UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

Commission File Number 001-38701

SI-BONE, Inc.

(Exact name of Registrant as specified in its Charter)

Delaware	**26-2216351**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

471 El Camino Real, Suite 101, Santa Clara, California 95050
(Address of principal executive offices including zip code)

Registrant's telephone number, including area code: (408) 207-0700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	SIBN	The Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☐	Accelerated filer	☒	Non-accelerated filer	☐
Smaller reporting company	☐	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 7(a)(2)(B) of the Securities Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the shares of common stock held by non-affiliates of the registrant as of June 30, 2024, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $0.5 billion, calculated based on the closing price of the registrant's common stock as reported by the Nasdaq Global Market. Shares of common stock held by each officer and director, and each entity affiliated with a director, have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not a conclusive determination for other purposes.

The number of shares of Registrant's Common Stock outstanding as of February 20, 2025 was 42,453,116 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement relating to the Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission within 120 days after the end of the Registrant's fiscal year ended December 31, 2024, are incorporated by reference into Part III of this Report.

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In this Annual Report on Form 10-K, "we," "our," "us," "SI-BONE," and "the Company" refer to SI-BONE, Inc. and its consolidated subsidiaries. The SI-BONE logo and other trade names, trademarks or service marks of SI-BONE are the property of SI-BONE, Inc. This report contains references to our trademarks and to trademarks belonging to other entities. Trade names, trademarks and service marks of other companies appearing in this report are the property of their respective holders. We do not intend our use or display of other companies' trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

RISK FACTOR SUMMARY

Investing in our securities involves a high degree of risk. Below is a summary of material factors that make an investment in our securities speculative or risky. Importantly, this summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, as well as other risks that we face, can be found under the heading "Item 1A. Risk Factors" below.

- We have incurred significant operating losses since inception, we may continue to incur operating losses in the future, and we may not be able to achieve or sustain future profitability;
- We may not be able to convince physicians that our products are attractive alternatives to our competitors' products and that our procedures are attractive alternatives to existing surgical and non-surgical treatments for their respective indications;
- If hospitals, physicians, and other healthcare providers are unable to obtain and maintain adequate or any coverage and reimbursement from third-party payors for procedures performed using our products, further adoption of our products may be delayed, and it is unlikely that they will gain further acceptance, and the prices paid for our implants may decline;
- Uncertainty in the coverage and reimbursement environment may decrease demand for our products and adversely affect our business;
- Pricing pressure from our competitors, healthcare provider consolidation, the presence of physician-owned distributorships, and payor consolidation may impact our ability to sell our product at prices necessary to support our current business strategies;
- Practice trends, market dynamics, and other factors, have caused, and may continue to cause, procedures to shift from the hospital environment to ambulatory surgical centers ("ASCs") or office-based labs ("OBLs") where pressure on the prices of our products is generally more acute;
- We have historically been highly dependent on revenue from the sale of a single family of products focused on procedures, the goal of which is to stabilize and fuse the sacroiliac joint. Continued reliance on a single family of products and single family of procedures could negatively affect our results of operations and financial condition.;
- We operate in a very competitive business environment and if we are unable to compete successfully against our existing or potential competitors, our sales and operating results may be adversely affected;
- We are dependent on a limited number of third-party suppliers, some of them single-source and some of them in single locations, for most of our products and components, and the loss of any of these suppliers, or their inability to provide us with an adequate supply of materials in a timely and cost-effective manner, could materially adversely affect our business;
- Prolonged inflation and supply chain disruptions could result in delayed product launches, lost revenue, higher costs and decreased profit margins;
- Disruptions in the supply of the materials and components used in manufacturing our products or the sterilization of our products by third-party suppliers could adversely affect our business, financial condition and results of operations;
- Physicians and payors may not find the clinical evidence supporting our more recent products to be compelling, which could limit our sales and revenue, and on-going and future research may prove our products to be less safe and effective than currently thought;
- If clinical experience with our iFuse Bedrock technique or our iFuse Bedrock Granite, iFuse TORQ, or iFuse INTRA products do not result in positive outcomes for patients, or if clinical trials involving the use of iFuse Bedrock, iFuse Bedrock Granite, iFuse INTRA and/or iFuse TORQ fail to show meaningful patient benefit, sales of our iFuse, iFuse-3D, iFuse TORQ and/or iFuse Bedrock Granite implants could be adversely impacted;

- If we are unable to maintain our network of direct sales representatives, third-party sales agents, and resellers, we may not be able to generate anticipated sales;
- Our business could suffer if we lose the services of key members of our senior management, key advisors or personnel;
- If use of our products results in adverse events, this may require them to be taken off the market, require them to include safety warnings or otherwise limit their sales;
- Various factors outside our direct control may adversely affect manufacturing, sterilization, and distribution of our products;
- We, our suppliers, and our third-party manufacturers are subject to extensive governmental regulation both in the United States. and abroad, and failure to comply with applicable requirements could cause our business to suffer;
- We and our sales representatives must comply with U.S. federal and state fraud and abuse laws, including those relating to healthcare provider kickbacks and false claims for reimbursement, and other applicable federal and state healthcare laws, as well as equivalent foreign laws, and failure to comply could negatively affect our business;
- We and the third parties with whom we work are subject to stringent and evolving U.S. and foreign laws, regulations, and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Our (and the third parties with whom we work) actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse business consequences; and
- If we or our licensors fail to adequately protect or enforce our intellectual property rights or secure rights to patents of others, the value of our intellectual property rights would diminish and our ability to successfully commercialize our products may be impaired.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions, although not all forward-looking statements contain these identifying words. These forward-looking statements speak only as of the date of this Annual Report on Form 10-K and are subject to a number of risks, uncertainties and assumptions, including those described under the sections in this Annual Report on Form 10-K entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." These forward-looking statements include, but are not limited to, statements about the following:

- our expectation that a significant portion of our revenues will be derived from sales of the iFuse Implant System, or iFuse;
- our ability to develop and commercialize additional revenue opportunities, including new indications for use and new products;
- our ability to retain and grow our sales team based on the demand for our products;
- our ability to identify, train, and retain physicians to perform procedures using our products;
- our ability to obtain and maintain favorable coverage and reimbursement determinations from third-party payors;
- our estimates of our market opportunity;
- our expectations regarding the scope of protection from intellectual property rights covering our products;
- developments or disputes concerning our intellectual property or other proprietary rights;
- timing of and results from clinical and other trials;
- marketing clearances and authorization from the FDA and regulators in other jurisdictions and CE Certificates of Conformity from Notified Bodies;

- timing of regulatory filings and feedback;
- competition in the markets we serve;
- our expectations of the reliability and performance of our products;
- our expectations of the benefits to patients, providers, and payors of our products;
- factors impacting the supply chains we rely on, including the availability of raw materials and skilled labor serving our suppliers, and the cost of these factors of production which may in turn impact the prices we pay for our devices;
- our reliance on a limited number of suppliers, including sole source suppliers, which may impact the availability of instruments and materials;
- our ability to sustain or increase demand for our products;
- the impact of epidemics on our operations, financial results, liquidity, and capital resources, including the impact on our global supply chain, demand for and ability to obtain our products and procedures, and our ability to maintain a healthy workforce;
- our estimates regarding our costs and risks associated with our international operations and expansion;
- our expectations regarding our ability to retain and recruit key personnel;
- our ability to attract and retain employees, including those with specialized skills and experience;
- our expectations regarding acquisitions and strategic operations;
- our ability to access capital markets;
- our ability to fund our working capital requirements;
- our compliance with, and the cost of, federal, state, and foreign regulatory requirements;
- the factors that may impact our financial results; and
- anticipated trends and challenges in our business and the markets in which we operate.

Forward-looking statements are based on management's current expectations, estimates, forecasts, and projections about our business and the industry in which we operate, and management's beliefs and assumptions are not guarantees of future performance or development and involve known and unknown risks, uncertainties, and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this report may turn out to be inaccurate. Furthermore, if the forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report on Form 10-K, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under "Risk Factors" and elsewhere in this report. These statements, like all statements in this report, speak only as of their date. We caution investors that our business and financial performance are subject to substantial risks and uncertainties. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future, except as may be required by law.

PART I

Item 1. Business.

Overview

We are a medical device company dedicated to solving musculoskeletal disorders of the sacropelvic anatomy. Leveraging our knowledge of pelvic anatomy and biomechanics, we have pioneered proprietary minimally invasive surgical implant systems to address sacroiliac joint dysfunction as well as address unmet clinical needs in pelvic fixation and management of pelvic fractures. Our products include a series of patented titanium implants and the instruments used to implant them, as well as implantable bone products. Since launching our first generation iFuse in 2009, we have launched multiple implant product lines, including iFuse-3D in 2017, iFuse TORQ in 2021, iFuse Bedrock Granite in 2022, and iFuse INTRA and iFuse TORQ TNT in 2024. In the United States, iFuse, iFuse-3D, iFuse TORQ and iFuse Bedrock Granite have clearances for applications in sacroiliac joint dysfunction, adult spinal deformity and pelvic trauma. iFuse TORQ TNT has clearances for applications in pelvic trauma and sacroiliac joint dysfunction.

We market our products primarily with a direct sales force as well as a number of third-party sales agents in the United States, and with a combination of a direct sales force, and sales agents and resellers in other countries. As of December 31, 2024, over 115,000 procedures have been performed using our products by over 4,300 physicians in the United States and 38 other countries since we introduced iFuse in 2009.

In May 2023, we received a total of $83.7 million of net proceeds from the offering of 3,775,000 shares of our common stock, and the exercise of the underwriter's option to purchase an additional 566,250 shares of our common stock, at a public offering price of $22.00 per share. Of these shares, 272,753 shares were offered by a selling stockholder, and we did not receive any proceeds from the sale by the selling stockholder.

Product and Applications

Our first-generation iFuse, a machined triangular titanium implant launched in 2009, has a triangular cross section that resists twisting or rotation of the implant. The triangular shape of this implant helps stabilize the joint, and the implant’s porous surface facilitates biologic fixation of the bone onto the implant, or bony on-growth and in-growth that results in fusion. The implant has at least three times the strength of a typical eight-millimeter cannulated surgical screw, and the large porous surface area of our implants allows for bony ingrowth. Our second generation iFuse product, the iFuse-3D implant, launched in 2017, is a patented titanium implant that combines the triangular cross-section of the first generation iFuse implant with a proprietary 3D-printed porous surface and fenestrated design. This design, with its open and porous structure, also allows the implant to self-harvest bone as it is impacted through the ilium. We hold patents on implants with cross-sections of many non-round shapes, including the triangular shape, as well as the fenestration configuration we use with our iFuse-3D implants. We also hold patents for the method of placing the implant across the sacroiliac joint, as well as other parts of the spine and pelvis.

In April 2019, we received clearance from the United States Food and Drug Administration ("FDA") to promote the use of our iFuse-3D implants for fusion of the sacroiliac joint in conjunction with multi-level spinal fusion procedures to provide further stabilization and immobilization of the sacroiliac joint, which we call the Bedrock technique. We CE marked and began marketing iFuse for this indication and surgical technique in the European Union ("EU") in December 2019. In March 2020, we received FDA 510(k) clearance for an expanded indication for our triangular titanium iFuse implants to support our trauma initiative

In late-2019, we introduced iFuse Bone, an implantable bone product manufactured from sterilized recovered cadaveric bone tissue, to meet the demand of some of our surgeon customers to use implantable bone products to support and augment the patient's own bone tissue in orthopedic procedures. In 2024, we expanded our platform of allograft solutions with the iFuse INTRA family of implants, which are allograft bone implants for physicians who believe that this kind of intra-articular implant can be important to obtaining stabilization and/or fusion.

In February 2021, we launched iFuse TORQ, a line of 3D-printed threaded implants designed for use in pelvic trauma, as well as applications in sacroiliac joint dysfunction and degeneration. Relative to competitive trauma products, iFuse TORQ is roughly four times as strong in bending and requires 10 times the rotational force, or torque, to insert due to its porosity and other design features. We believe that this rotational resistance gives physicians confidence in the strength of mechanical fixation that iFuse TORQ provides, and that the technological advancements incorporated into iFuse TORQ represent a significant improvement compared to conventional trauma screws. iFuse TORQ has a larger surface area for bone in-growth and was specifically designed to allow for osteointegration, or incorporation of the bone in the implant's porous surface and structure. In 2022, the FDA provided clearance for an expanded indication for iFuse TORQ to include acute, non-acute and non-traumatic fractures as well as for placement across the sacroiliac joint using our Bedrock technique.

In May 2022, we launched our iFuse Bedrock Granite Implant System. The iFuse Bedrock Granite implant provides sacroiliac fusion and sacropelvic fixation as a foundational element for segmental spinal fusion. The iFuse Bedrock Granite implant has a machined titanium core surrounded by a fusion sleeve that is additively manufactured. The fusion sleeve offers greater surface area for both microporous and macroporous surface features as well as self-harvesting cutting flutes. The fusion sleeve provides numerous means for biological fixation (bony on-growth, in-growth and through-growth). The robust neck and the set screw design also provide more strength and reliability to the iFuse Bedrock Granite implant. Based on the implant's ability to drive fusion and fixation, iFuse Bedrock Granite is designated by the FDA as a breakthrough device. The Breakthrough Device Designation was based on the FDA's recognition of iFuse Bedrock Granite as a new technology that can provide substantial clinical improvement over already available therapies. This Breakthrough Designation enabled us to obtain New Technology Add-on Payment ("NTAP") and Transitional Pass-Through Payment ("TPT") awards, which provide for higher levels of reimbursement from the Medicare program to the healthcare facility in which a procedure is performed using this implant. In December 2022, we received FDA clearance for promotion of the compatibility of iFuse Bedrock Granite with a broad class of commercially available rods. In January 2024, we received FDA clearance for a smaller diameter (9.5mm) iFuse Bedrock Granite implant with both an expanded indication that covers pediatric patients and an expanded application that includes use in the S1 trajectory.

In August 2022, the Centers for Medicare and Medicaid Services ("CMS") issued a final decision for a NTAP of up to $9,828 for eligible cases using iFuse Bedrock Granite in the hospital inpatient setting. The NTAP became effective October 1, 2022 and will be effective for a period of up to three years and is exclusive to iFuse Bedrock Granite. In November 2024, CMS then issued a final decision for a TPT status for eligible cases using iFuse Bedrock Granite when performed in the hospital outpatient setting. The TPT for iFuse Bedrock Granite became effective January 1, 2025.

In August 2024, we received FDA clearance for our iFuse TORQ TNT Implant System. iFuse TORQ TNT includes a porous threaded implant with lengths capable of spanning the posterior pelvis, passing through the ipsilateral ilium, sacrum, and through the contralateral ilium. iFuse TORQ TNT was designated a breakthrough device by the FDA based on its potential to provide more effective treatment of pelvic fragility fractures than traditional machined cannulated screws, which are the current standard of care. iFuse TORQ TNT is designed to improve early fixation and reduce the rate of screw backout, which may allow for early patient weight-bearing and mobilization.

Market Opportunity

As a sacropelvic solutions company, our products have applications across sacroiliac joint dysfunction and degeneration, spinopelvic fixation, and pelvic fractures. We estimate that our total addressable market in the United States exceeds $3.0 billion.

Sacroiliac Joint Dysfunction and Degeneration

Over 30 million American adults are estimated to have chronic lower back pain. Studies indicate that 15% to 30% of patients with chronic low back pain may have symptoms originating with the sacroiliac joint. Our experience in both clinical trials and commercial settings indicates that at least 30% of these patients may be candidates for surgical treatment with our implants. Based on our market experience and internal estimates, and the assumption that the average person suffering from sacroiliac joint dysfunction has been in pain for five years, we estimate that the potential annual market opportunity for sacroiliac joint fusion in the United States could be approximately 279,000 patients for a potential market in the United States of approximately $2.4 billion per year.

Sacroiliac joint patients may have experienced one or more events that have contributed to disruption and/or degeneration of the sacroiliac joint, such as pregnancy, falls, previous lumbar surgery, automobile accidents, and aging, which may cause degeneration of the cushioning in the joint much like other joints. Patients with sacroiliac joint dysfunction frequently experience significant pain simply from sitting, standing, or rolling over in bed. The pain can be exacerbated with activity - when a patient walks or runs. We believe that approximately 65% of people who suffer from sacroiliac pain are women. Although several non-surgical treatments exist for sacroiliac joint pain, including physical therapy, opiates and non-steroidal anti-inflammatory medications, intra-articular injection of steroid medications and radio frequency ablation, these treatments did not provide long-term pain or disability relief in our randomized controlled clinical trials.

Adult Deformity and Degeneration

To strengthen the base of spinal constructs, spine surgeons have been using longer and larger diameter pedicle screws in iliac and sacro-alar iliac trajectories, in which these screws connecting to the spinal fusion construct are placed into the pelvis. Third party data has shown that the use of pedicle screws to anchor to the pelvis has delivered sub-optimal patient outcomes resulting in revision surgeries. Acute set screw failure of sacro-alar iliac screws has been reported in approximately 5% of cases. Screw loosening within the sacrum/ilium is another common failure, occurring in 4-27% of cases and screw fracture has been reported in up to 20% of cases. Building on our experience with the Bedrock technique which we introduced in 2019, we introduced iFuse Bedrock Granite, a novel,

patent-protected device designed for the specific demands of the sacropelvic anatomy at the end of spinal fusion constructs. We believe there are over 30,000 surgeries involving fixation of five or more spinal segments that involve fixation to the pelvis and an additional 100,000 surgeries involving two to four level spinal segment fixations to the sacrum, which we estimate to be an approximately $1.0 billion aggregate annual market opportunity.

Pelvic Trauma

Current treatment options for pelvic fragility fractures are sub-optimal. Sacroplasty, in which bone cement is extruded into the sacrum to help fix the fracture, is associated with high rates of cement leakage and therefore lacks consistent coverage by payors. Traditional trauma screws do not integrate with the surrounding bone and therefore loosen in more than 20% of the cases in which they are used. As a result, most patients are prescribed bed-rest, involving significant capacity and financial burdens on the health care system, and a one-year mortality rate range of 14%-27%. With the introduction of iFuse TORQ in 2021 and iFuse TORQ TNT in 2024, we are specifically targeting the pelvic trauma market, which we estimate to be an approximately $350 million market opportunity.

