Xtant Medical Holdings, Inc.

NYSE MKT: XTNT

First Quarter 2017 Earnings Call

May 10th, 2017

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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.

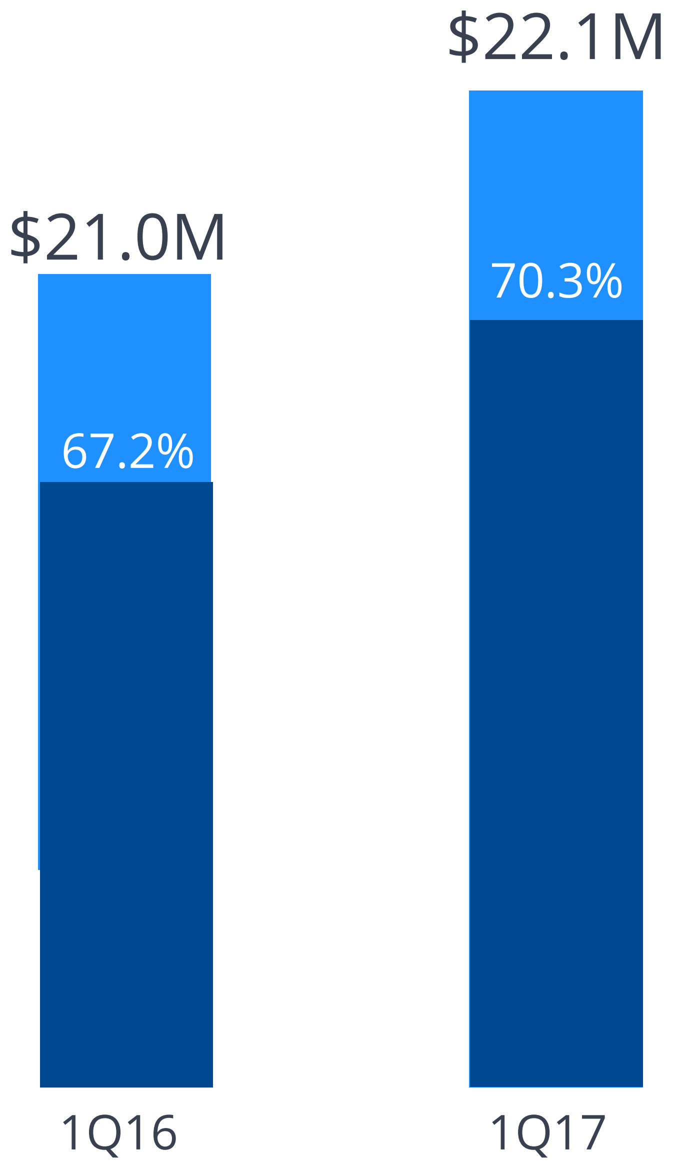
Annualized, pro forma, projected and estimated numbers used in this presentation are used only for illustrative purposes and are not forecasts and may not reflect actual results.

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

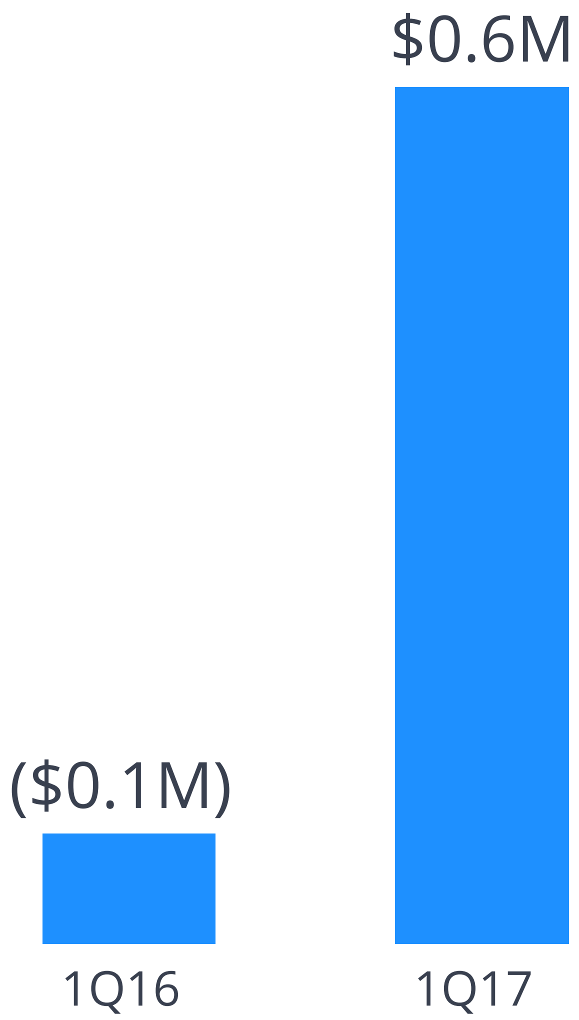
Any market or industry data contained in this presentation is based on a variety of sources, including internal data and estimates, independent industry publications, government publications, reports by market research firms or other published independent sources. Industry publications and other published 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.

