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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

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|--|---|---|
| 1. Name and Address of Reporting Person* <u>Rizzo Matthew</u> (Last) (First) (Middle) 664 CRUISER LANE (Street) BELGRADE MT 59714 (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) | | |

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⁾ | D | |

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 | | | | | |

Explanation of Responses:

- See Exhibit 99.1
- 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.
- Each of ROS Acquisition, ORO II, Advisors and the Reporting Person 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 or his pecuniary interest therein, if any. This report shall not be deemed an admission that any such entity or person is a beneficial owner of such securities for the purposes of Section 16 of the Exchange Act, or for any other purposes. The Reporting Person is an employee of Advisors.
- These securities are held of record by ORO II. OrbiMed ROF II LLC ("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.
- These shares are to be issued upon vesting pursuant to a restricted stock unit award granted under the Xtant Medical Holdings, Inc. 2018 Equity Incentive Plan, as amended, conditioned upon the Reporting Person remaining a director of the Company through the vesting date.

/s/ Amy Culbert, attorney-in-fact 10/05/2020

** 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.