Clinical Evidence

Our triangular iFuse implants are the only minimally invasive products for sacroiliac joint fusion commercially available in the United States that, to our knowledge, are supported by substantial high-quality published evidence of safety, clinical effectiveness, durability, and economic utility. The safety, effectiveness and cost-effectiveness of our iFuse family of implants are supported by more than 160 publications and several prospective clinical studies, including four randomized trials, two large prospective multi-center trials and one long-term follow-up study. Additional long-term independent studies have reported follow-up data as far out as six years.

Table 1. Summary of SI-BONE sponsored trials.

Study Name	Implant	Geography	Condition**	Design*	Sample Size	Follow-up period	Status
iMIA	iFuse	EU	SIJD	MRCT	103	2 years	Complete
INSITE	iFuse	USA	SIJD	MRCT	148	2 years	Complete
SIFI	iFuse	USA	SIJD	PMSA	172	2 years	Complete
LOIS	iFuse	USA	SIJD	PMSA	103	5 years	Complete
SALLY	iFuse-3D	USA	SIJD	PMSA	51	5 years	Complete
SILVIA	iFuse-3D	USA, EU & AUS	ASD	MRCT	220	2 years	Complete; Publication Pending
SAFFRON	iFuse TORQ	USA	FFP	MRCT	120	1 year	Enrollment closed; Publication Pending
PAULA	iFuse Bedrock Granite	USA	ASD	PMSA	250	2 years	Enrolling
STACI	iFuse TORQ	USA	SIJD	PMSA	110	2 years	Follow-up

*MRCT = multi-center randomized controlled trial; PMSA = prospective, multi-center single-arm
**SIJD = sacroiliac joint dysfunction; ASD = adult spine deformity; FFP = fragility fracture of the pelvis

Table 1 summarizes clinical trials sponsored by SI-BONE. Four studies of iFuse Implant System (INSITE, iMIA, SIFI and LOIS) have been completed. INSITE and iMIA were prospective multi-center, randomized controlled trials conducted in the US and Europe, respectively. In both trials, patients with chronic sacroiliac joint pain were assigned at random to either immediate sacroiliac joint fusion using iFuse implants or individually tailored non-surgical management. In both studies, subjects assigned to sacroiliac joint fusion reported large improvements in pain, disability related to pain and quality of life. In contrast, in subjects assigned to non-surgical management, only small, clinically unimportant improvements in these parameters were observed.

In ***INSITE*** (Investigation of Sacroiliac Fusion Treatment), more than 90% of subjects participating in the non-surgical group decided to cross over to sacroiliac joint fusion surgery, indicating that non-surgical treatment provided ineffective relief of pain and disability related to pain. At two years, patients undergoing sacroiliac joint fusion had sustained improvements in pain, disability and quality of life. Two-year results from INSITE were published in August 2016. Further, an embedded cost-effectiveness analysis within INSITE, published in December 2015, showed the procedure to be highly cost-effective for the treatment of chronic sacroiliac joint pain.

In ***iMIA*** (iFuse Implant System Minimally Invasive Arthrodesis), similar large differences were observed between subjects undergoing sacroiliac joint fusion vs. those undergoing non-surgical management. Improvements in pain, disability and quality of life after sacroiliac joint fusion were sustained at two years. Two-year results were published in March 2019.

In ***SIFI*** (Sacroiliac Joint Fusion with iFuse Implant System), patients with chronic sacroiliac joint pain seen at 26 US centers underwent sacroiliac joint fusion using iFuse Implant System. Eligibility criteria were identical to those of INSITE and very similar to those of iMIA. Similar improvement in pain, disability and quality of life were observed throughout study follow-up. Two-year results were published in April 2016.

In INSITE, iMIA and SIFI, the rate of procedure-related adverse events was low.

In ***LOIS*** (Long-term Outcomes of INSITE and SIFI), subjects participating in INSITE and SIFI were enrolled in a long-term follow-up study. Five-year results, published in April 2018, showed sustained improvements in pain, disability and quality of life as well as a high satisfaction rate at five years. Moreover, independent radiographic analysis showed a high rate of bony apposition to implants on both the sacral and iliac sides (98%) as well as a high rate of sacroiliac joint fusion (88% bridging bone) at five years. There were no reported adverse events related to the study device or procedure at five years.

SALLY (Study of Bone Growth in the Sacroiliac Joint After Minimally Invasive Surgery with Titanium Implants) is a prospective, multi-center single-arm clinical study of the same patient population (i.e., sacroiliac joint dysfunction) who underwent sacroiliac joint fusion using iFuse-3D. The purpose of the study was to show that the 3D printed version of the device produces results similar to prior studies of iFuse. Two-year results, published in June 2021, and five-year results, published in September 2024, showed similar improvements in pain, disability and quality of life compared to prior studies of iFuse as well as CT evidence of earlier fusion of the sacroiliac joint. The study also showed marked reduction in opioid use and improvement in objective functional tests. Five year results were published in SPINE in 2024.

SAFFRON (Sacral Fracture Fusion/Fixation for Rapid Rehabilitation) is a prospective randomized controlled trial comparing pelvic fracture fixation and sacroiliac joint fusion using iFuse TORQ with non-surgical management in patients with debilitating pelvic fragility fractures. We stopped recruiting patients in mid-2024 and expect to publish the results in 2025. The results are supportive to iFuse TORQ in the surgical treatment of pelvic fragility fractures.

SILVIA (sacroiliac joint Stabilization in Long Fusion to the Pelvis: Randomized Controlled Trial) is a prospective randomized trial of iFuse-3D placement during multilevel spine fusion with fixation to the pelvis. The target patient population of this trial is patients undergoing multilevel spine fusion surgery primarily for degenerative scoliosis of the spine. All participants undergo pelvic fixation. At random, approximately 50% of participants are assigned to additional placement of iFuse-3D in the sacro-alar iliac trajectory using the Bedrock technique. The primary endpoint of the study is the incidence of sacroiliac joint pain and/or distal junctional failures. The study aims to show that placement of iFuse-3D in the Bedrock configuration reduces the rate of these outcomes. Early study results, which focused on device placement feasibility and 90-day safety events, demonstrate the feasibility and safety of pelvic fixation utilizing a sacral-alar-iliac screw combined with iFuse-3D in the bedrock configuration. Additionally, the study reveals that sacroiliac joint pain is common among patients undergoing surgery for adult spine deformity, with a baseline prevalence of 16%. Enrollment in this trial was completed in 2022, and follow-up was completed in late 2024. We expect to publish main results from the study (2-year follow-up) in 2025.

Ongoing studies are as follows:

STACI (iFuse TORQ for the treatment of Sacroiliac Joint Dysfunction) is an ongoing prospective, multi-center, single-arm study of iFuse TORQ for patients with SI joint dysfunction when performed by interventional spine physicians. STACI enrolled 110 subjects between July 2023 and November 2024. The study's eligibility criteria are similar to those of prior U.S. studies (INSITE, SIFI and SALLY). Like previous studies, STACI endpoints include improvement in pain, disability and quality of life. Early results showed no device-related adverse events and improvements in pain and disability are similar to those of prior studies of iFuse and iFuse-3D implants in similar patient population. We expect to publish follow-up results in 2025.

PAULA is an ongoing multi-center, single-arm study of iFuse Bedrock Granite in patients undergoing spinopelvic fixation for adult spinal deformity or degenerative spine conditions. This study has a prospective and retrospective arms, with 128 and 29 patients enrolled, respectively. The study is evaluating the performance of Granite in multiple construct configurations. To date, the failure rate has been extremely low with a single case reported of set screw dissociation. We expect to publish six-month results in late 2025.

Other Published Clinical Studies

To date, several independent clinical studies have provided evidence to support the long-term safety and effectiveness of iFuse for sacroiliac joint fusion. These studies demonstrated pain reduction and/or ODI improvement that is statistically significant and clinically important and a safety file that was similar to that observed in prospective studies. One study showed marked reduction in opioid use after sacroiliac joint fusion compared to similar subjects who underwent non-surgical treatment, and in whom opioid use increased. An analysis of post-market surveillance data on the performance of iFuse Bedrock Granite was recently accepted for publication in the International Journal of Spine Surgery. Results show a low failure rate compared with conventional screws for pelvic fixation.

Coverage and Reimbursement

Coverage and reimbursement for procedures using our implants vary by setting of care, payor type and region. Outside the United States, reimbursement levels vary significantly by country and by region within some countries.

In addition to coverage policies, third-party payors regularly update reimbursement amounts and sometimes revise the methodologies used to determine reimbursement amounts. This includes annual updates to payments to physicians, hospitals and ambulatory surgical centers for procedures requiring our products. To encourage innovation and to allow Medicare beneficiaries early access to new technologies, on October 1, 2022, CMS awarded the iFuse Bedrock Granite implant system a New Technology Add-on Payment (“NTAP”). NTAP provides incremental reimbursement to hospitals supporting eligible, inpatient procedures using iFuse Bedrock Granite technology, up to $9,828 in addition to the typical reimbursement they receive based on Medicare Severity Diagnosis-Related Groups (“MS-DRGs”). NTAP will expire on September 30, 2025. Effective January 1, 2025, hospital outpatient departments and ASCs are also eligible to receive Transitional Pass-Through (“TPT”) payment status for iFuse Bedrock Granite in outpatient settings, which allows the total facility-reported costs of iFuse Bedrock Granite to be “passed through” to the Medicare program, when performed as part of a separately reimbursed lumbar fusion procedure.

Substantially all U.S. payors reimburse for minimally invasive sacroiliac joint fusion when performed using a lateral transfixing device, and a significant number of U.S. payors have issued positive coverage policies exclusive to our patented design of triangular titanium implants for sacroiliac joint fusion because of the clinical evidence. We believe that the coverage and reimbursement for our lateral transfixing procedure under CPT code 27279 is generally adequate given the time and complexity of our procedures.

In addition to Current Procedural Terminology ("CPT") code 27279, which is typically used to code for the iFuse procedure, effective January 1, 2024, the American Medical Association ("AMA") adopted a separate Category 1 CPT code 27278 to describe minimally invasive sacroiliac fusion when performed using an intra-articular implant, placed directly in the joint generally from a posterior approach. This technique, developed more recently, is more commonly used by interventional spine physicians.

Healthcare Professional Training and Education

Since our inception, we have made considerable investments in teaching healthcare professionals to accurately diagnose sacroiliac joint disorders. Our physician training programs are for orthopedic spine surgeons, neurosurgeons, general orthopedic surgeons, interventional spine specialists and orthopedic trauma surgeons. Our medical affairs team works with leading physician and spine surgeons to educate other orthopedic and neurosurgeons on the differential diagnosis of sacroiliac joint disorders and the use of our implants. Our non-surgeon physician training programs focus on interventionalists, who are generally trained as anesthesiologists, interventional radiologists, or physical medicine and rehabilitation specialists. We also work closely with medical specialty societies to raise the awareness of and teach the appropriate diagnosis of sacroiliac joint dysfunction and the associated treatment options.

We conduct many educational programs for the broader medical community including primary care physicians, pain management physicians and other healthcare practitioners that may manage a sacroiliac joint patient non-surgically, such as physical therapists and chiropractors. Our educational programs focus on helping healthcare professionals learn about the sacroiliac joint as a component of lower back pain, proper diagnosis of sacroiliac joint dysfunction, non-surgical treatment options and surgical treatment with our implants. In addition to these general educational programs, we provide continuing education programs focused on sacroiliac joint diagnosis and treatment. We can provide these programs worldwide including in all 50 states and the District of Columbia.

In July 2020, we began using the SI-BONE SImulator; an innovative, fully portable surgery training simulator. The computer-based surgery training simulator provides quality haptics, or the realistic feel during the physician's use of the implants and instruments, and the training is performed without need for an operating room or a fluoroscope. The simulator is used to train physicians to perform sacroiliac joint injections, sacroiliac joint fusions from multiple trajectories, as well as the iFuse Bedrock procedure using iFuse-3D and iFuse TORQ, procedures using iFuse Bedrock Granite, procedures using INTRA and procedures using iFuse TORQ TNT. We currently have 25 simulators used worldwide. We utilize the simulators and our existing programs to train new physicians, increase the knowledge and proficiency of existing iFuse physicians and re-engage inactive physicians.

We are targeting over 12,000 U.S. physicians including over 8,000 orthopedic and neurological surgeons and approximately 4,500 interventional spine physicians, to perform our procedures. As of December 31, 2024 and 2023, in the United States, more than 3,200 physicians and 2,700 physicians, respectively, have been trained on our solutions and have treated at least one patient using our solutions. Outside the United States, as of December 31, 2024 and 2023, more than 1,100 physicians and 900 physicians, respectively, have been trained on iFuse and have treated at least one patient using iFuse.

Sales and Marketing

We market and sell our implants primarily through a direct sales force and third-party sales agents. Our target customer base includes over 12,000 physicians in the U.S. who perform advanced spinal procedures.

Our direct sales organization in the United States covered 16 sales regions as of December 31, 2024. In each region, a number of territory sales managers act as the primary customer contact. Our territory sales managers have extensive training and experience selling medical devices for spinal surgery and pain management procedures, generally focusing on emerging technologies and markets. For large and/or high volume territories, we also employ territory representatives who cover cases and support revenue growth activities. As of December 31, 2024, our U.S. sales force consisted of 87 territory sales managers and 71 clinical specialists directly employed by us, and 252 third-party sales agents. As of December 31, 2024, we had 20 employees working in our European operations across multiple countries. As of December 31, 2024, our international sales force consisted of 9 sales representatives directly employed by us and 31 third-party sales agents, which together had sales in 38 countries through December 31, 2024. We intend to continue to grow our specialized sales force to foster physician engagement and support revenue growth.

We believe it is essential to raise awareness among lower back pain sufferers that their symptoms may be the result of sacroiliac joint disorders and that minimally invasive surgical treatments are available. To raise patient awareness, we have implemented targeted marketing, education and direct outreach programs. We continually update our social media initiatives and post content to educate and engage patients who may be candidates for our procedures.

Research and Development

We remain focused on the development of products and techniques to help physicians improve the treatment of their patients and anticipate continuing to build products and pursue additional indications. Our development team, in consultation with physicians, has a pipeline of products in various stages to provide solutions that respond to the needs of our physician customers and their patients. We plan to seek regulatory clearances for additional indications as required. We anticipate that research and development expenses will continue to increase in the future.

Competition

We believe from market research data that we are an industry leader in solving musculoskeletal disorders of the sacropelvic anatomy with our proprietary minimally invasive surgical implant systems. Over the past several years, other companies have recognized the multi-billion dollar addressable market opportunity and have entered the minimally invasive sacroiliac joint fusion market. Some of our competitors are large, publicly traded companies that have wide product offerings for spine and orthopedic surgery, which allow them to bundle products to win large hospital group contracts. This can create a barrier to entry for us. Another advantage large companies have is integrated surgical navigation and robotics platforms. This allows them to create an ecosystem with their implant systems that can be difficult to penetrate. Other competitors have entered the market with allograft bone implants marketed as human tissue products and intended for sacroiliac stabilization and/or fusion. Many of these competitors are smaller private companies and target interventional pain and other physicians not trained as orthopedic and neurological surgeons.

We believe that our largest competitors currently are Globus Medical, Inc. and Medtronic plc. However, these competitors sell products which we believe lack the features, evidence and advantages of our implants.

Based on our commercial experience and market research, we believe our implants are currently used in the majority of minimally invasive surgical fusions and/or fixation of the sacroiliac joint in the United States. We believe we have the most comprehensive set of solutions which are supported by clinical evidence including randomized controlled studies that demonstrate the safety, clinical effectiveness, durability, and economic utility. We have received exclusive reimbursement coverage in the United States by certain payors based upon our differentiated product and quality of our evidence as well as NTAP and TPT given the breakthrough designation of certain devices. We believe that we have the largest dedicated direct salesforce focused on sacropelvic solutions competing in our segment. We believe these factors provide competitive advantages to us in the market. The following are the primary competitive factors on which companies compete in our industry:

- clinical data;
- product and clinical procedure effectiveness;
- ease of surgical technique and use of associated instruments;

- safety;
- published clinical outcomes and evidence;
- sales force effectiveness;
- product support and service, and customer service;
- comprehensive training, including disease, anatomy, diagnosis and treatment;
- product innovation and the speed of innovation;
- intellectual property;
- accountability and responsiveness to customers' demands;
- scientific (biomechanics) data; and
- pricing and reimbursement.

Intellectual Property

We protect our intellectual property through our pending patent applications and issued patents. As of December 31, 2024, we had been issued 68 issued U.S. patents and had 40 pending U.S. patent applications, and we owned 20 issued foreign patents and had 24 pending foreign patent applications. We have focused the majority of our foreign patent efforts in China, Europe, and Japan. Our current U.S. patents on the design of our first generation iFuse implant, including its triangular shape, expire in December 2025. Our current U.S. patents on iFuse-3D, including the fenestrated design, expire in September 2035. Our current U.S. patents on the triangular cutting tool used to place our implants expire in February 2034, and our current U.S. patents protecting the design of our iFuse Bedrock Granite implants expire in February 2039. Our foreign patents will expire between August 2025 and September 2035.

As of December 31, 2024, we have 22 registered trademarks in the United States and have filed for three more. We have sought protection for at least 14 of these trademarks in 60 countries including the 27 European Union member countries.

We also rely upon trade secrets, know-how and continuing technological innovation, and may rely upon licensing opportunities in the future, to develop and maintain our competitive position. We may seek to protect our proprietary rights through a variety of methods, including confidentiality agreements and proprietary information agreements with suppliers, employees, consultants and others who may have access to proprietary information, under which they are bound to assign to us inventions made during the term of their agreements.

The term of individual patents depends on the legal term for patents in the countries in which they are granted. In most countries, including the United States, the patent term is generally 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country. There can be no assurance that patents will be issued from any of our pending applications or that, if patents are issued, they will be of sufficient scope or strength to provide meaningful protection for our technology. Notwithstanding the scope of the patent protection available to us, a competitor could develop treatment methods or devices that are not covered by our patents but that compete with our proprietary technology and products. Furthermore, numerous U.S. and foreign issued patents and patent applications owned by third parties exist in the fields in which we are developing products. Because patent applications can take many years to issue, there may be applications currently unknown to us, which may later result in issued patents that our existing or future products or proprietary technologies may be alleged and/or found to infringe.

