

| OMB APPROVAL | |
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| OMB Number: | 3235-0287 |
| Estimated average burden | |
| hours per response: | 0.5 |

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Name and Address of Reporting Person* <u>ORBIMED ADVISORS LLC</u> (Last) (First) (Middle) 601 LEXINGTON AVENUE 54TH FLOOR (Street) NEW YORK NY 10022 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>Xtant Medical Holdings, Inc. [XTNT]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) 10/01/2020 | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | |
| | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|---|-------------------------------------------------------------------|------------|-----------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 10/01/2020 | | A ⁽¹⁾ | | 46,784,775 | A | \$1.07 ⁽¹⁾ | 52,702,384 | I | See Footnotes ⁽²⁾⁽³⁾ |
| Common Stock | 10/01/2020 | | A ⁽¹⁾ | | 11,969,619 | A | \$1.07 ⁽¹⁾ | 15,300,688 | I | See Footnotes ⁽³⁾⁽⁴⁾ |
| Common Stock | | | | | | | | 70,423 ⁽⁵⁾ | I | See Footnotes ⁽²⁾⁽³⁾ |
| Common Stock | | | | | | | | 70,423 ⁽⁶⁾ | I | See Footnotes ⁽³⁾⁽⁴⁾ |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|---|----------------------------------------------------------------------------------------|-----|----------------------------------------------------------|-----------------|-----------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | |

1. Name and Address of Reporting Person*
ORBIMED ADVISORS LLC
 (Last) (First) (Middle)
 601 LEXINGTON AVENUE
 54TH FLOOR
 (Street)
 NEW YORK NY 10022
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
Orbimed ROF II LLC
 (Last) (First) (Middle)
 601 LEXINGTON AVE., 54TH FLOOR
 (Street)
 NEW YORK NY 10022
 (City) (State) (Zip)

Explanation of Responses:

1. See Exhibit 99.1

2. These securities are held of record by ROS Acquisition. OrbiMed Advisors LLC ("Advisors"), a registered investment adviser under the Investment Advisors Act of 1940, as amended, is the investment manager of ROS Acquisition. Advisors is also the investment manager of Royalty Opportunities S.a.r.l., of which ROS Acquisition is a wholly-owned subsidiary. By virtue of such relationships, Advisors may be deemed to have voting and investment power with respect to the securities held by ROS Acquisition noted above and as a result may be deemed to have beneficial ownership over such securities. Advisors exercises its investment and voting power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and Jonathan T. Silverstein, each of whom disclaims beneficial ownership of the securities held by ROS Acquisition.

3. This report on Form 4 is jointly filed by Advisors and OrbiMed ROF II LLC ("ROF II"). Each of Advisors, ROF II, ROS Acquisition and ORO II disclaims beneficial ownership of the securities reported herein for purposes of Rule 16a-1(a) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent of its pecuniary interest therein, if any. Advisors has designated certain representatives, including Matthew Rizzo and Michael Eggenberg, both of whom are employees of Advisors, to serve on the Company's board of directors. This report shall not be deemed an admission that any such entity is a beneficial owner of such securities for the purposes of Section 16 of the Exchange Act or for any other purposes.

4. These securities are held of record by ORO II. ROF II is the general partner of ORO II, and Advisors is the managing member of ROF II. By virtue of such relationships, Advisors may be deemed to have voting and investment power with respect to the securities held by ORO II noted above and as a result may be deemed to have beneficial ownership over such securities. Advisors exercises its investment and voting power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and Jonathan T. Silverstein, each of whom disclaims beneficial ownership of the securities held by ORO II.

5. This restricted stock unit award was granted to Michael Eggenberg, a director of the Company who is an employee of Advisors, who was designated by Advisors to sit on the Company's board of directors. Upon vesting of the restricted stock unit award, ownership of the shares underlying the restricted stock unit award will be transferred to ROS Acquisition and ORO II.

6. This restricted stock unit award was granted to Matthew Rizzo, a director of the Company who is an employee of Advisors, who was designated by Advisors to sit on the Company's board of directors. Upon vesting of the restricted stock unit award, ownership of the shares underlying the restricted stock unit award will be transferred to ROS Acquisition and ORO II.

/s/ Sven H. Borho, Member of
OrbiMed Advisors LLC 10/05/2020

/s/ Sven H. Borho, Member of
OrbiMed ROF II LLC 10/05/2020

/s/ Carl L. Gordon, Member of
OrbiMed Advisors LLC 10/05/2020

/s/ Carl L. Gordon, Member of
OrbiMed ROF II LLC 10/05/2020

/s/ Jonathan T. Silverstein,
Member of OrbiMed Advisors 10/05/2020
LLC

/s/ Jonathan T. Silverstein,
Member of OrbiMed ROF II 10/05/2020
LLC

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

On October 1, 2020 (the Closing Date), Xtant Medical Holdings, Inc. (the Company) exchanged shares of its common stock (the Common Stock) for approximately \$40.8 million of the aggregate outstanding principal amount of the loans (as defined in the Second Amended and Restated Credit Agreement, dated as of March 29, 2019, by and among the Company, Bacterin International, Inc., Xtant Medical, Inc., X-spine Systems, Inc., and OrbiMed Royalty Opportunities II, LP (ORO II) and ROS Acquisition Offshore LP (ROS Acquisition and collectively with ORO II, the Lenders) (as amended, restated and otherwise modified prior to the date hereof, Second A&R Credit Agreement) outstanding under the Second A&R Credit Agreement, as well as, without duplication, approximately \$21.1 million of the outstanding amount of PIK Interest (as defined in the Second A&R Credit Agreement) (such loans and PIK Interest, the Exchanging Loans), plus all other accrued and unpaid interest on the Exchanging Loans outstanding as of the Closing Date, at an exchange price of \$1.07 per share, representing the average closing price of the Common Stock over the 10 trading days immediately prior to the parties entering into that certain Restructuring and Exchange Agreement, dated as of August 7, 2020 (the Restructuring Agreement), with the Lenders and resulting in the issuance of an aggregate of 57,837,045 shares of Common Stock to the Lenders. In addition, on the Closing Date, the Company also entered into an amendment to the Second A&R Credit Agreement and in connection therewith the Company issued 917,349 shares of Common Stock to ROS Acquisition in exchange for a portion of the prepayment fee payable under the Second A&R Credit Agreement in respect of the Exchanging Loans.