

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): January 17, 2018

XTANT MEDICAL HOLDINGS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-34951
(Commission File Number)

20-5313323
(IRS Employer Identification No.)

664 Cruiser Lane
Belgrade, Montana
(Address of Principal Executive Offices)

59714
(Zip Code)

(406) 388-0480
(Registrant's Telephone Number, Including Area Code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

Sixth Amendment to Convertible Promissory Notes

Effective January 17, 2018, Xtant Medical Holdings, Inc. (the “Company”), ROS Acquisition Offshore LP (“ROS”) and OrbiMed Royalty Opportunities II, LP (“Royalty Opportunities”), entered into the Sixth Amendment (the “Notes Amendment”), which amended certain Convertible Promissory Notes held by ROS and Royalty Opportunities that were issued by the Company on January 17, 2017, in the aggregate principal amount of \$1.627 million (collectively, the “2017 Notes”).

The Notes Amendment amended the 2017 Notes by removing the limitations on stock ownership that prevented ROS, Royalty Opportunities or any of their affiliates from effecting a conversion of the 2017 Notes 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 of common stock of the Company, par value \$0.000001 per share (“Common Stock”) and providing that the Conversion Consideration (as defined therein) due upon conversion of the 2017 Notes shall account for any accrued and unpaid interest on the 2017 Notes.

The foregoing description of the Notes Amendment does not purport to be complete and is qualified in its entirety by the full text of the Notes Amendment, a copy of which is filed as Exhibit 10.1 and incorporated by reference herein.

Item 2.03. Creation of Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement.

The disclosures set forth above under Item 1.01 are hereby incorporated by reference into this Item 2.03.

Item 3.02. Unregistered Sale of Equity Securities.

The disclosures set forth above under Item 1.01 and below under Item 8.01 in connection with the Notes Amendment and the Tier 1 Transaction are incorporated herein by reference. The issuance of Common Stock under the Tier 1 Transaction will be made in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”) pursuant to Section 4(a)(2) of the Securities Act and Rule 506 promulgated thereunder.

Item 8.01. Other Events.

The disclosures set forth above under Item 1.01 are hereby incorporated by reference into this Item 8.01. The Notes Amendment was required to enable ROS and Royalty Opportunities to convert the 2017 Notes pursuant to the Tier 1 Transaction contemplated by that certain Restructuring and Exchange Agreement, dated as of January 11, 2018, by and among the Company, ROS, Royalty Opportunities, Bruce Fund, Inc., Park West Partners International, Limited, Park West Investors Master Fund, Limited, and Telemetry Securities, L.L.C., which was described in the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on January 12, 2018.

Following the execution of the Notes Amendment, on January 17, 2018, ROS and Royalty Opportunities converted the 2017 Notes, plus accrued and unpaid interest, at the \$0.7589 per share conversion rate originally provided thereunder, into 2,275,745 shares of Common Stock (of which 1,452,538 of such shares of Common Stock were issued to ROS and 823,207 of such shares of Common Stock were issued to Royalty Opportunities).

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

| | |
|-------------|--|
| <u>10.1</u> | <u>Sixth Amendment, dated as of January 17, 2018, by and among Xtant Medical Holdings, Inc., ROS Acquisition Offshore LP and OrbiMed Royalty Opportunities II, LP.</u> |
|-------------|--|

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 23, 2018

XTANT MEDICAL HOLDINGS, INC.

By: /s/ Carl D. O'Connell

Name: Carl D. O'Connell

Title: Chief Executive Officer

EXHIBIT INDEX

Exhibit No. Description

[10.1](#) [Sixth Amendment, dated as of January 17, 2018, by and among Xtant Medical Holdings, Inc., ROS Acquisition Offshore LP and OrbiMed Royalty Opportunities II, LP.](#)

SIXTH AMENDMENT

This **SIXTH AMENDMENT** (this "Amendment") is effective as of January 17, 2018 by **XTANT MEDICAL HOLDINGS, INC.**, a Delaware corporation (the "Company"), **ROS ACQUISITION OFFSHORE LP**, a Cayman Islands Exempted Limited Partnership ("ROS") and **ORBIMED ROYALTY OPPORTUNITIES II, LP**, a Delaware limited partnership ("Royalty Opportunities" and, together with ROS, collectively, the "Holders").