There has been substantial litigation regarding patent and other intellectual property rights in the medical device industry. In the future, we may need to engage in litigation to enforce patents issued or licensed to us, to protect our trade secrets or know-how and brands, to defend against claims of infringement of the rights of others or to determine the scope and validity of the proprietary rights of others. Litigation could be costly and could divert our attention from other functions and responsibilities. Adverse determinations in litigation could reduce the barriers to entry that we have established for iFuse, or subject us to significant liabilities to third parties, require us to seek licenses from third parties or prevent us from manufacturing, selling or using iFuse, any of which could severely harm our business.

Regulation

Domestic Regulation of Our Products and Business

Our research, development and clinical programs, as well as our manufacturing and marketing operations, are subject to extensive regulation in the United States and other countries. Most notably, all of our products sold in the United States are subject to the Federal Food, Drug, and Cosmetic Act ("FDCA") as implemented and enforced by the FDA. The processes for obtaining regulatory approvals in the United States and in foreign countries and jurisdictions, along with subsequent compliance with applicable statutes and regulations and other regulatory authorities, require the expenditure of substantial time and financial resources.

There are numerous FDA regulatory requirements governing the clearance or approval and marketing of our products. These include:

- product listing and establishment registration, which helps facilitate FDA inspections and other regulatory action;
- investigational device exemptions to conduct premarket clinical trials, which include extensive monitoring, recordkeeping, and reporting requirements in compliance with good clinical practices ("GCP") and with institutional review board ("IRB") oversight;
- Quality System Regulation ("QSR") and Quality Management System Regulation ("QMSR"), which requires manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the manufacturing process;
- labeling regulations and FDA prohibitions against the promotion of products for uncleared, unapproved or off-label use or indication;
- clearance of product modifications that could significantly affect safety or effectiveness or that would constitute a major change in intended use of one of our cleared devices;
- approval of product modifications that affect the safety or effectiveness of one of our approved devices;
- medical device reporting regulations, which require that manufacturers comply with FDA requirements to report if their device may have caused or contributed to a death or serious injury, or has malfunctioned in a way that would likely cause or contribute to a death or serious injury if the malfunction of the device or a similar device were to recur;
- post-approval restrictions or conditions, including post-approval study commitments;
- post-market surveillance regulations, which apply when necessary to protect the public health or to provide additional safety and effectiveness data for the device;
- the FDA's recall authority, whereby it can ask, or under certain conditions order, device manufacturers to recall from the market a product that is in violation of governing laws and regulations;
- regulations pertaining to voluntary recalls; and
- notices of corrections or removals.

FDA Premarket Clearance and Approval Requirements

Unless an exemption applies, each medical device we wish to commercially distribute in the United States will require either premarket notification, or 510(k), clearance or approval of a pre-market approval ("PMA") from the FDA. The FDA classifies medical devices into one of three classes. Devices deemed to pose lower risks are placed in either Class I or II, which typically requires the manufacturer to submit to the FDA a premarket notification requesting permission to commercially distribute the device. This process is generally known as 510(k) clearance. Some low risk devices are exempted from this requirement. Devices deemed by the FDA to pose the greatest risks, such as life-sustaining, life-supporting or implantable devices, or devices deemed not substantially equivalent to a previously cleared 510(k) device, are placed in Class III, requiring a PMA.

Class I devices are those for which safety and effectiveness can be assured by adherence to FDA's "general controls" for medical devices, which include compliance with the applicable portions of the FDA's QSR facility registration and product listing, reporting of adverse medical events, and appropriate, truthful and non-misleading labeling, advertising, and promotional materials. Some Class I devices also require premarket clearance by the FDA through the 510(k) premarket notification process described below.

Class II devices are subject to FDA's general controls, and any other "special controls" deemed necessary by FDA to ensure the safety and effectiveness of the device, such as performance standards, product-specific guidance documents, special labeling requirements, patient registries or post-market surveillance. Premarket review and clearance by the FDA for Class II devices is accomplished through the 510(k) premarket notification procedure, though certain Class II devices are exempt from this premarket review process. When a 510(k) is required, the manufacturer must submit to the FDA a premarket notification submission demonstrating that the device is "substantially equivalent" to a legally marketed device, which in some cases may require submission of clinical data. Unless a specific exemption applies, 510(k) premarket notification submissions are subject to user fees. If the FDA determines that the device, or its intended use, is not substantially equivalent to a legally marketed device, the FDA may place the device, or the particular use of the device, into Class III, and the device sponsor must then fulfill much more rigorous premarketing requirements.

Class III devices, consisting of devices deemed by the FDA to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices, or devices deemed not substantially equivalent to a predicate device. The safety and effectiveness of Class III devices cannot be assured solely by general or special controls. Submission and FDA approval of a PMA application is required before marketing of a Class III device can proceed.

510(k) Clearance

To obtain 510(k) clearance for a medical device, an applicant must submit to the FDA a premarket notification submission demonstrating that the proposed device is "substantially equivalent" to a legally marketed device, known as a "predicate device." A legally marketed predicate device may include a device that was legally marketed prior to May 28, 1976 for which a PMA is not required (known as a "pre-amendments device" based on the date of enactment of the Medical Device Amendments of 1976), a device that has been reclassified from Class III to Class II or Class I, or a device that was found substantially equivalent through the 510(k) process. A device is substantially equivalent if, with respect to the predicate device, it has the same intended use and has either (i) the same technological characteristics, or (ii) different technological characteristics, but the information provided in the 510(k) submission demonstrates that the device does not raise new questions of safety and effectiveness and is at least as safe and effective as the predicate device. A showing of substantial equivalence sometimes, but not always, requires clinical data.

After a device receives 510(k) marketing clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change or modification in its intended use, will require a new 510(k) marketing clearance or, if the modification changes the classification of the product to Class III, PMA approval. The determination as to whether or not a modification could significantly affect the device's safety or effectiveness is initially left to the manufacturer using available FDA guidance. Many minor modifications today are accomplished by a "letter to file" in which the manufacturer documents the rationale for the change and why a new 510(k) is not required. However, the FDA may review such letters to file to evaluate the regulatory status of the modified product at any time and may require the manufacturer to cease marketing and recall the modified device until 510(k) clearance is obtained. The manufacturer may also be subject to significant regulatory fines or penalties.

Regulation of Human Cell and Tissue Based Products

Our iFuse INTRA products are derived from human tissue (demineralized bone tissue). The FDA has specific regulations governing human cells, tissues, and cellular and tissue-based products ("HCT/Ps"). HCT/Ps regulated by the FDA under the authority of section 361 of the Public Health Service Act must be not more than minimally manipulated and be for homologous use. They are subject to requirements relating to registering facilities and listing products with the FDA, screening and testing for tissue donor eligibility, Good Tissue Practice when processing, storing, labeling and distributing HCT/Ps, including required labeling information, stringent record keeping and adverse event reporting. Our bone tissue products are regulated as 361 HCT/Ps.

The American Association of Tissue Banks ("AATB") has issued operating standards for tissue banking. Accreditation is voluntary, but compliance with these standards is a requirement to become an AATB-accredited tissue establishment. In addition, some states have their own tissue banking regulations. As of December 31, 2024, we are licensed or have permits for tissue banking in California and Maryland.

Procurement of certain human organs and tissue for transplantation is subject to the restrictions of the National Organ Transplant Act ("NOTA"), which prohibits the transfer of certain human organs, including bone tissue for valuable consideration, but

permits reasonable payments associated with removal, transportation, implantation, processing, preservation, quality control and storage.

Pervasive and Continuing Regulation

After a device is placed on the market, numerous regulatory requirements continue to apply.

We have registered our facility with the FDA as a medical device manufacturer. The FDA has broad post-market and regulatory enforcement powers. We are subject to announced and unannounced inspections by the FDA to determine our compliance with the QSR and other regulations, and these inspections may include the manufacturing facilities of some of our subcontractors. Failure by us or by our suppliers to comply with applicable regulatory requirements can result in enforcement action by the FDA or other regulatory authorities, which may result in sanctions including, but not limited to:

- untitled letters, warning letters, fines, injunctions, consent decrees, and civil penalties;
- unanticipated expenditures to address or defend such actions;
- customer notifications for repair, replacement, refunds;
- recall, detention or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying our requests for 510(k) clearance or PMA approval of new products or modified products;
- operating restrictions;
- withdrawing 510(k) clearances or PMA approvals that have already been granted;
- refusal to grant export approval for our products; or
- criminal prosecution.

Promotional Materials - "Off-Label" Promotion

Advertising and promotion of medical devices, in addition to being regulated by the FDA, are also regulated by the Federal Trade Commission and by state regulatory and enforcement authorities. If the FDA determines that our promotional materials or training constitutes promotion of an unapproved use, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance of an untitled letter, a warning letter, injunction, seizure, civil fine, or criminal penalties. It is also possible that other federal, state, or foreign enforcement authorities might take action if they consider our promotional or training materials to constitute promotion of an unapproved use, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement. In that event, we could be subject to additional significant penalties, such as exclusion from participation in federal healthcare programs, and our reputation could be damaged and adoption of the products would be impaired.

In addition, under the federal Lanham Act and similar state laws, competitors, and others can initiate litigation relating to advertising claims.

International Regulation of Our Products

Our research, development and clinical programs, as well as our manufacturing and marketing operations, are subject to extensive regulation in countries outside of the US.

In the European Economic Area ("EEA") (comprised of the 27 EU Member States, plus Iceland, Lichtenstein and Norway), Regulation ("EU") 2017/745 on Medical Devices, or the Medical Device Regulation ("MDR") and its associated guidance documents and harmonized standards govern many aspects of the regulation of medical devices. This includes device design and development, preclinical and clinical or performance testing, premarket conformity assessment, registration and listing, manufacturing, labeling, storage, claims, sales and distribution, export and import and post-market surveillance, vigilance, and market surveillance.

Medical devices must comply with the General Safety and Performance Requirements ("GSPRs"), set out in Annex I to the Medical Device Regulation. Compliance with these requirements is a prerequisite to affixing the CE mark to devices, without which they cannot be marketed or sold in the EEA. To demonstrate compliance with the GSPRs provided in the Medical Device Regulation and obtain the right to affix the CE mark, medical devices manufacturers must conduct a conformity assessment procedure, which

varies according to the type of medical device and its classification. Apart from low-risk medical devices (Class I with no measuring function and which are not sterile), in relation to which the manufacturer may issue an EU Declaration of Conformity based on a self-assessment of the conformity of its products with the GSPRs, a conformity assessment procedure requires review by a Notified Body. A Notified Body is an organization designated by a Competent Authority of an EEA country to conduct conformity assessments. Depending on the relevant conformity assessment procedure, the Notified Body audits and examines the technical documentation and the quality system for the manufacture, design and final inspection of the medical device. Following a successful assessment process, the Notified Body issues a CE Certificate of Conformity. This Certificate and completion of the related conformity assessment process entitles the manufacturer to affix the CE mark to its medical devices after having prepared and signed a related EU Declaration of Conformity.

As a general rule, demonstration of conformity of medical devices and their manufacturers with the GSPRs must include the evaluation of clinical data supporting the safety and performance of the products during normal conditions of use. Specifically, a manufacturer must demonstrate that the device achieves its intended performance during normal conditions of use and that the known and foreseeable risks, and any adverse events, are minimized and acceptable when weighed against the benefits of its intended performance, and that any claims made about the performance and safety of the device (e.g., product labeling and instructions for use) are supported by suitable evidence. This assessment must be based on clinical data, which can be obtained from (1) clinical investigations conducted on the devices being assessed, (2) scientific literature from similar devices whose equivalence with the assessed device can be demonstrated or (3) both clinical investigations and scientific literature. Moreover, after a device is placed on the market, it remains subject to significant regulatory requirements that must commonly be fulfilled by the manufacturer or on their behalf.

The Medical Device Regulation includes a number of transitional provisions. Manufacturers of medical devices may only benefit from the transitional provisions if certain conditions are fulfilled.

The advertising and promotion of medical devices in the EEA is subject to the national laws of the individual EEA countries. Directive 2006/114/EC concerning misleading and comparative advertising, and Directive 2005/29/EC on unfair commercial practices, as well as other national legislation of individual EEA countries govern the advertisement and promotion of medical devices. The national legislation of individual EEA countries may also restrict or impose limitations on our ability to advertise our products directly to the general public. In addition, voluntary EU and national industry Codes of Conduct provide guidelines on the advertising and promotion of our products to the general public and may impose limitations on our promotional activities with healthcare professionals.

Moreover, outside the United States, interactions between medical device companies and healthcare professionals are also governed by strict laws, such as national anti-bribery laws of EEA countries, national sunshine rules, regulations, industry self-regulation codes of conduct and physicians' codes of professional conduct.

In Great Britain (i.e. England, Wales, and Scotland), medical devices are governed by the Medical Device Regulations ("UK MDR") 2002, as amended. In light of the fact that the CE Marking process discussed above is set out in EU law, which no longer applies in the United Kingdom (other than in Northern Ireland), the United Kingdom has devised a new route to market culminating in a UK Conformity Assessed ("UKCA") Mark to replace the CE Mark. The UK Government has established transitional provisions to recognize the acceptance of CE marked medical devices on the Great Britain market.

Regulatory Status

In November 2008, we received 510(k) clearance to market our first generation iFuse implant from the FDA. Since 2008, we have received additional FDA 510(k) clearances for new instruments, additional implant sizes and labeling changes. In the United States, our first-generation iFuse implants and our iFuse-3D implants are intended for sacroiliac fusion for the following conditions: sacroiliac joint dysfunction that is a direct result of sacroiliac joint disruptions and degenerative sacroiliitis, which includes conditions where symptoms began during pregnancy or in the peripartum period and have persisted postpartum for more than six months; to

augment immobilization and stabilization of the sacroiliac joint in skeletally mature patients undergoing sacropelvic fixation as part of a lumbar or thoracolumbar fusion; and acute, non-acute, and non-traumatic fractures involving the sacroiliac joint.

In February 2021, we received 510(k) clearance to market our iFuse TORQ from the FDA.

In June 2022, we received an additional 510(k) clearance from the FDA to extend the use of iFuse TORQ to include fragility fractures. This clearance opens a new population that can benefit from sacroiliac joint fusion and fracture fixation using iFuse TORQ.

In September 2022, we received 510(k) clearance from the FDA for use of iFuse TORQ using the Bedrock technique. This clearance allows us to promote the use of a threaded implant (iFuse TORQ) in a trajectory that is familiar to surgeons through a previous clearance for the same use for iFuse-3D. In the United States, the iFuse TORQ Implant System is indicated for sacroiliac joint fusion for:

- Sacroiliac joint dysfunction including sacroiliac joint disruption and degenerative sacroiliitis.
- Augmenting immobilization and stabilization of the sacroiliac joint in skeletally mature patients undergoing sacropelvic fixation as part of a lumbar or thoracolumbar fusion.

The iFuse TORQ Implant System is also indicated for fracture fixation of the pelvis, including acute, non-acute and non-traumatic fractures.

In May 2022, we received 510(k) clearance from the FDA for iFuse Bedrock Granite. This implant combines benefits of a pelvic fixation screw with attachment to posterior rods of pedicle screw systems and simultaneous fusion of the sacroiliac joint related to the device's porous surface. This device previously received breakthrough device designation from the FDA in November 2021. The combination of breakthrough designation and FDA clearance allowed us to obtain an NTAP from Centers for Medicare & Medicaid Service ("CMS"). NTAP provides an additional payment to hospitals for eligible cases that use iFuse Bedrock Granite.

In June 2023, we received 510(k) clearance from the FDA for iFuse TORQ placement in the posterolateral or lateral oblique trajectory. The most recent FDA 510(k) premarket clearance was received in January 2024 for the iFuse Bedrock Granite® Implant System in a smaller (9.5 mm) diameter with both an expanded indication in pediatric patients, and an expanded application that includes use in the S1 trajectory.

In August 2024, we received 510(k) clearance from the FDA for the iFuse TORQ TNT™ Implant System. The TNT implant system is designed to meet the specific anatomical and bone mineral density needs of the sacrum and ilium and will serve as the next generation technology for pelvic fragility fracture fixation and sacroiliac joint fusion. This implant includes a porous threaded implant with lengths capable of spanning the posterior pelvis, passing through the ipsilateral ilium, sacrum, and into the contralateral ilium. This implant received breakthrough device designation from the FDA.

In the future, we plan to pursue additional 510(k) clearances for new products and changes to the current indication for iFuse.

In November 2010, we obtained a CE Certificate of Conformity from our Notified Body (DEKRA) and affixed a CE mark to our iFuse Implant System in accordance with the Medical Device Directive ("MDD") to allow commercialization of our triangular iFuse implants in the EEA. In the EEA and Switzerland, iFuse is intended for sacroiliac joint fusion, including use in high and low energy fractures of the pelvic ring. Since 2010, we have renewed our Certificates, added additional instruments, implant sizes and labeling updates and iFuse-3D, our second generation iFuse implant, to our product offerings in the EEA. We plan to continue to work with our Notified Body to update our Technical Files and incorporate updates to our products in the EEA in accordance with applicable legislative requirements.

In 2021, a UK Responsible Person was appointed and we registered the iFuse Implant System with the Medicines and Healthcare products regulatory agency. We rely on our CE marks to continue to place our devices on the market in Great Britain until the requirement to obtain a UKCA mark applies to our devices.

As of May 26, 2021, the European Union no longer applies the Mutual Recognition Agreement between the EEA and Switzerland. However, Switzerland continues to recognize marked medical devices CE marked in accordance with the relevant EU legislation. As a result, we rely on our CE mark to continue to place our devices on the market in Switzerland. Manufacturers based outside of Switzerland are required to appoint a Swiss authorized representative in compliance with the Swiss Medical Device Ordinance. As a consequence, we have appointed an authorized representative in Switzerland and continue to work to meet Swiss requirements for the import of medical devices.

In 2022, we began the effort of obtaining approval for iFuse and iFuse-3D under EU MDR. As of December 2023, our quality system received MDR approval under ISO 13485:2016. Additionally, EU MDR Certificates of Conformity were issued by DEKRA

for iFuse and iFuse 3D surgical instruments. We are awaiting issuance of our MDR Certificates of Conformity for iFuse-3D implants and iFuse TORQ instruments and implants.

We maintain approval for iFuse in regions beyond the United States and the EEA, including Australia, New Zealand, and Israel.

