

# Xtant Medical Holdings

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NYSE: XTNT

Second Quarter 2017 Earnings Call

August 10<sup>th</sup>, 2017

# 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.

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# Transforming for Operational Excellence

- Announced \$15M financing in May, paid off outstanding balance of \$9M under an accounts receivable credit facility
- Engaged restructuring officers to assist in transformation to next phase of business
- Management continues to actualize merger synergies for optimal organizational efficiency – Drove annual savings of \$4.2M

## Revenue

\$21.46M    \$21.41M



2Q16

2Q17

# Key Areas of Focus

**1**

Asset  
Utilization

**2**

Strategic Positioning for  
Market Leadership

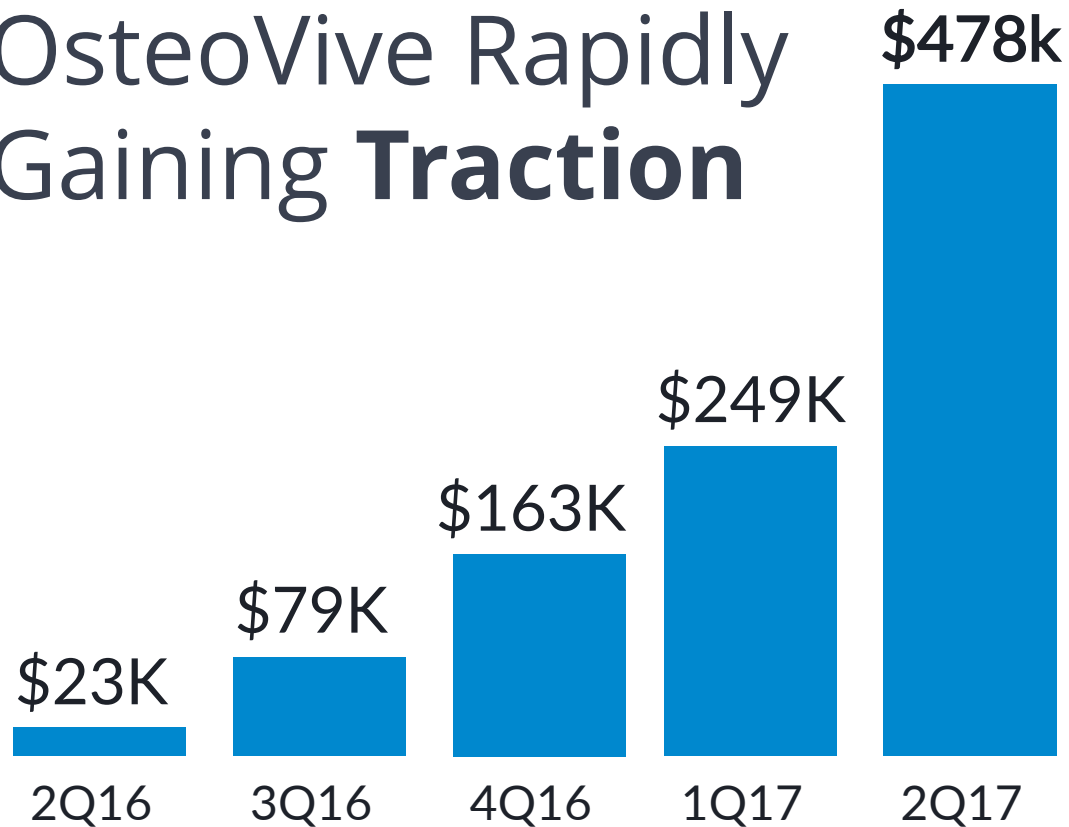
**3**

Sales Channel  
Optimization

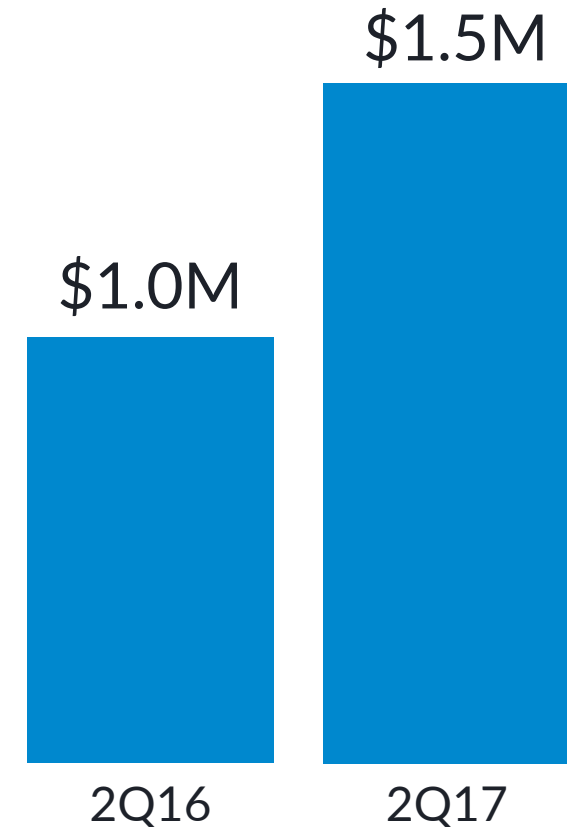
# Strategic Positioning

Building our product portfolio to provide more surgical options

## OsteoVive Rapidly Gaining Traction



## 3Demin Revenue 48% Year-over-Year Growth



# Sales Channel Optimization

Delivering value to hospitals, surgeons & patients

xtantmedical.com

**17%** International revenue growth

**3** New sales executives with significant experience

**+250** New facilities for potential incremental revenue growth

**50%+**

1H17 revenue contributed by distributors marketing both product lines

# Financial Overview

# Financial Overview

## Unaudited Summary

(000's)	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Revenue	\$21,408	\$21,462	\$43,491	\$42,439
Gross Profit	\$13,528	\$14,703	\$29,053	\$28,804
Gross Margin	63.2%	68.5%	66.8%	67.9%
Net Gain (Loss) From Operations	(\$4,718)	(\$2,122)	(\$6,667)	(\$4,485)
Net Income (Loss)	(\$9,693)	(\$4,463)	(\$14,860)	(\$10,059)
EBITDA** Gain (Loss)	(\$2,078)	\$253	(\$1,586)	\$27

\*2015 Results are on a pro forma basis