Improving Operating Margins on Year-Over-Year Revenue Growth

Revenue & Gross Margin



Adjusted EBITDA**



**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.

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Key Areas of Focus

Concentrating on Operational Excellence while driving and maintaining above market growth

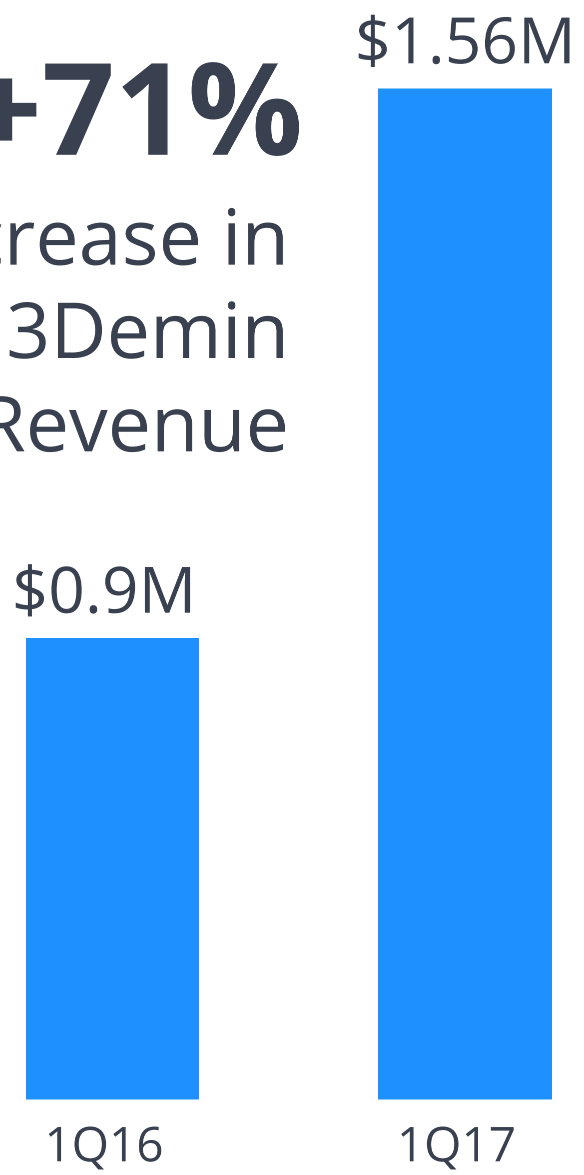
1	2	3
Strategic Positioning	Sales Channel Optimization	Inventory Efficiency Improvements

Strategic Positioning

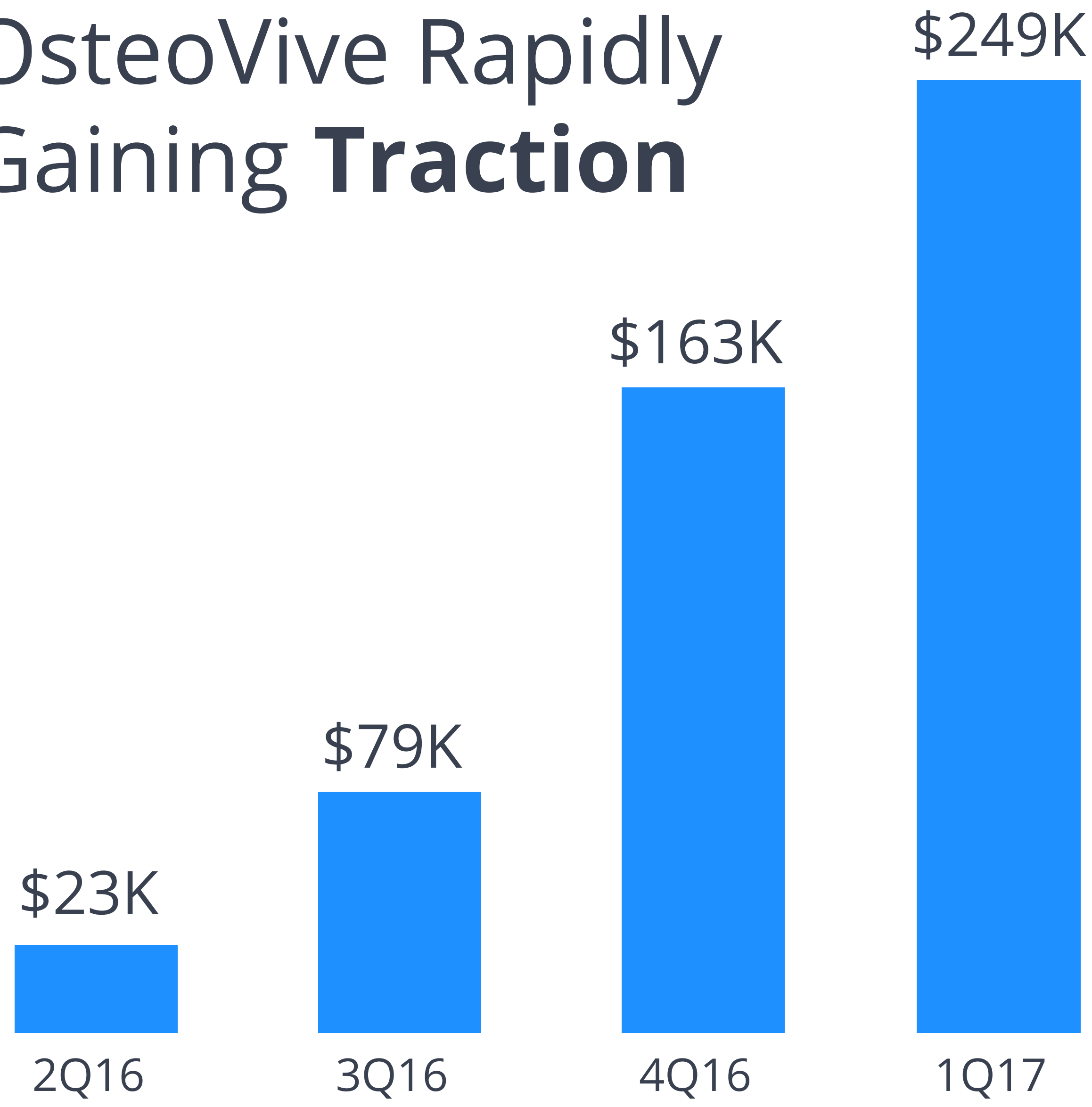
Building our product portfolio to provide more surgical options