Environmental Regulations

We outsource substantially all the manufacturing of our products, therefore we have not incurred significant expenses relating to our compliance with federal, state, or local environmental laws and do not expect to incur significant expenses in the foreseeable future. However, due to the nature of our operations and the frequently changing nature of environmental compliance standards and technology, we cannot predict with any certainty that future material capital or operating expenditures will not be required in order to comply with applicable environmental laws and regulations.

Healthcare Fraud and Abuse

Federal and state governmental agencies and equivalent foreign authorities subject the healthcare industry to intense regulatory scrutiny, including heightened civil and criminal enforcement efforts. These laws constrain the sales, marketing and other promotional activities of medical device manufacturers by limiting the kinds of financial arrangements we may have with hospitals, physicians and other potential purchasers and prescribers of our products. Federal healthcare fraud and abuse laws apply to our business when a customer submits a claim for an item or service that is reimbursable under Medicare, Medicaid, or other federally funded healthcare programs. The laws that may affect our ability to operate include:

- the federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, lease, order, arrangement for, or recommendation of, items or services for which payment may be made, in whole or in part, under federal healthcare programs, such as the Medicare and Medicaid programs. The term "remuneration" has been broadly interpreted to include anything of value, and the government can establish a violation of the Anti-Kickback Statute without proving that a person or entity had actual knowledge of, or a specific intent to violate, the law;

- the federal civil False Claims Act, which prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, false or fraudulent claims for payment of government funds; knowingly making, using, or causing to be made or used, a false record or statement to get a false claim paid or to avoid, decrease, or conceal an obligation to pay money to the federal government. A claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act. Actions under the False Claims Act may be brought by the government or as a *qui tam* action by a private individual in the name of the government and to share in any monetary recovery. There are also criminal penalties for making or presenting a false or fictitious or fraudulent claim to the federal government;

- the federal Health Insurance Portability and Accountability Act of 1996, which imposes criminal and civil liability for, among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program including private third-party payors, or knowingly and willfully falsifying, concealing, or covering up a material fact or making a materially false, fictitious, or fraudulent statement or representation, or making or using any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items, or services;

- the federal Physician Payment Sunshine Act, implemented by the Centers for CMS as the Open Payments program, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program to report annually to the CMS, information related to payments and other "transfers of value" made to physicians (currently defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other healthcare professionals (including physician assistants and nurse practitioners), and teaching hospitals,

and requires applicable manufacturers to report annually to CMS ownership and investment interests held by physicians and their immediate family members and payments or other "transfers of value" to such physician owners;

- analogous state and foreign law equivalents of each of the above federal laws, such as anti-kickback and false claims laws, which may apply to items or services reimbursed by any third-party payor, including commercial insurers and patients; state and foreign laws that require device companies to comply with the industry's voluntary compliance guidelines and the applicable compliance guidance promulgated by the government or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state and foreign beneficiary inducement laws, and state and foreign laws that require device manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

If we or our employees are found to have violated any of the above laws we may be subject to significant administrative, civil and criminal penalties, including imprisonment, exclusion from participation in federal health care programs, such as Medicare and Medicaid, and equivalents foreign penalties, significant fines, monetary penalties and damages, the restructuring or curtailment of our operations, imposition of compliance obligations and monitoring, and damage to our reputation. For a more detailed description of the federal and state health care fraud and abuse laws, see the risk factor "We and our sales representatives must comply with U.S. federal and state fraud and abuse laws, including those relating to healthcare provider kickbacks and false claims for reimbursement, and other applicable federal and state healthcare laws, as well as equivalent foreign laws, and failure to comply could negatively affect our business" in the Risks Related to Our Legal and Regulatory Environment section of Item 1A of this Annual Report on Form 10-K.

The U.S. Foreign Corrupt Practices Act ("FCPA") and similar anti-bribery laws in other countries, such as the United Kingdom Bribery Act ("UKBA"), generally prohibit companies and their intermediaries from making improper payments to government officials and/or other persons for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti-bribery laws.

Both the federal and state governments in the United States and foreign governments continue to propose and pass new legislation and regulations designed to contain or reduce the cost of healthcare. Such legislation and regulations may result in decreased reimbursement for medical devices, which may further exacerbate industry-wide pressure to reduce the prices charged for medical devices.

Data Privacy and Security Laws

In the ordinary course of our business, we process personal or sensitive data. Accordingly, we are, or may become, subject to numerous data privacy and security obligations, including federal, state, local, and foreign laws, regulations, guidance, and industry standards related to data privacy and security. Such obligations may include, without limitation, the Federal Trade Commission Act, the European Union's General Data Protection Regulation 2016/679 ("EU GDPR"), the EU GDPR as it forms part of United Kingdom ("UK") law by virtue of section 3 of the European Union (Withdrawal) Act 2018 ("UK GDPR"), and the ePrivacy Directive. Several states within the United States have enacted or proposed data privacy laws. For example, California passed the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 ("CPRA") (collectively, "CCPA"). Virginia passed the Consumer Data Protection Act, and Colorado passed the Colorado Privacy Act. Additionally, we are, or may become, subject to various U.S. federal and state consumer protection laws which require us to publish statements that accurately and fairly describe how we handle personal data and choices individuals may have about the way we handle their personal data.

The CCPA and EU GDPR are examples of the increasingly stringent and evolving regulatory frameworks related to personal data processing that may increase our compliance obligations and exposure for any noncompliance. For example, the CCPA imposes obligations on covered businesses to provide specific disclosures related to a business's collecting, using, and disclosing personal data and to respond to certain requests from California residents related to their personal data (for example, requests to know of the business's personal data processing activities, to delete the individual's personal data, and to opt out of certain personal data disclosures). Also, the CCPA provides for civil penalties and a private right of action for data breaches which may include an award of statutory damages. In addition, the CPRA expanded the CCPA by giving California residents the ability to limit use of certain sensitive personal data, establishing restrictions on personal data retention, expanding the types of data breaches that are subject to the CCPA's private right of action, and establishing a new California Privacy Protection Agency to implement and enforce the new law. Foreign data privacy and security laws (including but not limited to the EU GDPR and UK GDPR) impose significant and complex compliance obligations on entities that are subject to those laws. As one example, the EU GDPR applies to any company established in the EEA and to companies established outside the EEA that process personal data in connection with the offering of goods or services to data subjects in the EEA or the monitoring of the behavior of data subjects in the EEA. These obligations may include limiting personal data processing to only what is necessary for specified, explicit, and legitimate purposes; requiring a legal basis for personal data processing; requiring the appointment of a data protection officer in certain circumstances; increasing transparency

obligations to data subjects; requiring data protection impact assessments in certain circumstances; limiting the collection and retention of personal data; increasing rights for data subjects; formalizing a heightened and codified standard of data subject consents; requiring the implementation and maintenance of technical and organizational safeguards for personal data; mandating notice of certain personal data breaches to the relevant supervisory authority(ies) and affected individuals; and mandating the appointment of representatives in the UK and/or the EU in certain circumstances.

We are also subject to various federal, state and foreign laws that protect the confidentiality of certain patient health information, including patient medical records, and restrict the use and disclosure of patient health information by healthcare providers, such as the Health Insurance Portability and Accountability Act, and its implementing regulations, as amended by Health Information Technology for Economic and Clinical Health Act enacted under the American Recovery and Reinvestment Act 2009 (collectively, "HIPAA"), in the United States.

HIPAA imposes obligations on "covered entities," including certain healthcare providers, health plans, and healthcare clearinghouses, and their respective "business associates" that create, receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity as well as their covered subcontractors, with respect to safeguarding the privacy, security and transmission of individually identifiable health information. HIPAA also requires the notification of patients, reporting to the U.S. Department of Health and Human Services ("HHS"), and other compliance actions, in the event of a breach of unsecured Protected Health Information ("PHI"). Required notification must be provided without unreasonable delay and in no event later than 60 calendar days after discovery of the breach, under HIPAA. In addition, if the PHI of 500 or more individuals is improperly used or disclosed, HHS would post the notification on its website, and we may be required to notify the media. Failure to comply with the HIPAA privacy and security standards can result in significant civil monetary penalties, and, in certain circumstances, criminal penalties, including imprisonment.

In addition, even when HIPAA does not apply other federal and state laws impose security obligations. For example, according to the Federal Trade Commission ("FTC"), failing to take appropriate steps to keep consumers' personal information secure constitutes unfair acts or practices in or affecting commerce in violation of Section 5(a) of the FTCA, 15 U.S.C § 45(a). The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities.

See the section titled "Risk Factors – Risks Related to Our Business and Our Industry" for additional information about the laws and regulations to which we may become subject and about the risks to our business associated with such laws and regulation.

Manufacturing and Supply

We use third-party manufacturers to produce our implants and instruments. To mitigate supply risk, we use a rolling twelve month forecast and take into consideration production lead times to maintain adequate levels of inventory for our iFuse-3D, iFuse TORQ and iFuse Bedrock Granite implants. Most of our instruments have secondary manufacturing suppliers and we continually work with additional manufacturers as our secondary suppliers. Substantially all of our products, including all of our implants, are manufactured in the United States.

Our only supplier for our iFuse-3D and iFuse TORQ and iFuse TORQ TNT implants is rms Company ("RMS"). We entered into an exclusive Manufacture and Supply Agreement with RMS in February 2024 (the "Manufacture and Supply Agreement") which supersedes and replaces our prior Manufacturing, Quality and Supply Agreement with RMS. Pursuant to the Manufacture and Supply Agreement, RMS manufactures certain of our implants in accordance with our specifications. The agreement provides us with the right to quality alternative sources from whom we may purchase products in the event of a supply failure by RMS. The prices we pay for products are fixed under the agreement through 2026. The agreement has a three-year initial term and automatically renews for successive one-year periods; provided, however, the agreement may be terminated early by either party, as specified in the agreement.

Our iFuse Bedrock Granite implant is manufactured and assembled by third-party suppliers, including RMS.

We believe that our manufacturing operations, and those of our suppliers, comply with regulations mandated by the FDA and the EU. Manufacturing facilities that produce medical devices or component parts intended for distribution world-wide are subject to regulation and periodic planned and unannounced inspection by the FDA and other domestic and foreign regulatory authorities as well as Notified Bodies.

In the United States, products we sell are required to be manufactured in compliance with the FDA's Quality System Regulation, codified at 21 CFR Part 820, which covers the methods used in, and the facilities used for, the design, testing, control, manufacturing, labeling, quality assurance, packaging, storage, and shipping. In international markets, we are required to comply with similar requirements. Our status in FDA’s Establishment Registration and Device Listing is active and we also maintain the Medical Device Manufacturing License issued by the State of California’s Department of Public Health Food and Drug Branch. In the EEA, we are required to comply with Quality Management System ("QMS") requirements established in EU medical device legislation. To demonstrate compliance with these requirements, we obtain and maintain ISO13485:2016 Quality Management System certification for our locations in Santa Clara, California, and Gallarate Italy, issued by DEKRA Certification, B.V.

We obtain and maintain appropriate CE Certificates of Conformity delivered by our Notified Body, DEKRA, for any medical devices we placed on the EU market in accordance with applicable EU medical device legislation.

We are required to demonstrate continuing compliance with applicable requirements to maintain these certifications and CE Certificates of Conformity and will continue to be periodically inspected by international regulatory authorities for certification purposes. Further, we and certain of our suppliers are required to comply with all applicable regulations and current good manufacturing practices. As set forth above, these FDA and EU regulatory requirements cover, among other things, the methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, sterilization, storage, and shipping of our products. Compliance with applicable regulatory requirements is subject to continual review and is monitored rigorously through periodic inspections. If we or our manufacturers fail to adhere to current good manufacturing practice requirements, this could delay production of our products and lead to fines, difficulties in obtaining or renewing regulatory approvals or CE Certificates of Conformity, recalls, enforcement actions, including injunctive relief or consent decrees, or other consequences, which could, in turn, have a material adverse effect on our financial condition or results of operations.

Product Liability and Insurance

The manufacture and sale of our products subjects us to the risk of financial exposure to product liability claims. Our products are used in situations in which there is a risk of serious injury or death. We carry insurance policies which we believe to be customary for similar companies in our industry. We cannot assure you that these policies will be sufficient to cover all or substantially all losses that we experience.

We endeavor to maintain executive and organization liability insurance in a form and with aggregate coverage limits that we believe are adequate for our business purposes, but our coverage limits may prove not to be adequate in some circumstances.

Human Capital Resources

Our ability to recruit, develop and retain highly skilled talent is a significant determinant of our success. To attract, retain, and develop our talent, we seek to create a diverse and inclusive workplace with opportunities for our employees to thrive and advance in their careers. We support this with market-competitive compensation, comprehensive benefits, and health and well-being programs.

In addition to ensuring equitable compensation for our employees, we maintain a strong focus on enhancing employee retention and job satisfaction and promoting workforce diversity. To achieve this, we have established a feedback mechanism to continually monitor and respond to employee sentiment. Using this feedback, we deploy strategies that enhance the skills of our people managers and improve internal communications with employees. Furthermore, we provide ongoing learning and leadership training opportunities to support professional growth.

We seek to create a transparent and open culture that promotes lawful and ethical conduct. As part of our new hire orientation curriculum, each new employee undergoes training on our code of conduct, corporate compliance polices and the legal, regulatory and industry code frameworks governing our business as a manufacturer and distributor of medical devices. Based on their role, employees also participate in periodic refresher trainings and trainings around particular topics of current importance related to legal compliance. We have established clear expectations of our employees and take corrective action if a compliance issue arises. We have a standing Compliance Committee in which our most senior executives participate in quarterly meetings, and we report annually to our Board of Directors on risk management and legal compliance. We also report quarterly to our Nominating and Corporate Governance Committee on compliance, including a dashboard presentation. We view our employees as our most important partners in creating a culture of compliance, led by our senior leadership team but in which each employee is also an accountable participant.

As of December 31, 2024, we had 349 employees, including sales and marketing, product development, general administrative and accounting, both domestically and internationally. As of December 31, 2024, we had a direct field sales organization of 158 in the United States and nine in Europe. During 2024, our voluntary attrition rate was approximately 8%.

Company History

SI-BONE was founded in 2008 by the principal inventor of the iFuse triangle, orthopedist Mark A. Reiley, M.D., our current Chairman of the Board, Jeffrey W. Dunn, and orthopedic surgeon Leonard Rudolf, M.D.

Corporate Information

We were incorporated in March 2008 in Delaware. Our principal executive offices are located at 471 El Camino Real, Suite 101, Santa Clara, California 95050 and our telephone number is (408) 207-0700. Our website address is www.si-bone.com. We completed our initial public offering in October 2018, and our common stock is listed on the Nasdaq Global Market under the symbol “SIBN.”

Our Annual Report on Form 10-K, Quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available free of charge on our website. The information contained on or that can be accessed through our website is not incorporated by reference into this report, and you should not consider information on our website to be part of this report.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. Investors should carefully consider the risks described below, as well as the other information in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes and the section "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding whether to invest in our common stock. The occurrence of any of the events or developments described below could materially and adversely affect our business, financial condition, results of operations, and growth prospects. In such an event, the market price of our common stock could decline, and our stockholders may lose all or part of their investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

Risks Related to Our Business and Our Industry

We have incurred significant operating losses since inception, we may continue to incur operating losses in the future, and we may not be able to achieve or sustain future profitability.

We have incurred net losses since our inception in 2008. For the years ended December 31, 2024, 2023, and 2022 we had net losses of $30.9 million, $43.3 million, and $61.3 million, respectively. As of December 31, 2024, we had an accumulated deficit of $431.4 million. We have financed our operations primarily through the net proceeds of our public offerings of our common stock, private placements of equity securities, certain debt-related financing arrangements, and from sales of our products. We have devoted substantially all of our resources to research and development of our products, sales and marketing activities, investments in training and educating surgeons and other healthcare providers, and clinical and regulatory matters for our products. There can be no assurances that we will be able to generate sufficient revenue from our existing products or from any of our product candidates in development, and to transition to profitability and generate consistent positive cash flows. We expect that our operating expenses will continue to increase as we continue to develop, enhance, and commercialize our existing and new products and grow our commercial infrastructure. As a result, we may continue to incur operating losses for some time and may never achieve profitability. Furthermore, even if we do achieve profitability, we may not be able to sustain or increase profitability on an ongoing basis. If we do not achieve profitability, it will be more difficult for us to finance our business and accomplish our strategic objectives.

Our expected future capital requirements depend on many factors including expanding our physician base, the expansion of our sales force including through hybrid sales agencies, investment in implants and instruments, the timing and extent of spending on the development of our technology to increase our product offerings, and potential investment in additional product and service offerings through the acquisition of other businesses. We may need additional funding for our operations, but additional funds may not be available to us on acceptable terms on a timely basis, if at all. We may seek funds through borrowings or through additional rounds of financing, including private or public equity or debt offerings. If we raise additional funds by issuing equity securities, our stockholders may experience dilution. Any future debt financing into which we enter may impose upon us additional covenants that restrict our operations, including limitations on our ability to incur liens or additional debt, pay dividends, repurchase our common stock, make certain investments, and engage in certain merger, consolidation or asset sale transactions. Any future debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders. Furthermore, we cannot be certain that additional funding will be available on acceptable terms, if at all. The capital markets have deteriorated substantially since the beginning of 2022, especially with respect to securities issued by small- and mid-cap companies in the medical device sector. Equity and debt capital have become substantially more expensive and difficult to raise on attractive terms. If we are unable to raise additional capital or generate sufficient cash from operations to adequately fund our operations, we will need to curtail planned activities to reduce costs, which will likely harm our ability to execute on our business plan and continue operations.

We may not be able to convince physicians that our products are attractive alternatives to our competitors' products and that our procedures are attractive alternatives to existing surgical and non-surgical treatments for their respective indications.

Physicians, in consultation with their patients, play the primary role in determining the course of treatment and, ultimately, any product that will be used in treatment. For us to sell our products successfully, we must demonstrate to physicians through education and training that treatment with one or more of our iFuse family of implants is beneficial, safe, and cost-effective for patients as compared to our competitors' products. If we are not successful in demonstrating the merits of our products to physicians, their use of our products may decline, adversely affecting our revenues and profitability.

Historically, many physicians did not include an evaluation of the sacroiliac joint in their diagnostic work-up because they did not have an adequate surgical procedure to perform for patients diagnosed with sacroiliac joint dysfunction. We believe that educating physicians and other healthcare professionals about the clinical merits and patient benefits of our iFuse family of implants is an important element of building our business. If we fail to effectively educate physicians and other medical professionals, they may not

include a sacroiliac joint evaluation as part of their diagnosis and, as a result, those patients may continue to receive unnecessary surgical procedures or only non-surgical treatment.

