

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL	
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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. Date of Event Requiring Statement (Month/Day/Year) 01/17/2018	3. Issuer Name and Ticker or Trading Symbol <u>Xtant Medical Holdings, Inc. [XTNT]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	1,927,977	I	See Footnotes ⁽¹⁾⁽³⁾
Common Stock	823,207	I	See Footnotes ⁽²⁾⁽³⁾

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Warrant to Purchase Common Stock	12/05/2013	12/05/2020	Common Stock	87,719	6.4	I	See Footnotes ⁽¹⁾⁽³⁾
Convertible Note	(4)(5)	07/15/2021	Common Stock	\$33,190,000	3.88	I	See Footnotes ⁽¹⁾⁽³⁾
Convertible Note	(4)(5)	07/15/2021	Common Stock	\$18,810,000	3.88	I	See Footnotes ⁽²⁾⁽³⁾
Convertible Note	(4)(5)	07/15/2021	Common Stock	\$1,428,553	2.9	I	See Footnotes ⁽¹⁾⁽³⁾
Convertible Note	(4)(5)	07/15/2021	Common Stock	\$809,614	2.9	I	See Footnotes ⁽²⁾⁽³⁾

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)

1. Name and Address of Reporting Person* <u>ISALY SAMUEL D</u> (Last) (First) (Middle) 601 LEXINGTON AVENUE, 54TH FLOOR (Street) NEW YORK NY 10022 (City) (State) (Zip)

Explanation of Responses:

1. These securities are held of record by ROS Acquisition Offshore LP ("ROS Acquisition"). OrbiMed Advisors LLC ("Advisors"), a registered adviser under the Investment Advisors Act of 1940, as amended, is the investment manager of ROS Acquisition. Samuel D. Isaly ("Isaly"), a natural person, is the managing member of, and holder of a controlling interest in, Advisors. 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 and Isaly 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.

2. These securities are held of record by OrbiMed Royalty Opportunities II, LP ("ORO II"). OrbiMed ROF II LLC ("ROF II") is the sole general partner of ORO II, and Advisors is the sole managing member of ROF II. Isaly, a natural person, is the managing member of, and holder of a controlling interest in, Advisors. By virtue of such relationships, Advisors and Isaly 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.

3. This report on Form 3 is jointly filed by Advisors and Isaly. Each of the reporting persons 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 of the reporting persons is a beneficial owner of such securities for the purposes of Section 16 of the Exchange Act, or for any other purposes.

4. These convertible notes (collectively, the "Notes") may be converted into shares of common stock ("Shares") of the Issuer at any time prior to the close of business on the second business day immediately preceding July 15, 2021. However, the Notes will not be convertible to the extent that such conversion would result in the holder of each Note or any of its affiliates being deemed to beneficially own in excess of 9.99% of the then-outstanding Shares.

5. Pursuant to the Restructuring and Exchange Agreement entered into on January 11, 2018 among the Issuer, ORO II, ROS Acquisition and certain other parties, which agreement is filed as an exhibit to the Issuer's Form 8-K filed with the Securities and Exchange Commission on January 12, 2018 (the "Form 8-K"), the Issuer, ORO II and ROS Acquisition have agreed to amend the Notes to clarify that the restriction that prevents any holder or any of its affiliates from effecting a conversion thereof if such conversion would result in the holder or any of its affiliates beneficially owning in excess of 9.99% of the then-outstanding Shares shall not be applicable to the Tier 2 Transaction (as described in the Form 8-K).

/s/ Samuel D. Isaly

01/19/2018

** 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 5 (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.