+71%

Increase in 3Demin Revenue



OsteoVive Rapidly Gaining **Traction**



Sales Channel Optimization

Delivering value to hospitals, surgeons & patients

3 New Sales Leadership Positions Implemented in 1Q17

9 IDN agreements Executed 1Q17

+44%

Average Year Over Year Revenue Growth From Top 10 Distributors

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Inventory Efficiency Improvements

- Enabling our existing assets to deliver increased value for our business
- Freed up inventory to serve a more robust distribution network while decreasing required capital for additional sets
- Improved forecasting ability

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Financial Overview

First Quarter 2017 and 2016 Unaudited Summary ($000's)

(000's)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenue	$22,083	$20,977
Gross Profit	$15,525	$14,100
Gross Margin	70.3%	67.2%
Net Gain (Loss) From Operations	($1,949)	($2,363)
Net Income (Loss)	($5,167)	($5,596)
EBITDA** Gain (Loss)	$577	($145)

*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.

Reconciliation of Adjusted EBITDA

(000's)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net Loss	**($5,167)**	**($5,596)**
Tax (Benefit) Provision	$0	$0
Other (Income) Expense	($12)	$425
Change in Warrant Derivative Liability	($170)	($19)
Interest Expense	$3,400	$2,827
Separation Related Expenses	$224	$0
Acquisition and Integration Related Expenses	$0	$302
Non-Cash Compensation	$230	$136
Depreciation & Amortization	$2,071	$1,780
Adjusted EBITDA Gain (Loss)	**$577**	**($145)**

Balance Sheet; Cash Position

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

	As of March 31, 2017	As of December 31, 2016
Cash & Cash Equivalents	$2,487	$2,578
Total Current Assets	$46,817	$48,986
Total Assets	$139,688	$144,102
Total Liabilities	$151,362	$151,175
Total Stockholders' Equity (Deficit)	($11,675)	($7,073)

Incremental Contribution Margin After Breakeven

- Breakeven profitability is defined as EBITDA less cash based interest expense
- 2017 Break Even revenues occur at approximately $24.2M-24.5M per quarter
- After break even, on an incremental basis the Company anticipates approximately 42% of profitable contribution margin

($000's)	**Incremental Contribution Margin**
Quarterly Revenue	$1,000
Gross Profit	$750
Gross Margin	75.0%
Commissions	$330
All Other Operations & Cash-Based Interest Expense	$0
Income From Operations	$420
Operating Margin	42%

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Path to Free Cash Flow

- Increase quarterly revenues to $24.2-$24.5 million to achieve breakeven
- Continued discipline in reducing operating expenses to drive efficiencies of the business model
- Strong controls over inventory and instrument purchases to ensure that working capital investments are in line with revenue expectations
- Continued timely collection of accounts receivable with minimal bad debts

Summary

Tremendous Growth Ahead of Us

- Maintained year-over-year growth & positive momentum
- Established key initiatives for a stronger company
- Committed to maximizing EBITDA & cash based profitability

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