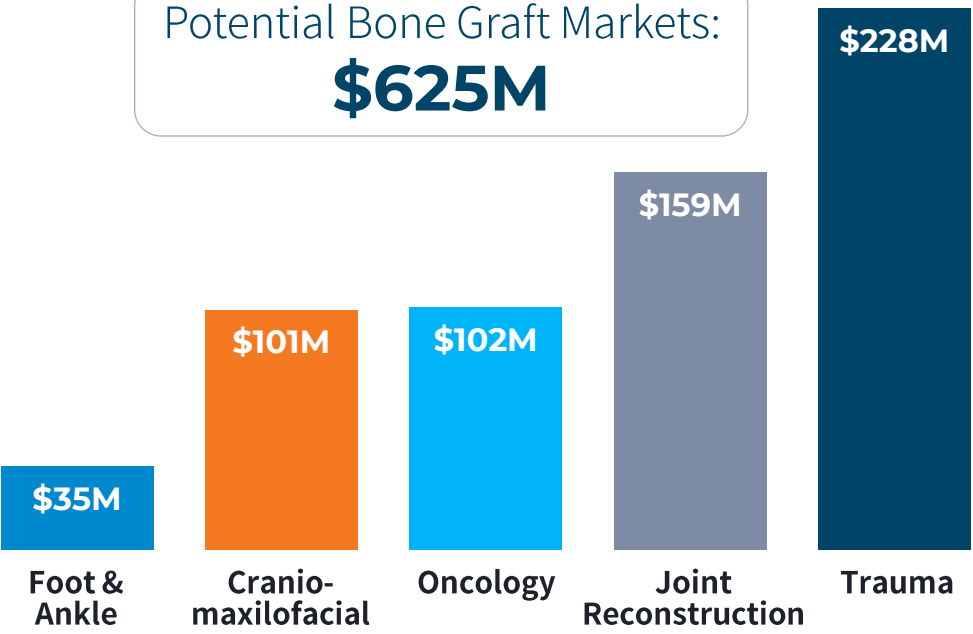


Matriform®  
Synthetic Bone Graft

18%

of Xtant's Biologics Revenue is Non-Spine Sales

Potential Bone Graft Markets:  
**\$625M**





# PLAN TO LEVERAGE XTANT'S GROWTH PLATFORM ORGANICALLY AND THROUGH M&A

- Use Xtant's Public Market Access
- Achieve scale
- Fill product/capabilities gaps
- Bring differentiated products
- Increased market access



**Goal:  
Increase  
Long-term  
Shareholder  
Value**

# INVESTMENT OPPORTUNITY

- **REBIRTH OF A LEADING SPINE BRAND**

Realign our business around our mission and what we do better than anyone else

- **LEVERAGEABLE GROWTH PLATFORM**

Market leader in DBM biologics

Advantageous GPO/IDN contract access

Large & scalable distribution network

Adjacent market expansion opportunity

- **GROWTH OPPORTUNITIES**

Public Market Access

Technology and product acquisition

Accelerate organic growth



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