WHEREAS, ROS is the registered holder of Convertible Promissory Notes in the aggregate principal amounts of \$995,700 and \$42,856.59 issued on January 17, 2017 (collectively, the "ROS Notes"), in each case, by the Company;

WHEREAS, Royalty Opportunities is the registered holder of Convertible Promissory Notes in the aggregate principal amounts of \$564,300 and \$24,288.41 issued on January 17, 2017, in each case, by the Company (collectively, the "Royalty Opportunities Notes" and together with the ROS Notes, collectively, the "Notes");

WHEREAS, the Company and the Holders are party to that certain Amendment and Waiver, dated as of August 15, 2017, that certain Second Amendment and Waiver, dated as of September 29, 2017, that certain Third Amendment and Waiver, dated as of October 31, 2017, that certain Fourth Amendment and Waiver, dated as of November 30, 2017, and that certain Fifth Amendment and Waiver, dated as of December 28, 2017, pursuant to which interest accrued on the Notes was deferred until January 31, 2018 and the Holders waived any Event of Default that occurred as a result of the Company's failure to pay interest due on July 15, 2017 or January 15, 2018;

WHEREAS, the Company and the Holders are party to that certain Restructuring and Exchange Agreement, dated as of January 11, 2018, pursuant to which the Company and the Holders have agreed to amend the Notes as provided hereby; and

WHEREAS, pursuant to Section 10.13 of the Notes, the terms and conditions of the Notes may be amended or waived by the written consent of each affected holder of the Notes.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Notes.

2. **Amendments to Section 8.02(f)**. Section 8.02(f) of each of the Notes is hereby amended and restated in its entirety to read as follows:

(f) [Reserved].

3. **Amendments to Section 8.03(b)**. Section 8.03(b) of each of the Notes is hereby amended and restated in its entirety to read as follows:

(b) *Settlement of Accrued Interest and Deemed Payment of Principal.* If the Holder converts this Note, the Conversion Consideration due in respect of such conversion shall account for any accrued and unpaid interest on this Note to and including the Conversion Date, and, except as provided in Section 8.02(d), the Company's delivery of the Conversion Consideration due upon such conversion will be deemed to satisfy and discharge in full the Company's obligation to pay the principal of this Note and accrued and unpaid interest, if any, on, this Note to and including the Conversion Date. As a result, except as provided in Section 8.02(d), any accrued and unpaid interest with respect to this Note, in the event that it is converted, will be deemed to be paid in full rather than cancelled, extinguished or forfeited.

4. **Conversion Date.** For the avoidance of doubt, the parties hereby agree that, if the Conversion Date is January 17, 2018, the Conversion Consideration in respect of the Notes shall be 2,275,745 shares of Common Stock in the aggregate (of which 1,452,538 of such shares of Common Stock shall be issued to ROS in the aggregate and 823,207 of such shares of Common Stock shall be issued to Royalty Opportunities in the aggregate).

5. **No Implied Waiver.** Except as expressly set forth in this Amendment, this Amendment shall not, by implication or otherwise, limit, impair, constitute a waiver of or otherwise affect any rights or remedies of the Holders under the Notes or alter, modify, amend or in any way affect any of the terms, obligations or covenants contained in the Notes, all of which shall continue in full force and effect. Nothing in this Amendment shall be construed to imply any willingness on the part of the Holders to agree to or grant any similar or future consent or waiver of any of the terms and conditions of the Notes.

6. **Governing Law.** THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first above written.

XTANT MEDICAL HOLDINGS, INC.

By: /s/ Carl D. O'Connell

Name: Carl D. O'Connell

Title: Chief Executive Officer

Signature Page to Sixth Amendment (2017 Notes)

ROS ACQUISITION OFFSHORE LP,

By OrbiMed Advisors LLC, solely in its
capacity as Investment Manager

By: /s/ Samuel D. Isaly

Name: Samuel D. Isaly

Title: Managing Member

ORBIMED ROYALTY OPPORTUNITIES II, LP,

By OrbiMed ROF II LLC,
its General Partner

By OrbiMed Advisors LLC,
its Managing Member

By: /s/ Samuel D. Isaly

Name: Samuel D. Isaly

Title: Managing Member

Signature Page to Sixth Amendment (2017 Notes)