Physicians may also hesitate to change their medical treatment practices for other reasons, including the following:

- lack of experience with similar procedures;
- perceived liability risks generally associated with the use of our products and procedures;
- costs associated with the purchase of our products; and
- time commitment that may be required for training.

Furthermore, we believe physicians will not widely use our products unless they determine, based on experience, clinical data, and published peer-reviewed publications, that our products offer an attractive alternative to non-surgical treatments of sacroiliac joint dysfunction. In addition, we believe support for our products relies heavily on long-term data showing their benefits. If we are unable to provide that data, physicians may not use our products. In such circumstances, we may not achieve expected sales and may be unable to achieve profitability.

We believe that training is particularly important in instances of newly launched products or the introduction of a product into a new market. If physicians are not properly trained, they may misuse our products, which may result in unsatisfactory patient outcomes, patient injury, negative publicity, or lawsuits against us. In addition, a failure to educate the medical community regarding our products may impair our ability to achieve market acceptance of our products.

Patients with sacroiliac joint dysfunction are cared for by a variety of health care providers, including spine surgeons and pain physicians and other interventionalist spine physicians, who are generally trained as anesthesiologists, interventional radiologists, or physical medicine and rehabilitation specialists. These interventionalists often offer a variety of non-surgical and surgical interventions to sacroiliac joint dysfunction patients, including, but not limited to, steroid injections, radiofrequency ablation of the nerves serving the sacroiliac joint, and implantation of neurostimulation devices, stabilization and fusion implants and other products intended to treat the sacroiliac joint or the pain it can cause. Our professional education program seeks to teach these physicians, and other health care providers, about the benefits of our iFuse products, with the intent of either having them adopt and perform our procedures or refer their patients with sacroiliac joint dysfunction to physicians who have been trained to perform our procedures. Providers who have not been educated on or adopted our procedures may prefer to continue to treat these patients with other interventions they offer because of physician preference or their view that these interventions are superior.

The AMA CPT Editorial Panel introduced a new permanent Category 1 CPT Code, 27278, to describe minimally invasive sacroiliac fusion achieved with placement of an intra-articular implant without the use of a transfixing device. While we offer products that can be used in procedures described by both CPT Codes 27278 and 27279, historically our primary focus has been on products used in procedures described by CPT Code 27279. If more physicians elect to offer, or more patients elect to undergo, procedures described by CPT Code 27278, or if we are unable to demonstrate to physicians the comparative benefits of our products that are intended for use in CPT Code 27278 procedures, sales of our iFuse implants could decline or fail to grow, which could adversely affect our business, results of operations and financial condition.

If hospitals, physicians, and other healthcare providers are unable to obtain and maintain adequate or any coverage and reimbursement from third-party payors for procedures performed using our products, further adoption of our products may be delayed, and it is unlikely that they will gain further acceptance, and the prices paid for our implants may decline.

Maintaining and growing sales of our products depends on the availability of adequate coverage and reimbursement from third-party payors, including government programs such as Medicare and Medicaid, private insurance plans, and managed care programs. Hospitals, physicians, and other healthcare providers that purchase or use medical devices generally rely on third-party payors to pay for all or part of the costs and fees associated with the procedures performed with these devices. When a procedure using our implants is performed, the reimbursement process depends on the site of service. For procedures performed in a hospital or ambulatory surgical center, both the physicians and the healthcare facility submit claims for reimbursement to the healthcare payor. When the procedure is performed in an office-based lab, a single claim covers both physician services and facility costs.

The AMA develops and maintains CPT codes that are used by third-party payors to determine the amount of reimbursement that a healthcare provider and facility will receive for a particular service. As of January 1, 2025, the Medicare physician fee reimbursement for minimally invasive fusion with our laterally placed transfixing iFuse implants, described as CPT Code 27279, is $790. As of January 1, 2025, Medicare physician fee for procedures using intra-articular, non-transfixing implants, including our iFuse INTRA bone allograft products, is $465 when performed in the facility setting, and $11,805 when performed in the physician office

(e.g., office-based lab) setting. Minimally invasive sacroiliac fusion performed with a transfixing device is not eligible for payment in the office-based lab site-of-service and there is therefore no corresponding value for office-based reimbursement for CPT Code 27279.

Even to the extent our products and procedures using our products are currently covered and reimbursed by third-party private and public payors, adverse changes in coverage and reimbursement policies that affect our products, discounts, and number of implants used may also drive our prices and revenue down and harm our ability to market and sell our products.

While all Medicare Administrative Contractors are regularly reimbursing for minimally invasive sacroiliac joint fusion utilizing laterally placed transfixing devices under CPT Code 27279, a small number of private payors still have policies that treat the procedure as experimental or investigational and do not regularly reimburse for the procedure.

In contrast, the reimbursement environment for the procedure described by CPT Code 27278 (placement of intra-articular implant without the placement of a transfixing device) is less consistent. In 2024, three Medicare Administrative Contractors finalized Local Coverage Determinations precluding coverage for CPT Code 27278. The coverage decisions of the remaining Medicare Administrative Contractors remain uncertain. We believe this reimbursement environment has impacted demand for our iFuse INTRA products.

Commercial payors generally set their physician fee reimbursement with reference to Medicare reimbursement rates. Many have yet to set coverage decisions for CPT Code 27278, and may decide not to cover these procedures until more evidence is developed. There is a small number of commercial payers with positive coverage policies for CPT Code 27278 procedures, and many may allow coverage on a case-by-case basis.

We may be unable to sell our products on a profitable basis if third-party payors deny coverage, or if reimbursement levels are insufficient to support use of our products by healthcare facilities or to compensate physicians for their time spent diagnosing patients and performing procedures using our products. Even if favorable coverage and reimbursement status is attained for procedures using our implants, less favorable coverage policies and reimbursement rates may be implemented in the future.

Future action by the Centers for CMS or third-party payors may reduce the availability of payments to physicians, outpatient surgery centers, and/or hospitals for procedures using our products. Volatility in the payment rates that physicians and hospitals receive from CMS may have a material impact on their willingness to perform procedures including our products, as well as place additional pressure on pricing of our implants.

Market acceptance of our products in foreign markets may depend, in part, upon the availability of coverage and reimbursement within prevailing healthcare payment systems. Reimbursement and healthcare payment systems in international markets vary significantly by country and include both government-sponsored healthcare and private insurance. We may not obtain additional international coverage and reimbursement approvals in a timely manner, if at all. Our failure to receive such approvals would negatively impact market acceptance of our products in the international markets in which those approvals are sought.

Uncertainty in the coverage and reimbursement environment may decrease demand for our products and adversely affect our business.

Minimally invasive surgical sacroiliac joint fusion procedures are primarily separated into two main types: procedures where the devices transfix the joint, and newer procedures using intra-articular (in-line) devices that do not transfix the joint. The transfixing procedures are described by CPT Code 27279. The non-transfixing procedures are described by CPT Code 27278, which was adopted by the AMA CPT Editorial Panel on January 1, 2024.

We believe that the favorable coverage and reimbursement profile of CPT Code 27279 as compared to CPT Code 27278 is a result of third-party payers' review and assessment of peer-reviewed clinical literature supporting its use. Most procedures available to U.S. patients have a clear coding interpretation, reported as either CPT Code 27279 or 27278. Ambiguity exists, however, over the proper categorization of some sacroiliac joint devices which use an intra-articular (in-line) approach, but also have integrated fixation design features which "pierce" ilium and sacrum bones on either side of the implant. The AMA is currently receiving proposals to change some code definitions, including for CPT code 27278 and CPT code 27279, to allow for newer sacroiliac joint procedures via the CPT Editorial process, which would impact the reporting of procedures effective January 1, 2026. These changes could impact the code definitions of either or both of these codes.

If procedures requiring lower work effort supported by lower-quality clinical evidence, and/or having less favorable patient outcomes are reported via CPT Code 27279 instead of CPT Code 27278 as a result of future changes to the code definitions, it may contribute to a loss of value for CPT Code 27279. This dynamic could also prompt reevaluations of third-party payers' coverage policies, which could ultimately decrease demand for our products and negatively impact our business and prospects. Additionally, if physicians and facilities are confused about the proper coding for our products or our competitors' products, physicians may choose

competitors' products or choose not to perform sacroiliac joint procedures altogether, which would adversely affect demand for our products.

Any changes of, or uncertainty with respect to, future coverage or reimbursement rates could affect demand for our products, which in turn could impact our ability to successfully commercialize our products and could have an adverse material effect on our business, financial condition and results of operations.

Healthcare reforms may have a material adverse effect on our operations.

The healthcare industry in the United States has experienced a trend toward cost containment as government and private insurers seek to control healthcare costs. Payors are imposing lower payment rates and negotiating reduced contract rates with service providers and being increasingly selective about the technologies and procedures they choose to cover. Payors may adopt policies in the future restricting access to medical technologies like ours and/or the procedures performed using such technologies. Therefore, we cannot be certain that the procedures performed with each of our products will be reimbursed. There can be no guarantee that, should we introduce additional products in the future, payors will cover those products or the procedures in which they are used.

Recent political, economic, and regulatory influences are subjecting the healthcare industry to fundamental changes that can impact coverage and reimbursement from third-party payors. We expect that the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2011, as currently enacted or as it may be amended in the future, and other healthcare reform measures that may be adopted in the future, could have a material adverse effect on our industry generally and on our ability to maintain or increase sales of our existing products. In addition, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 ("IRA") into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025. The IRA also eliminates the "donut hole" under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost and creating a new manufacturer discount program. Further, CMS budget neutrality requirements may impose cuts to the Medicare physician fee schedule, which may be mitigated by acts of Congress or other changes to regulations. Other federal laws, known as budget sequestration, further reduce Medicare's payments to providers by 2%, which, due to subsequent legislative amendments, will stay in effect through 2032. These reductions may reduce reimbursement for procedures performed using our products, which could potentially negatively impact our revenue, and may reduce providers' revenues or profits, which could affect their ability to purchase new technologies. Both the federal and state governments in the United States and foreign governments continue to propose and pass new legislation and regulations designed to contain or reduce the cost of healthcare. Such legislation and regulations may result in decreased reimbursement for medical devices, which may further exacerbate industry-wide pressure to reduce the prices charged for medical devices. This could harm our ability to market our products and generate sales, which could adversely affect our business, results of operations and financial condition.

Pricing pressure from our competitors, healthcare provider consolidation, the presence of physician-owned distributorships, and payor consolidation may impact our ability to sell our product at prices necessary to support our current business strategies.

If competitive forces drive down the prices we are able to charge for our product, our profit margins will shrink, which will adversely affect our ability to invest in and maintain and grow our market share. The sacroiliac joint fusion market has attracted numerous new companies and technologies. As a result of this increased competition, we believe there will be continuing increased pricing pressure, resulting in lower gross margins, with respect to our products.

Consolidation in the healthcare industry, including both third-party payors and healthcare providers, could lead to demands for price concessions or to the exclusion of some suppliers from certain markets, which could have an adverse effect on our business, results of operations, or financial condition. Because healthcare costs have risen significantly over the past several years, numerous initiatives and reforms initiated by legislators, regulators, and third-party payors to curb these costs have resulted in a consolidation trend in the healthcare industry to aggregate purchasing power. As the healthcare industry consolidates, competition to provide products and services to industry participants has become and will continue to become more intense. This in turn has resulted and will likely continue to result in greater pricing pressures and the exclusion of certain suppliers from important market segments as group purchasing organizations, independent delivery networks, and large single accounts continue to use their market power to consolidate purchasing decisions for hospitals. We expect that market demand, government regulation, third-party coverage, and reimbursement policies and societal pressures will continue to change the worldwide healthcare industry, resulting in further business consolidations and alliances among our customers, which may reduce competition, exert further downward pressure on the prices of our products,

and adversely impact our business, results of operations, or financial condition. As we continue to expand into international markets, we will face similar risks relating to adverse changes in coverage and reimbursement procedures and policies in those markets.

Practice trends, market dynamics, and other factors, have caused, and may continue to cause, procedures to shift from the hospital environment to ambulatory surgical centers ("ASCs") or office-based labs ("OBLs") where pressure on the prices of our products is generally more acute.

We anticipate that more outpatient eligible procedures will be performed in ASCs and OBLs to control costs and expand patient access to medical procedures. This shift accelerated during the COVID-19 pandemic, and we expect it to continue because ASCs and OBLs are generally a more economically favorable site of service, and physicians performing the procedures and their practices sometimes have ownership interests in the ASC and generally own the OBL. Because reimbursement for procedures in an ASC or OBL is typically less than the reimbursement in an in-patient setting and due to physicians' economic interest in ASCs and OBLs, we typically experience more pressure on the pricing of our products by ASCs and OBLs than by hospitals, and the average price for which we sell our products to ASCs and OBLs can be less than the average prices we charge to hospitals. In addition, some physicians may choose to use fewer implants due to their interest in the profitability of the ASC or OBL. An accelerated shift of procedures using our products to ASCs and OBLs could adversely impact the average selling prices of our products and our revenues could suffer as a result.

In 2024, CMS announced a TPT payment status for the use of the iFuse Bedrock Granite implant system in hospital outpatient and ASC settings of care, for procedures effective January 1, 2025. TPT allows the hospital outpatient departments and ASCs supporting the case to "pass through" the costs of the iFuse Bedrock Granite technology to the Medicare program, to encourage innovation and early access of new technologies for Medicare beneficiaries. We anticipate this may reduce pricing pressure on our Granite family of implants in the outpatient sites of care, particularly where the Medicare population is heavier. However, we have less experience with our Granite implants being used in outpatient procedures and it remains to be seen whether surgeons will perform more of these procedures in the outpatient setting in the future.

We have historically been highly dependent on revenue from the sale of a single family of products focused on procedures, the goal of which is to stabilize and fuse the sacroiliac joint. Continued reliance on a single family of products and single family of procedures could negatively affect our results of operations and financial condition.

The majority of our revenue comes from the sale of iFuse, iFuse-3D, iFuse TORQ, and iFuse Bedrock Granite implants, and related tools and instruments. Therefore, we are dependent on widespread market adoption of the iFuse family of products, and we will continue to be dependent on the success of this single product family for the foreseeable future. There can be no assurance that our solutions will maintain a substantial degree of market acceptance among physicians, patients or healthcare providers. Our failure to successfully grow the market for our solutions and increase our share within that market or any other event impeding our ability to sell iFuse, could adversely affect our results of operations, financial condition and continuing operations.

We operate in a very competitive business environment and if we are unable to compete successfully against our existing or potential competitors, our sales and operating results may be adversely affected.

Our currently marketed products are, and any future products we commercialize will likely be, subject to intense competition. Our field is subject to rapid change and is highly sensitive to the introduction of new products or other market activities of industry participants. Our ability to compete successfully will depend on our ability to develop proprietary products that reach the market in a timely manner, receive adequate coverage and reimbursement from third-party payors, and are viewed as safer, less invasive, and more effective than alternatives available for similar purposes as demonstrated in peer-reviewed clinical publications. Because of the size of the potential market, other companies have dedicated, and likely will continue to dedicate, significant resources to developing competing products.

The number of competitors that we are aware of marketing sacroiliac joint fusion products in the United States has grown considerably since 2008. Some of our current and potential competitors are major medical device companies that have substantially greater financial, technical, and marketing resources than we do, and they may succeed in developing products that would render our products obsolete or noncompetitive. In addition, many of these competitors have significantly longer operating history and more established reputations than we do. Some of these companies sell a broad suite of products that can be used together in the operating room in order to facilitate surgery, such as surgical imaging, navigation and robotic systems, or a large number of implants intended to treat different conditions affecting the spine and pelvis. The ability of these competitors to sell these products together or as part of larger purchasing arrangements may put us at a disadvantage. In addition, if these competitors use technology, contracts, or intellectual property measures to limit or eliminate the compatibility of their surgical imaging, navigation and robotic systems with our products, sales of our products could decline or fail to grow, which could adversely affect our business and results of operations.

We believe that our primary competitors marketing implantable devices currently are Globus Medical, Inc. and Medtronic plc. At any time, these or other industry participants may develop alternative treatments, products or procedures for the treatment of the

sacroiliac joint that compete directly or indirectly with our products. They may also develop and patent processes or products earlier than we can, or obtain domestic and international regulatory clearances or approvals and CE Certificates of Conformity for competing products in the EEA, more rapidly than we can, which could impair our ability to develop and commercialize similar processes or products. If alternative treatments are, or are perceived to be, superior to our products, sales of our products and our results of operations could be negatively affected.

New participants have increasingly entered the medical device industry. Many of these new competitors specialize in a specific product or focus on a particular market segment, making it more difficult for us to increase our overall market position. The frequent introduction by competitors of products that are or claim to be superior to our current or planned future products may make it difficult to differentiate the benefits of our products over competing products. In addition, the entry of multiple new products and competitors may lead some of our competitors to employ pricing strategies that could adversely affect the pricing of our products and pricing in the market generally.

As a result, without the timely introduction of new products and enhancements, our products may become obsolete over time. If we are unable to develop innovative new products, maintain competitive pricing, and offer products that surgeons and other physicians perceive to be as reliable as those of our competitors, our market share or product margins could decrease, thereby harming our business.

We are dependent on a limited number of third-party suppliers, some of them single-source and some of them in single locations, for most of our products and components, and the loss of any of these suppliers, or their inability to provide us with an adequate supply of materials in a timely and cost-effective manner, could materially adversely affect our business.

We rely on third-party suppliers to manufacture and supply substantially all of our products. For us to be successful, we need our suppliers to provide us with products and components in substantial quantities, in compliance with regulatory requirements, in accordance with agreed upon specifications, at acceptable prices, and on a timely basis. We do not have long-term supply contracts for some of our suppliers, and in some cases, even where we do have agreements in place, we purchase important parts of the iFuse Implant System, including our implants, from a single supplier. Therefore, we cannot assure investors that we will be able to obtain sufficient quantities of product in the future.

In addition, future growth could strain the ability of our suppliers to deliver products, materials, and components. Suppliers often experience difficulties in scaling up production, including financial issues, or problems with production yields and quality

control and assurance. For example, from time to time, we have experienced certain delays and may experience delays from our suppliers in the future.