\*\*The Company defines earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") as net income/loss from operations before depreciation, amortization, impairment charges and non-cash stock-based compensation. See slide 9.



# Reconciliation of EBITDA

## Second Quarter and First Half 2017 and 2016 Unaudited Summary (\$000's)

(000's)	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Net Loss	(\$9,693)	(\$4,463)	(\$14,860)	(\$10,059)
Tax (Benefit) Provision	0	0	0	0
Other (Income) Expense	\$1,633	(\$166)	\$1,620	\$259
Change in Warrant Derivative Liability	\$14	(\$478)	(\$156)	(\$496)
Interest Expense	\$3,328	\$2,984	\$6,729	\$5,811
Separation Related Expenses	\$381	0	\$605	0
Acquisition and Integration Related Expenses	0	\$451	0	\$753
Non-Cash Compensation	\$92	\$55	\$237	\$111
Depreciation & Amortization	\$2,168	\$1,869	\$4,239	\$3,649
EBITDA Gain (Loss)	(\$2,078)	\$253	(\$1,586)	\$27

# Balance Sheet; Cash Position

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

	As of June 30, 2017	As of December 31, 2016
Cash & Cash Equivalents	\$1,665	\$2,578
Total Current Assets	\$43,275	\$48,986
Total Assets	\$134,294	\$144,102
Total Liabilities	\$155,587	\$151,175
Total Stockholders' Equity (Deficit)	(\$21,292)	(\$7,073)

# Summary


## Tremendous Growth Ahead of Us

- Continue transformational initiatives to achieve operational excellence
- Complete restructuring/financing objectives in 2H17 to fund growth
- Drive top-line growth through new products and sales channel optimization

# XTANT MEDICAL

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# Thank You

 *Xtant Medical*  
664 Cruiser Lane  
Belgrade, MT 59714

 *Investor Relations*  
CG Capital

 406-388-0480

 1.877.889.1972

 [cs@xtantmedical.com](mailto:cs@xtantmedical.com)

 [investorrelations@cg.capital](mailto:investorrelations@cg.capital)  
[cg.capital](http://cg.capital)