We generally use a small number of suppliers for our instruments and currently rely on RMS for iFuse-3D and iFuse TORQ implants and for several of the components, including the assembly and packaging, of our iFuse Bedrock Granite implants. Our dependence on such a limited number of suppliers exposes us to risks, including, among other things:

- third-party contract manufacturers or suppliers may fail to comply with regulatory requirements or make errors in manufacturing that could negatively affect the safety or effectiveness of our products or cause delays in shipments of our products;
- third-party contract manufacturers or suppliers may fail to maintain good manufacturing practices, leading to quality control problems or regulatory findings that could cause disruptions in their manufacturing processes and affect the safety or effectiveness of our products or cause or lead to delays in shipments of our products;
- we or our third-party manufacturers and suppliers may not be able to respond to unanticipated changes in customer orders, and if orders do not match forecasts, we or our suppliers may have excess or inadequate inventory of materials and components;
- we or our third-party manufacturers and suppliers may be subject to price fluctuations due to a lack of long-term supply arrangements for key components;
- we or our third-party manufacturers and suppliers may lose access to critical services, raw materials and components, or experience significant delays in obtaining them, resulting in an interruption in the manufacture, assembly and shipment of our systems;
- we or our third-party manufacturers could experience plant closures due to local epidemics of communicable diseases or local outbreaks of such diseases among their workforce, thereby shuttering a plant in which our products are manufactured;
- we may experience delays in delivery by our third-party manufacturers and suppliers due to significant changes in our ordering volumes;
- fluctuations in demand for products that our third-party manufacturers and suppliers manufacture for others may affect their ability or willingness to deliver components to us in a timely manner;
- our third-party manufacturers and suppliers may wish to discontinue supplying components or services to us for risk management reasons;
- we may not be able to find new or alternative components or reconfigure our system and manufacturing processes in a timely manner if the necessary components become unavailable; and
- our third-party manufacturers and suppliers may encounter financial hardships unrelated to our demand, which could inhibit their ability to fulfill our orders and meet our requirements.

If any one or more of these risks materialize, it could significantly increase our costs and impact our ability to meet demand for our products and to launch new products. If we are unable to satisfy commercial demand for our system in a timely manner, our ability

to generate revenue would be impaired, market acceptance of our products could be adversely affected, and customers may instead purchase or use our competitors' products. Additionally, we could be forced to seek alternative sources of supply.

In addition, most of our supply and manufacturing agreements do not have minimum manufacturing or purchase obligations. As such, with many of our suppliers, we have no obligation to buy any given quantity of products, and the suppliers have no obligation to sell to us or to manufacture for us any given quantity of components or products. As a result, our ability to purchase adequate quantities of components or our products may be limited and we may not be able to convince suppliers to make components and products available to us in some instances. Our suppliers may also encounter problems that limit their ability to supply components or manufacture products for us, including financial difficulties, damage to their manufacturing equipment or facilities, product discontinuations or adverse findings in quality audits. As a result, there is a risk that certain components could be discontinued and no longer available to us. We may be required to make significant "last time" purchases of component inventory that is being discontinued by the supplier to ensure supply continuity. If we fail to obtain sufficient quantities of high quality components to meet demand for our products in a timely manner or on terms acceptable to us, we would have to seek alternative sources of supply. Securing a replacement third-party manufacturer or supplier could be difficult. The introduction of new or alternative manufacturers or suppliers also may require design changes to our iFuse system that are subject to domestic and international regulatory clearances or approvals and the review of our Notified Body.

Because of the nature of our internal quality control requirements, regulatory requirements, and the custom and proprietary nature of the parts, we may not be able to quickly engage additional or replacement suppliers for many of our critical components. We may also be required to assess any potential new manufacturer's compliance with all applicable regulations and guidelines, which could further impede our ability to manufacture our products in a timely manner. As a result, we could incur increased production costs, experience delays in deliveries of our products, suffer damage to our reputation, and experience an adverse effect on our business and financial results. Failure of any of our third-party suppliers to meet our product demand level would limit our ability to meet our sales commitments to our customers and could have a material adverse effect on our business.

We may also have difficulty obtaining similar components from other suppliers that are acceptable to the FDA, other foreign regulatory authorities, or applicable QMS requirements and the failure of our suppliers to comply with strictly enforced regulatory requirements could expose us to delays in obtaining marketing clearances, approvals or CE Certificates of Conformity, regulatory action including warning letters, product recalls, termination of distribution, operating restrictions, interruption of production, delays in the introduction of products into the market, product seizures, civil, administrative, or criminal penalties and the suspension, variation, or withdrawal of our CE Certificates of Conformity. We could incur delays while we locate and engage qualified alternative suppliers, and we may be unable to engage alternative suppliers on favorable terms or at all. Any such disruption or increased expenses could harm our commercialization efforts and adversely affect our ability to generate sales.

In addition, each of our third-party suppliers operates at a facility in a single location and substantially all of our inventory of component supplies and finished goods is held at these locations. Vandalism, terrorism, or a natural or other disaster, such as an earthquake, fire, or flood, could damage or destroy equipment or our inventory of component supplies or finished products, cause substantial delays in our operations, result in the loss of key information, and cause us to incur additional expenses. Our insurance may not cover our losses in any particular case. In addition, regardless of the level of insurance coverage, damage to our or our suppliers' facilities could harm our business, financial condition, and operating results.

Prolonged inflation and supply chain disruptions could result in delayed product launches, lost revenue, higher costs and decreased profit margins.

A majority of our products are manufactured and sold inside of the United States, which increases our exposure to domestic inflation and fuel price increases. Inflationary pressures may result in increased fuel, raw materials and other costs which, if they continue for a prolonged period, may adversely affect our results of operations. We continue to actively monitor the impact of various macroeconomic trends, such as tariffs, changes to international trade agreements, labor costs, interest rates, inflation rates, and geopolitical instability within the United States and abroad. The implementation of more restrictive trade policies, including the imposition of further tariffs in connection with the new presidential administration in the United States and retaliatory tariffs in response thereto, or the renegotiation of existing trade agreements with the United States or countries where we source supplies, could have a material adverse effect on our business, results of operations and financial condition. For example, much of the titanium used in our implants is sourced from Canada and any disruption to trade with Canada caused by tariffs could increase the cost or disrupt the supply of our implants, which could materially harm our business, financial condition and results of operation. Our efforts to mitigate supply chain weaknesses may not be successful or may have unfavorable effects. For example, efforts to purchase raw materials in advance for product manufacturing may result in increased storage costs or excess supply. If our costs rise due to significant inflationary pressures, tariffs, or supply chain disruptions, we may not be able to fully offset such higher costs through price increases. In addition, delays in obtaining materials, components or instruments from our suppliers could delay product launches or result in lost opportunities to sell our products due to their availability. Increased costs and decreased product availability due to supply chain issues

could adversely impact our revenue and/or gross margin, and could thereby harm our business, financial condition, and results of operation.

Disruptions in the supply of the materials and components used in manufacturing our products or the sterilization of our products by third-party suppliers could adversely affect our business, financial condition and results of operations.

Our suppliers purchase many of the materials and components used in the manufacture of our products from third-party suppliers. Certain of these materials and components can only be obtained from a single source or a limited number of sources due to quality considerations, expertise, costs or constraints resulting from regulatory requirements. In certain cases, our suppliers may not be able to establish additional or replacement suppliers for such materials or components or outsourced activities in a timely or cost-effective manner. A reduction or interruption in the supply of materials or components used in manufacturing our products, such as due to one or more suppliers experiencing reductions in operations and/or worker absences due to health epidemics, an inability to timely develop and validate alternative sources if required, or a significant increase in the price of such materials or components, such as that caused by inflation and rising interest rates, could adversely affect our business, financial condition and results of operations. For example, certain of our products require titanium, which is sourced from third-party suppliers. While the titanium required for such products is not directly sourced from Russia, the current geopolitical events involving Russia and Ukraine are negatively impacting the wider titanium supply chain. These geopolitical events and related factors and results, including related sanctions, may negatively impact the ability of our suppliers' third-party supply sources to timely supply titanium to our suppliers and may increase or result in additional costs to us.

In addition, many of our products require sterilization prior to sale, and our suppliers use contract sterilizers to perform this service. To the extent that these contract sterilizers are unable to sterilize our products, whether due to capacity, availability of materials for sterilization, regulatory or other constraints, including reductions in operations and/or worker absences due to health

epidemics, we may be unable to transition to other contract sterilizers, sterilizer locations or sterilization methods in a timely or cost effective manner or at all, which could have a material impact on our results of operations and financial condition.

Physicians and payors may not find the clinical evidence supporting our more recent products to be compelling, which could limit our sales and revenue, and on-going and future research may prove our products to be less safe and effective than currently thought.

The products we currently market in the United States have either received premarket clearance under Section 510(k) of the United States FDCA, or are exempt from premarket review. Those marketed in the EEA have been the subject of a CE Certificate of Conformity. The 510(k) clearance process of the FDA requires us to document that our product is "substantially equivalent" to another 510(k)-cleared product. The 510(k) process is shorter and typically requires the submission of less supporting documentation than other FDA approval processes, such as a PMA, and does not usually require pre-clinical or clinical studies. As a result, each of our products has been launched prior to gathering substantial prospective clinical trial evidence, and our post-market clinical studies may lack the size and scope of randomized controlled clinical trials required to support approval of a PMA. For these reasons, physicians may be slow to adopt our more recent products including iFuse TORQ, iFUse Bedrock Granite and iFuse INTRA, each of which are supported by smaller bodies of clinical evidence than iFuse and iFuse-3D, third-party payors may be slow to provide coverage for novel procedures and techniques using these products, and we may be subject to greater regulatory and product liability risks. Further, future patient studies or clinical experience may indicate that treatment with any of our products does not improve patient outcomes. Such results would slow the adoption of our products by physicians, significantly reduce our ability to achieve expected sales, and could prevent us from achieving profitability.

If clinical experience with our iFuse Bedrock technique or our iFuse Bedrock Granite, iFuse TORQ, or iFuse INTRA products do not result in positive outcomes for patients, or if clinical trials involving the use of iFuse Bedrock, iFuse Bedrock Granite, iFuse INTRA and/or iFuse TORQ fail to show meaningful patient benefit, sales of our iFuse, iFuse-3D, iFuse TORQ and/or iFuse Bedrock Granite implants could be adversely impacted.

In November 2018, we introduced our iFuse Bedrock technique, in which spine surgeons place iFuse triangular implants across the sacroiliac joint using a different surgical approach to treat sacroiliac joint dysfunction at the same time they are fusing multiple levels of the spine above and affixing those spinal fusion devices to the pelvis. In April 2019, the FDA cleared promotion of iFuse Bedrock for a broader and more general purpose, to provide additional stability and immobilization of the sacroiliac joint in connection with a thoracolumbar fusion procedure. In June 2022, we also obtained a similar marketing clearance for iFuse TORQ, which can be used in the same Bedrock approach, In May 2022, we introduced iFuse Bedrock Granite, an implant which fuses the sacroiliac joint and attaches to the rods placed in a multi-segment spinal fusion construct, and which is used in substantially similar procedures as the iFuse Bedrock technique. To date, clinical experience with the iFuse Bedrock technique and with iFuse Bedrock Granite is limited and we have yet to publish results from our SILVIA trial of the iFuse Bedrock technique or complete a clinical trial to evaluate the iFuse Bedrock Granite implant. Surgeons do not know if the addition of sacroiliac fusion devices to the implants used to fuse multiple levels of the lumbar spine will result in patient benefit. If surgeons' clinical experience with our implants in these procedures is not positive, or if our clinical trials do not show meaningful benefits to the patients undergoing this procedure, sale of our iFuse implants for this indication could be adversely impacted, which could negatively affect our operations and financial condition.

In February 2021, we launched iFuse TORQ, a line of 3D-printed threaded implants designed for applications in pelvic trauma and sacroliliac fusion. In June 2022, the FDA provided clearance for an expanded indication for iFuse TORQ to include acute, non-acute and non-traumatic fractures as well as for placement across the sacroiliac joint using our Bedrock technique. In August 2024, we received FDA clearance for the iFuse TORQ TNT with indication for fracture fixation of the pelvis and sacroiliac joint fusion. Clinical experience with iFuse TORQ is limited and we have yet to publish results from SAFFRON, our clinical trial to evaluate the use of iFuse TORQ in patients with sacral fragility or insufficiency fractures. Physicians do not yet know if pelvic fracture fixation and sacroiliac joint fusion using iFuse TORQ is superior to nonsurgical management in this class of patients. If physicians' clinical experience with our implants in these procedures is not positive, or if our clinical trials do not show meaningful benefits to the patients undergoing this procedure, sale of our iFuse implants for this indication could be adversely impacted, which could negatively affect our operations and financial condition.

If we are not able to manage growth successfully, it could adversely affect our business, financial condition, and results of operations.

We have experienced considerable revenue growth as we have expanded into new markets. This growth has placed significant demands on our operational and administrative infrastructure, including our supply chain operations, quality control, customer service, salesforce, information technology, and general and financial administration. We anticipate that continued growth will continue to place significant demands on this infrastructure. We cannot be certain that our existing personnel, systems, and procedures and internal controls will be adequate to support our future operations and any expansion of our systems and infrastructure may require us

to commit significant additional financial, operational, and management resources. Expanding the capacity of these infrastructure systems may not be successfully implemented. If we cannot manage our growth effectively, our business will suffer.

If we are unable to maintain our network of direct sales representatives, third-party sales agents, and resellers, we may not be able to generate anticipated sales.

As of December 31, 2024, our U.S. sales force consisted of 87 territory sales managers and 71 clinical support specialists directly employed by us and 252 third-party sales agents. As of December 31, 2024, our international sales force consisted of 9 sales representatives directly employed by us and a total of 31 third-party sales agents and resellers, which together have had sales in 38 countries through December 31, 2024. Our operating results are directly dependent upon the sales and marketing efforts of both our direct sales force and of our third-party sales agents and resellers.

As we launch new products, expand physician call points, and increase our marketing efforts with respect to existing products, we will need to expand the reach of our marketing and sales networks. Our future success will depend largely on our ability to continue to hire, train, retain and motivate skilled direct sales representatives and third-party sales agents and resellers with significant technical knowledge in various areas, such as spine and pelvic health and treatment. New sales representatives and agents require training and take time to achieve full productivity. If we fail to train new sales representatives and agents adequately, or if we experience high turnover in our sales force in the future, we cannot be certain that new sales representatives and agents will become as productive as may be necessary to maintain or increase our sales. If a direct sales representative or third-party sales agent or reseller departs and is retained by one of our competitors, we may be unable to prevent them from helping competitors solicit business from our existing customers, which could further adversely affect our sales. The launch of new products or entrance into new markets could distract our sales representatives from existing customers and markets and redirect resources from existing to novel markets. Furthermore, any such change affects our ability to hire, contract with and retain members of our direct sales force and third-party sales agents and resellers. Because of the intense competition for their services, we may be unable to recruit or retain additional qualified third-party sales agents and resellers or to hire additional direct sales representatives to work with us. Furthermore, we may not be able to enter into agreements with them on favorable or commercially reasonable terms, if at all. Failure to hire or retain qualified direct sales representatives or third-party sales agents and resellers would prevent us from expanding our business and generating sales. If our direct sales representatives or third-party sales agents fail to adequately promote, market and sell our products or decide to leave or cease to do business with us, our sales could significantly decrease.

If we are unable to expand our sales and marketing capabilities domestically and internationally, we may not be able to effectively commercialize our products, which would adversely affect our business, results of operations, and financial condition.

Our business could suffer if we lose the services of key members of our senior management, key advisors or personnel.

We are dependent upon the continued services of key members of our senior management and a limited number of key advisors and personnel. The loss of members of our senior management team, key advisors or personnel, or our inability to attract or retain other qualified personnel or advisors, could have a material adverse effect on our business, results of operations, and financial condition. We do not maintain “key person” insurance for any of our executives or employees. In addition, several of the members of our executive management team are not subject to non-competition agreements that restrict their ability to compete with us. Accordingly, the adverse effect resulting from the loss of certain executives could be compounded by our inability to prevent them from competing with us.

Our business is highly reliant on a base of skilled employees, including those serving in engineering, information technology, operational, strategic marketing and sales functions. Many of these employees have developed specialized skills which are valuable within the medical device and life sciences industry, and, in some cases, in a broader variety of industries. Competition for skilled employees remains significant. If we experience turnover among our employees at a higher rate than expected, managing our labor force could become difficult and more costly, adversely impacting our results of operation. Sustained pressure in these labor markets could also cause prevailing wages to rise, which could adversely impact our business, results of operation and financial condition.

If use of our products results in adverse events, this may require them to be taken off the market, require them to include safety warnings or otherwise limit their sales.

Unforeseen adverse events related to our products could arise either during clinical development or, if cleared, approved, or subject to CE Certificate of Conformity and CE marked, after the product has been marketed. In clinical research, the most common adverse event related to our implant was leg pain resulting from misplacement. The most common adverse event for our implant procedure has been minor wound infections. Additional adverse effects from iFuse or any of our other products could arise either during clinical development or, if approved, cleared, or subject to CE Certificate of Conformity and CE marked, after the product has been marketed.

If we or others later identify adverse events caused by our products:

- sales of the product may decrease significantly, and we may not achieve the anticipated market share;
- regulatory authorities or our Notified Body may require changes to the labeling of our product. This may include the addition of labeling statements, specific warnings, and contraindications and issuing field alerts to physicians and patients;
- we may be required to change instructions regarding the way the product is implanted or conduct additional clinical trials;
- we may be subject to limitations on how we may promote the product;
- regulatory authorities may require us to temporarily or permanently take our approved product off the market or to conduct other field safety corrective actions;
- our Notified Body may suspend, amend, or withdraw our CE Certificate of Conformity or refuse or delay any ongoing applications relating to the issuance or renewal of CE Certificates of Conformity;
- we may be required to modify our product;
- we may be subject to litigation fines or product liability claims; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the affected product or could substantially increase commercialization costs and expenses, which in turn could delay or prevent us from generating significant revenue from the sale of our products.

Unfavorable media reports or other negative publicity concerning both alleged improper methods of tissue recovery from donors and disease transmission from donated tissue could limit widespread acceptance of some of our products.

iFuse INTRA family of implants are implantable bone products manufactured from sterilized recovered cadaveric bone tissue. Unfavorable reports of improper or illegal tissue recovery practices, both in the United States and internationally, as well as incidents of improperly processed tissue leading to the transmission of disease, may affect the rate of future tissue donation and market acceptance of technologies incorporating human tissue. In addition, negative publicity could cause the families of potential donors to become reluctant to donate tissue to for-profit tissue processors. These reports could have a negative effect on sales of iFuse INTRA.

Natural disasters and man-made business disruptions such as war and terrorism could seriously harm our future revenue and financial condition and increase our costs and expenses.

We operate our business in regions subject to natural and man-made disasters or business interruptions. Our corporate headquarters are located in Santa Clara, California, a region which has experienced and will continue to experience earthquakes, fires, power shortages, telecommunications failures, water shortages, floods, shifting climate patterns, and extreme weather conditions. We also rely on third-party manufacturers to produce our products and on third-party logistics companies to transport our products. A major earthquake, fire, tornado, blizzard or other disaster (such as a flood, storm, drought or terrorist attack) could significantly disrupt our operations, ranging from production and shipping delays to lost revenue and increased costs. The occurrence of any of these natural or man-made disasters or other business disruptions could seriously harm our operations and financial condition and increase our costs and expenses. Additionally, if our facilities or any of our customers' facilities are negatively impacted by a disaster, procedures using our products could be delayed or canceled. Even if we are able to quickly respond to a disaster, the ongoing effects of the disaster could create some uncertainty in the operations of our business. In addition, our facilities may be subject to a shortage of available electrical power and other energy supplies. Any shortages may increase our costs for power and energy supplies or could result in blackouts or brownouts, which could disrupt the operations of our affected facilities and harm our business. Further, concerns about terrorism, the effects of a terrorist attack, or political turmoil could have a negative effect on our operations, those of our suppliers and customers, and the ability to travel, which could harm our business, financial condition, and results of operations.

Various factors outside our direct control may adversely affect manufacturing, sterilization, and distribution of our products.

The manufacture, sterilization, and distribution of our products is challenging. Changes that our suppliers may make outside the purview of our direct control can have an impact on our processes, quality of our products, and the successful delivery of products to our customers. Mistakes and mishandling are not uncommon and can affect supply and delivery. Some of these risks include:

- failure to complete sterilization on time or in compliance with the required regulatory standards;
- transportation and import and export risk;
- delays in analytical results or failure of analytical techniques that we depend on for quality control and release of products;

- large-scale epidemics of communicable diseases;
- supply chain disruptions, including those caused by material and labor supply shortages and prolonged inflation;
- natural disasters, labor disputes, financial distress, raw material availability, issues with facilities and equipment, or other forms of disruption to business operations affecting our manufacturers or suppliers; and
- latent defects that may become apparent after products have been released and that may result in a recall or field safety corrective action with respect to such products.

If any of these risks were to materialize, our ability to provide our products to customers on a timely basis could be adversely impacted.

We may encounter problems or delays in the assembly of our products or fail to meet certain regulatory requirements which could result in an adverse effect on our business and financial results.

To become profitable we must assemble our products in adequate quantities in compliance with regulatory requirements and at an acceptable cost. Increasing our capacity to assemble and test our products will require us to improve internal efficiencies. We may encounter a number of difficulties in increasing our assembly and testing capacity, including:

- managing production yields;
- maintaining quality control and assurance;
- providing component and service availability;
- maintaining adequate control policies and procedures;
- hiring and retaining qualified personnel; and
- complying with state, federal, and foreign regulations.

If we are unable to assemble and test our products at a sufficient rate to satisfy commercial demand, our ability to generate revenue would be impaired, market acceptance of our products could be adversely affected and customers may instead purchase or use our competitors' products.

If we do not enhance and broaden our product offerings through our research and development efforts, we may be unable to compete effectively.

In order to continue to grow revenue, we must enhance and broaden our product offerings in response to customer demands and competitive pressures and technologies. We might not be able to successfully develop, obtain domestic and international regulatory clearances or approvals, or CE Certificates of Conformity for, or market new products, and our future products might not be accepted

by the physicians or the third-party payors who reimburse for many of the procedures performed with our products. The success of any new product offering or enhancement to an existing product will depend on numerous factors, including our ability to:

- properly identify and anticipate physician and patient needs;
- develop and introduce new products or product enhancements in a timely manner;
- create sufficient product differentiation to expand overall market share and minimize cannibalization of existing product markets;
- obtain and maintain adequate coverage from third-party payors for new products or procedures;
- mitigate downward pricing pressure on new and existing products;
- adequately protect our intellectual property and avoid infringing upon the intellectual property rights of third parties;
- demonstrate the safety and effectiveness of new products; and
- provide sufficient infrastructure needed for product commercialization.

If we do not develop and obtain domestic and international regulatory clearances or approvals and CE Certificates of Conformity for new products or product enhancements in time to meet market demand, or if there is insufficient demand for these products or enhancements, our business could be adversely affected. Our research and development efforts may require a substantial investment of time and resources before we are adequately able to determine the commercial viability of a new product, technology, material, or other innovation. In some cases, following a successful product development effort, we may need to invest substantial resources in surgical instrumentation and implant inventory, prior to launch of the product, and before we understand the demand for such product. If we overestimate the demand for such products and invest too heavily in inventory to support the product line, the additional revenue and product margins may not produce a positive return on such investments, which could cause our financial results to suffer. In addition, even if we are able to successfully develop enhancements or new generations of our products, these enhancements or new generations of products may not produce sales in excess of the costs of development and they may be quickly rendered obsolete by changing customer preferences or the introduction by our competitors of products embodying new technologies or features.

We are required to maintain adequate levels of inventory, the failure of which could consume our resources and reduce our cash flows.

As a result of the need to maintain adequate levels of inventory, we are subject to the risk of inventory obsolescence. Many of our products come in sets, which feature components and implants in a variety of sizes so that the implant or device may be chosen for size based on the patient's needs. In order to market our products effectively, we often maintain and provide physicians and hospitals with back-up products and products of different sizes. For each surgery, fewer than all of the components of the set are used, and therefore certain portions of the set may become obsolete before they can be used. In addition, as we introduce new implants and instruments with the same intended uses as existing products, the older products may fall out of favor with our customers, causing them to become obsolete. In addition, market demand for our new products may be less than expected, resulting in excess inventory from the supply purchased for launch. For example, in the quarter ending December 31, 2023 we took a $1.7 million in reserves for excess inventory related to the "lag" configuration of our iFuse TORQ product, reflecting its below-expected market demand. In the event that a substantial portion of our inventory becomes obsolete, it could have a material adverse effect on our earnings and cash flows due to the resulting costs associated with the inventory impairment charges and costs that may be required to replace such inventory.

The size and future growth in the market for minimally invasive sacroiliac fusion performed with a lateral approach, such as the iFuse procedure, has not been established with precision and may be smaller than we estimate, possibly materially. In addition, we estimate cost savings to the economy and healthcare system as a result of the iFuse procedure based on our market research. If our

estimates and projections overestimate the size of this market or these benefits and cost savings, our sales growth may be adversely affected.

We are not aware of an independent third-party study that reliably reports the potential market size for minimally invasive sacroiliac fusion or cost savings as a result of the procedure. Therefore, our estimates of the size and potential for future growth in the market for our iFuse products, cost savings to patients, the healthcare system and the economy overall from its use, and the number of people currently suffering from lower back pain who may benefit from and be amenable to our iFuse procedure, is based on a number of internal and third-party studies, surveys, reports, and estimates. While we believe these factors have historically provided and may continue to provide us with effective tools in estimating the total market potential for our iFuse products and procedures and health cost savings, these estimates may not be correct and the conditions supporting our estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. The actual incidence of lower back pain, and the actual demand for our products or competitive products, could differ materially from our projections if our assumptions and estimates are incorrect. As a result, our estimates of the size and future growth in the market for our iFuse products may prove to be incorrect. In addition, actual health cost savings to the healthcare system as a result of the iFuse procedure may materially differ from those we expect. If the actual number of people with lower back pain who would benefit from our iFuse products and the size and future growth in the market for iFuse products and related costs savings to the healthcare system is smaller than we have estimated, it may impair our sales growth and have an adverse impact on our business.

Our results of operations could suffer if we are unable to manage our international business effectively.

The sale of our products in select international markets is an element of our business strategy and involves risk. The sale and shipment of our products across international borders subject us to extensive U.S. and foreign governmental trade and export and customs regulations and laws. Compliance with these regulations and laws is costly and exposes us to penalties for non-compliance. Other laws and regulations that can significantly affect us include various anti-bribery laws, including the U.S. Foreign Corrupt Practices Act (“FCPA”), and the United Kingdom Bribery Act (“UKBA”), anti-boycott laws, anti-money laundering laws, and regulations relating to economic sanctions imposed by the United States, including the Office of Foreign Asset Control of the U.S. Treasury. Any failure to comply with applicable legal and regulatory obligations in the United States or abroad could adversely affect us in a variety of ways that include, but are not limited to, significant criminal, civil and administrative penalties, including imprisonment of individuals, fines and penalties, denial of export privileges, seizure of shipments and restrictions on certain business

activities. Also, the failure to comply with applicable legal and regulatory obligations could result in the disruption of our distribution and sales activities.

In addition, some of the countries in which we sell or plan to sell our products are, to some degree, subject to various risks, including:

- exposure to different legal and regulatory standards;
- lack of stringent protection of intellectual property;
- inability of the local healthcare system to absorb prices for our product that would enable our business to become profitable in those markets;
- obstacles to obtaining domestic and foreign export, import, and other governmental approvals, permits, and licenses and compliance with foreign laws;
- lower average selling prices of our implants in most foreign markets;
- reliance on a more concentrated surgeon base in international markets due to the surgeon acquisition costs relative to the selling price of our implants;
- potentially adverse tax consequences and the complexities of foreign value-added tax systems;
- adverse changes in tariffs and trade restrictions;
- limitations on the repatriation of earnings;
- difficulties in staffing and managing foreign operations;
- potentially insufficient numbers of patients requiring procedures that use our products;
- transportation delays and difficulties of managing international distribution channels;
- longer collection periods and difficulties in collecting receivables from foreign entities;
- increased financing costs;
- currency risks; and
- political, social, and economic instability and increased security concerns.

These risks may limit or disrupt our expansion, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation.

Further, U.S. government policies on international trade and investments such as import quotas, capital controls, punitive taxes or tariffs or similar trade barriers, whether imposed by individual governments or regional trade blocs, can affect our supply chain and ability to expand internationally. Our international sales and operations are also sensitive to changes in foreign nations' priorities, including government budgets, as well as to political and economic instability. International transactions may involve increased financial and legal risks due to differing legal systems and customs in foreign countries.

Our successful conduct of our international business depends, in part, on our ability to develop and implement policies and strategies that are effective in anticipating and managing these and other risks in the countries in which we plan to do business. Failure to manage these and other risks may have a material adverse effect on our operations in any particular country and on our business as a whole.

In the future our products may become obsolete, which would negatively affect operations and financial condition.

The medical device industry is characterized by rapid and significant change. There can be no assurance that other companies will not succeed in developing or marketing devices, and products that are more effective than our iFuse system or that would render the iFuse system obsolete or noncompetitive. Additionally, new surgical procedures, medications and other therapies could be developed that replace or reduce the importance of our product. Accordingly, our success will depend in part on our ability to respond quickly to changes in technology and the practice of medicine through the development and introduction of new products. Product

development involves a high degree of risk and there can be no assurance that our new product development efforts will result in any commercially successful products.

If our information technology systems or those third parties with whom we work or our data, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business, impairment of our results of operations, reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences.

In the ordinary course of business, we and the third parties with whom we work process sensitive information. We rely extensively on information technology systems, networks and services, some of which are managed, hosted, provided or used by third parties, to conduct business. If we or the third parties with whom we work do not sufficiently allocate and effectively manage the resources necessary to build, sustain, and secure the proper information technology infrastructure, we could be subject to transaction errors, processing inefficiencies, the loss of customers, business disruptions, or the loss, unavailability of or damage to data and intellectual property. Furthermore, regardless of the resources we allocate and the effectiveness with which we manage them, we face a risk of cyberattacks and other security breaches and incidents. We have experienced breaches of our information technology infrastructure in the past; if we or the third parties with whom we work experience significant disruptions in our information technology systems in the future, our business, results of operations, and financial condition could be adversely affected.

Severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

We take steps designed to detect, mitigate, and remediate vulnerabilities in our information systems (such as our hardware and/or software, including that of third parties with whom we work). We may not, however, detect and remediate all such vulnerabilities including on a timely basis. Further, we may experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities.

If our data management systems, or those of the third parties with whom we work, fail to collect, store, process, or report relevant business data due to issues like malfunctions, human error, natural disasters, or cyberattacks, our ability to operate, plan, and comply with laws could be significantly impaired. Any such impairment could negatively impact our financial condition, operations, and cash flow. Maintaining and enhancing our information technology systems requires significant resources to address evolving technologies, new threats, legal standards, and the need for data security. Despite our efforts to upgrade, secure, and develop these systems, we cannot guarantee success or prevent future disruptions or issues.

Furthermore, our employees, third-party service providers, strategic partners, or other contractors or consultants may input sensitive information (including competitive, proprietary, personal or confidential information, or other business data) of ours, into a system (in particular, a system that is managed, owned, or controlled by a third party), which may disrupt and otherwise compromise our business operations, divert the attention of management and key information technology resources, potentially lead to security breaches or incidents or other unauthorized access to, or other use or processing of, personal information, our confidential information or other business data. Third-party service providers store and otherwise process certain personal data and other confidential or proprietary information of ourselves and third parties on our behalf, and these service providers face similar risks.

The scope and breadth of cyberattacks are expanding. The techniques used to obtain unauthorized access, or to sabotage systems, are becoming more sophisticated, frequent and adaptive, and therefore we may be unable to anticipate these techniques or to implement adequate preventative measures. For example, AI technologies may be used for certain cyberattacks or to increase the frequency or intensity of certain cyberattacks, which may increase our risks presented by cyberattack activity.

There can be no assurance that any efforts we make to prevent against such privacy or security breaches or incidents have been or will be able to prevent breakdowns or breaches or incidents in our systems that could adversely affect our business. The failure of our information technology systems to perform as we anticipate or our failure to effectively implement new systems could result in: the unauthorized publication of our confidential business or proprietary information; the unauthorized release of employee, customer or vendor data and payment information; a loss of confidence by our customers; damage to our reputation; a disruption to our business; litigation and legal liability; and a negative impact on our future sales, all of which could have a material adverse effect on

our reputation, business, results of operations, and financial condition. In addition, the cost and operational consequences of implementing further data protection or data restoration measures could be significant.

We cannot guarantee that our liability limitations in contracts will be enforceable or adequate to protect us from damages related to security breaches. While we have cyber insurance, it may be insufficient or not cover all liabilities. We cannot ensure that our coverage will be adequate, available at reasonable terms, or that an insurer won't deny future claims. Large claims exceeding our coverage or changes in insurance terms could significantly impact our business, financial condition, and reputation. In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position.

In addition, we accept payments for many of our sales through credit card transactions, which are handled through third-party payment processors. As a result, we are subject to a number of risks related to credit card payments. As a result of these transactions, we pay interchange and other fees, which may increase over time and could require us to either increase the prices we charge for our products or experience an increase in our costs and expenses. In addition, as part of the payment processing process, we transmit our customers' credit card information to our third-party payment processor. We may in the future become subject to lawsuits or other proceedings for purportedly fraudulent transactions arising out of the actual or alleged theft of our customers' credit card information if the security of our third-party credit card payment processors are breached. We and our third-party credit card payment processors are also subject to payment card association operating rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we or our third-party credit card payment processors fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit card payments from our customers, and there may be an adverse impact on our business.

We have incorporated and continue to work to further incorporate artificial intelligence into our operations. Implementation of artificial intelligence and machine learning technologies may result in legal and regulatory risks, reputational harm, or other adverse consequences to our business.

We have integrated artificial intelligence ("AI"), including generative AI, and machine learning ("ML") technologies in our operations (collectively, "AI" technologies) in certain of our internal operations. Further, certain of our third-party vendors utilize AI and machine learning technologies in furnishing services to us. As with many technological innovations, AI presents risks and challenges that could affect its adoption, and therefore our business. AI tools may be incorrectly designed or provide inaccurate data, and business decisions could be made on the basis of AI-generated misinformation. Employees using publicly-available AI tools could leak our sensitive data. Risks can include, but are not limited to, the potential for errors or inaccuracies in the algorithms or models used by AI, the potential for bias or inaccuracies in the data used to train the AI, the potential for improper processing of personal information, and the potential for cybersecurity breaches that could compromise patient data or product functionality. Moreover, AI models may create flawed, incomplete, or inaccurate outputs, some of which may appear correct. This may happen if the inputs that the model relied on were inaccurate, incomplete or flawed (including if a bad actor "poisons" the AI with bad inputs or logic), or if the logic of the AI is flawed (a so-called "hallucination"). Though we have taken steps to be thoughtful in our implementation of AI, and training on appropriate uses of AI, such risks could negatively affect the performance of our products, services, and business, and we could incur liability through the violation of laws or contracts to which we are a party or civil claims.

Several jurisdictions around the globe, including Europe and certain U.S. states, have proposed enacted, or are considering laws governing AI, including the EU's AI Act. We expect other jurisdictions will adopt similar laws. Additionally, certain privacy laws extend rights to consumers (such as the right to delete certain personal data) and regulate automated decision making, which may be incompatible with our use of AI. These obligations may make it harder for us to conduct our business using AI, lead to regulatory fines or penalties, require us to change our business practices, retrain our AI, or prevent or limit our use of AI. For example, the FTC has required other companies to turn over (or disgorge) valuable insights or trainings generated through the use of AI where they

allege the company has violated privacy and consumer protection laws. If we cannot use AI or that use is restricted, our business may be less efficient, or we may be at a competitive disadvantage.

We may seek to grow our business through acquisitions of or investments in new or complementary businesses, products or technologies, and the failure to manage acquisitions or investments, or the failure to integrate them with our existing business, could have a material adverse effect on us.

From time to time, we expect to consider opportunities to acquire or make investments in other technologies, products, and businesses that may enhance our capabilities, complement our current products, or expand the breadth of our markets or customer base. Potential and completed acquisitions and strategic investments involve numerous risks, including:

- problems assimilating the purchased technologies, products, or business operations;
- issues maintaining uniform standards, procedures, controls, and policies;
- unanticipated costs and liabilities associated with acquisitions;
- diversion of management's attention from our core business;
- adverse effects on existing business relationships with suppliers and customers;
- risks associated with entering new markets in which we have limited or no experience;
- potential loss of key employees of acquired businesses; and
- increased legal and accounting compliance costs.

We have no current commitments with respect to any acquisition or investment. We do not know if we will be able to identify acquisitions we deem suitable, whether we will be able to successfully complete any such acquisitions on favorable terms or at all, or whether we will be able to successfully integrate any acquired business, product, or technology into our business or retain any key personnel, suppliers, or third-party sales agents and resellers. Our ability to successfully grow through acquisitions depends upon our ability to identify, negotiate, complete, and integrate suitable target businesses and to obtain any necessary financing. These efforts could be expensive and time consuming, and may disrupt our ongoing business and prevent management from focusing on our

operations. If we are unable to successfully integrate any acquired businesses, products, or technologies effectively, our business, results of operations, and financial condition will be materially adversely affected.

We may enter into collaborations, in-licensing arrangements, joint ventures, strategic alliances, or partnerships with third-parties that may not result in the development of commercially viable products or the generation of significant future revenue.

In the ordinary course of our business, we may enter into collaborations, in-licensing arrangements, joint ventures, strategic alliances, partnerships, or other arrangements to develop products and to pursue new markets. These collaborations may not result in the development of products that achieve commercial success or result in significant revenue and could be terminated prior to developing any products. Additionally, we may not be in a position to exercise sole decision-making authority regarding the transaction or arrangement, which could create the potential risk of creating impasses on decisions, and our future collaborators may have economic or business interests or goals that are, or that may become, inconsistent with our business interests or goals. It is possible that conflicts may arise with our collaborators, such as conflicts concerning the achievement of performance milestones, or the interpretation of significant terms under any agreement, such as those related to financial obligations or the ownership or control of intellectual property developed during the collaboration. In addition, we may have limited control over the amount and timing of resources that any future collaborators devote to our or their future products.

Disputes between us and our collaborators may result in litigation or arbitration which would increase our expenses and divert the attention of our management. If we enter into in-bound intellectual property license agreements, we may not be able to fully protect the licensed intellectual property rights or maintain those licenses. Future licensors could retain the right to prosecute and defend the intellectual property rights licensed to us, in which case we would depend on the ability of our licensors to obtain, maintain and enforce intellectual property protection for the licensed intellectual property. These licensors may determine not to pursue litigation against other companies or may pursue such litigation less aggressively than we would. Further, entering into such license agreements could impose various diligence, commercialization, royalty, or other obligations on us. Future licensors may allege that we have breached our license agreement with them, and accordingly seek to terminate our license, which could adversely affect our competitive business position and harm our business prospects.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would harm our business and the market price of our common shares.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations.

We are required to disclose changes made in our internal controls and procedures on a quarterly basis and our management is required to assess the effectiveness of these controls annually. We are also required to obtain an independent assessment of the effectiveness of our internal controls which could detect problems that our management's assessment might not. Going forward, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may conclude that there are material weaknesses or significant deficiencies with respect to our internal controls or the level at which our internal controls are documented, designed, implemented or reviewed. If we or our independent registered public accounting firm identifies deficiencies in our internal control over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements, investors may lose confidence in our reported financial information, which could cause the market price of our common shares to decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources. Irrespective of compliance with Section 404, any failure of our internal control over financial reporting could have a material adverse effect on our stated operating results and harm our reputation.

Epidemic diseases, or the perception of their effects, may continue to adversely affect our business, financial condition, results of operations, or cash flows.

If an epidemic, like the COVID-19 pandemic, occurs, our business, financial condition, results of operations and cash flows could be adversely affected. Business disruptions have included, and could in the future include, disruptions or restrictions on our ability to travel or to distribute our products, government orders suspending the performance of elective surgical procedures, inability of our customers to meet their financial commitments due to strain on the healthcare system, as well as temporary closures of our facilities or the facilities of our suppliers and their contract manufacturers, and a reduction in the business hours of hospitals and ambulatory surgery centers. Any disruption of our suppliers and their contract manufacturers or our customers would likely impact our sales and operating results. In addition, a significant outbreak of an infectious disease in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in regional or global economic downturns that could affect demand for our products, as well as increase risk of customer defaults or delays in payments. Any of these events could negatively impact the number of procedures using our implants that are performed and have a material adverse effect on our business, financial condition, results of operations, cash flows, or ability to raise capital.

Risks Related to Our Legal and Regulatory Environment

We, our suppliers, and our third-party manufacturers are subject to extensive governmental regulation both in the United States. and abroad, and failure to comply with applicable requirements could cause our business to suffer.

The medical device industry is regulated extensively by governmental authorities, principally the FDA and corresponding state and foreign regulatory authorities. The FDA and other U.S. and foreign regulatory authorities regulate, among other things, with respect to medical devices:

- design, development, and manufacturing;
- testing, labeling, content, and language of instructions for use and storage;
- clinical trials;
- product safety;
- marketing, sales, and distribution;
- premarket clearance and approval;
- conformity assessment procedures and the issue of related CE Certificates of Conformity;
- record keeping procedures;
- advertising and promotion;
- compliance with good manufacturing practices requirements;
- recalls and field safety corrective actions;
- post-market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury;
- post-market approval studies; and
- product import and export.

The regulations to which we are subject are complex and have tended to become more stringent over time. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, difficulties achieving new product clearances, higher than anticipated costs or lower than anticipated sales.

Before we can market or sell a new regulated medical device or make a significant modification to an existing product in the United States, with limited exceptions, we must obtain either clearance under Section 510(k) of the FDCA for Class II devices or approval of a PMA application from the FDA for a Class III device.

If the FDA requires us to go through a lengthier, more rigorous examination for future products or modifications to existing products than we expect, our product introductions or modifications could be delayed or canceled, which could cause our sales to decline. In addition, the FDA may determine that future products will require the more costly, lengthy, and uncertain PMA process. Although we do not currently market any devices under PMA, the FDA may demand that we obtain a PMA prior to marketing certain of our future products. In addition, if the FDA disagrees with our determination that a product we currently market is subject to an exemption from premarket review, the FDA may require us to submit a 510(k) or PMA in order to continue marketing the product. Further, even with respect to those future products where a PMA is not required, we cannot assure investors that we will be able to obtain the 510(k) clearances with respect to those products. If current or future products that we seek to commercialize are determined to require a PMA or De Novo 510(k) clearance, FDA may require evidence from clinical trials conducted under an investigational device exemption (“IDE”). Trials conducted under an IDE and a PMA or De Novo 510(k) submission to the FDA can be lengthy and costly processes, which could delay and add to the cost of commercializing our products, which could adversely affect our financial results.

The FDA can delay, limit or deny clearance or approval of a device for many reasons, including:

- we may not be able to demonstrate to the FDA’s satisfaction that our products are safe and effective for their intended uses;

- the data from our pre-clinical studies and clinical trials may be insufficient to support clearance or approval, where required; and
- the manufacturing process or facilities we use may not meet applicable requirements.

In addition, the FDA may change its clearance and approval policies, adopt additional regulations or revise existing regulations, or take other actions which may prevent or delay clearance or approval of our products under development or impact our ability to modify our currently approved or cleared products on a timely basis.

Any delay in, or failure to receive or maintain, clearance or approval for our products under development could prevent us from generating revenue from these products or achieving profitability.

In addition, even after we have obtained the proper regulatory clearance or approval to market a product, the FDA has the power to require us to conduct post-marketing studies. These studies can be very expensive and time consuming to conduct. Failure to comply with those studies in a timely manner could result in the revocation of the 510(k) clearance for a product that is subject to such a 522 Order and the recall or withdrawal of the product, which could prevent us from generating sales from that product in the United States

In the EU, the Medical Device Regulation became applicable on May 26, 2021, repealing and replacing the MDD. The Medical Device Regulation establishes transitional provisions. However, the changes to the regulatory system implemented in the EU by the Medical Device Regulation include stricter requirements for clinical evidence and pre-market assessment of safety and performance, new classifications to indicate risk levels, requirements for third party testing by Notified Bodies, tightened and streamlined QMS assessment procedures and additional requirements for the QMS, additional requirements for traceability of products and transparency as well a refined responsibility of economic operators. We are also required to provide clinical data in the form of a clinical evaluation report. Fulfillment of the obligations imposed by the Medical Device Regulation may cause us to incur substantial costs. We may be

unable to fulfil these obligations, or our Notified Body may consider that we have not adequately demonstrated compliance with our related obligations to merit a CE Certificate of Conformity on the basis of the Medical Device Regulation.

The FDA and other regulatory authorities, including foreign authorities, have broad enforcement powers. Regulatory enforcement or inquiries, or other increased scrutiny on us, could dissuade some physicians from using our products and adversely affect our reputation and the perceived safety and effectiveness of our products.

Failure to comply with applicable regulations could jeopardize our ability to sell our products and result in enforcement actions such as:

- warning letters;
- fines;
- injunctions;
- civil penalties;
- termination of distribution;
- recalls or seizures of products;
- delays in the introduction of products into the market;
- total or partial suspension of production;
- facility closures;
- refusal of the FDA or our Notified Body or other regulator to grant future clearances or approvals or to issue CE Certificates of Conformity;
- withdrawals, variation, or suspensions of current clearances or approvals and CE Certificates of Conformity, resulting in prohibitions on sales of our products; and
- in the most serious cases, criminal penalties.

Adverse action by an applicable regulatory authority, our Notified Body or the FDA could result in inability to produce our products in a cost-effective and timely manner, or at all, decreased sales, higher prices, lower margins, additional unplanned costs or actions, damage to our reputation, and could have material adverse effect on our reputation, business, results of operations, and financial condition.

We and our sales representatives must comply with U.S. federal and state fraud and abuse laws, including those relating to healthcare provider kickbacks and false claims for reimbursement, and other applicable federal and state healthcare laws, as well as equivalent foreign laws, and failure to comply could negatively affect our business.

Healthcare providers, third-party sales agents and resellers and third-party payors play a primary role in the distribution, recommendation, ordering, and purchasing of any implant or other medical device for which we have or obtain marketing clearance or approval. Through our arrangements with customers and third-party payors, we are exposed to the risk that our employees, independent contractors, principal investigators, consultants, vendors, or third-party sales agents and resellers may engage in fraudulent or other illegal activity. Misconduct by these parties could include, among other infractions or violations, intentional, reckless and/or negligent conduct or unauthorized activity that violates FDA regulations, manufacturing standards, federal and state healthcare fraud and abuse laws and regulations, laws that require the true, complete, and accurate coding of claims for reimbursement for medical procedures submitted to private and governmental payors and reporting of other financial information or data, other commercial or regulatory laws or requirements, and equivalent foreign rules. It is not always possible to identify and deter misconduct by our employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations, and government authorities may conclude that our business practices do not comply with applicable fraud and abuse or other healthcare laws and regulations or guidance despite our good faith efforts to comply.

There are numerous U.S. federal and state laws pertaining to healthcare fraud and abuse, including anti-kickback and false claims laws. Our relationships and our third-party sales agents and resellers' relationships with physicians, other healthcare professionals, and hospitals are subject to scrutiny under these laws. For example, we are subject to the federal health-care Anti-Kickback Statute, the federal civil False Claims Act, the Health Insurance Portability and Accountability Act ("HIPAA") and the

federal Physician Payment Sunshine Act, each of which is described in detail in "Item 1. Business - Healthcare Fraud and Abuse" and "-Data Privacy and Security Laws".

Certain states and countries also have enacted analogous state and foreign law equivalents of each of the above federal laws and may also mandate implementation of corporate compliance programs, require compliance with the industry's voluntary compliance guidelines, impose restrictions on device manufacturer marketing practices, and/or require tracking and reporting of gifts, compensation, and other remuneration to healthcare professionals and entities. Many of these state and foreign laws differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

If we or our employees are found to have violated any of the above laws we may be subject to significant administrative, civil and criminal penalties, including imprisonment, exclusion from participation in federal healthcare programs, such as Medicare, Medicaid, and equivalent foreign programs, significant fines, monetary penalties and damages, imposition of compliance obligations and monitoring, the curtailment or restructuring of our operations, and damage to our reputation.

We have entered into consulting agreements and royalty agreements with physicians and healthcare executives, including some who are customers. We also engage in co-marketing arrangements with certain physicians who use our products. In addition, prior to our IPO, a small number of our current customer surgeons acquired from us less than 1.0% of our current outstanding common stock, which they either purchased in an arm's length transaction on terms identical to those offered to others or received from us as fair market value consideration for consulting services performed. While all of these transactions were structured to comply with applicable laws, including the federal Anti-Kickback Statute, state anti-kickback laws and other applicable laws, it is possible that regulatory agencies may view these transactions as prohibited arrangements that must be restructured, or discontinued, or for which we could be subject to significant penalties and criminal, civil and administrative liability. We would be materially and adversely affected if regulatory agencies interpret our financial relationships with physicians who order our products to be in violation of applicable laws and we were unable to comply with such laws, which could subject us to, among other things, monetary penalties for non-compliance, the cost of which could be substantial.

Various state and federal regulatory and enforcement agencies, and foreign equivalents, continue actively to investigate violations of health-care laws and regulations, and the U.S. Congress continues to strengthen the arsenal of enforcement tools. To enforce compliance with the federal laws, the U.S. Department of Justice has continued its scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. For example, in October 2024, we received a civil investigative demand ("CID") from the U.S. Department of Justice, Civil Division, in connection with an investigation under the federal Anti-Kickback Statute and Civil False Claims Act (the "Investigation"). The CID requests information and documents primarily relating to meals and consulting service payments provided to health-care professionals. Responding to this Investigation and other investigations may be time- and resource-consuming and even if we are not determined to have violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which could harm our financial condition and divert resources and the attention of our management from operating our business. Additionally, if we settle the current Investigation, or any potential future investigation with the Department of Justice or other law enforcement agencies, we may need to agree to additional onerous compliance and reporting requirements as part of a consent decree, deferred or non-prosecution agreement, or corporate integrity agreement. The current Investigation and any new investigation or settlement could increase our costs or otherwise have an adverse effect on our business.

The scope and enforcement of these laws is uncertain and subject to rapid change. The shifting compliance environment and the need to build and maintain robust and expandable systems and processes to comply with different compliance and/or reporting requirements in multiple jurisdictions increase the possibility that we may run afoul of one or more of the requirements or that federal

or state regulatory authorities might challenge our current or future activities under these laws. Additionally, we cannot predict the impact of any changes in these laws, whether or not retroactive.

We and the third parties with whom we work are subject to stringent and evolving U.S. and foreign laws, regulations, and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Our (and the third parties with whom we work) actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse business consequences.

In the ordinary course of our business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, "process") personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, sensitive third-party data, data we collect about trial participants in connection with clinical trials, and health/medical data (collectively, "sensitive information"). We process data of our employees, consultants, certain individuals who may be affiliated with our customers, including physician users of our products and, in the context of clinical investigations, patients. We collect this kind of information for several purposes, such as billing, reimbursement support, marketing purposes, post-marketing safety vigilance, servicing potential warranty claims and during the course of clinical trials.

Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security. Such obligations include laws that protect the confidentiality of certain sensitive information including patient health information, such as patient medical records, and restrict the use and disclosure of patient health information by healthcare providers, such as HIPAA in the United States and regulations in the European Union (“EU”), which are described in detail in "Item 1. Business - Data Privacy and Security Laws.”

Many U.S. states have enacted laws regulating the collection, use and disclosure of sensitive information and requiring that companies implement reasonable data security measures. Applicable data privacy and security obligations require us, or we may voluntarily choose, to notify affected individuals, customers, governmental entities and/or credit reporting agencies of certain security breaches affecting personal data or to take other actions, such as providing credit monitoring and identity theft protection services. These laws are not consistent, and increase our compliance costs and potential liability in the event of a data breach. In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), and other similar laws (e.g., wiretapping laws). For example, HIPAA, imposes specific requirements relating to the privacy, security, and transmission of individually identifiable protected health information.

In the past few years, numerous U.S. states have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (“CPRA”), (collectively, “CCPA”) applies to personal data of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for fines and allows private litigants affected by certain data breaches to recover significant statutory damages.

Although the CCPA and other comprehensive U.S. state privacy laws include exemptions for certain clinical trials data, and protected health information governed by HIPAA, the law may increase our compliance costs and potential liability with respect to other personal data we collect about California and other applicable residents. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future. While these states, like the CCPA, also exempt some data processed in the context of clinical trials, these developments further complicate compliance efforts, and increase legal risk and compliance costs for us, the third parties with whom we work, and our customers.

Outside the United States, an increasing number of laws, regulations, and industry standards govern data privacy and security. For example, the European Union’s General Data Protection Regulation (“EU GDPR”) and the United Kingdom’s GDPR (“UK GDPR” and together with the EU GDPR, the "GDPR") impose strict requirements for processing personal data. In Europe, the Network and Information Security Directive (“NIS2”) regulates resilience and incident response capabilities of entities operating in a number of sectors, including the health sector. Non-compliance with NIS2 may lead up to administrative fines of a maximum of 10 million Euros or up to 2% of the total worldwide revenue of the preceding fiscal year. The EU GDPR is directly applicable in each EU Member State. This should, in principle, result in a more uniform application of data privacy laws across the EU. The GDPR imposes onerous accountability obligations requiring data controllers and processors to maintain a record of their data processing and policies.

It requires data controllers to, among others, be transparent and to disclose to data subjects (in a concise, intelligible and easily accessible form) how their personal information is to be used, imposes limitations on retention of information, increases requirements pertaining to pseudonymized (i.e., key-coded) data, introduces mandatory data breach notification requirements and sets higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. Fines for non-compliance with the EU GDPR will be significant — the greater of € 20 million or 4% of global turnover. The EU GDPR provides that EU Member States may introduce further conditions, including limitations, to the processing of genetic, biometric, or health data, which could limit our ability to collect, use and share personal data, or could cause our compliance costs to increase, ultimately having an adverse impact on our business. Each EU Member State may also adopt additional related legislation and guidance in its own national data privacy regime and therefore the laws may differ by jurisdiction, sometimes significantly. We need to ensure compliance with the rules in each jurisdiction where we are established or are otherwise subject to local privacy laws.

In the ordinary course of business, we transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area ("EEA") and the United Kingdom ("UK") have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it generally believes are inadequate. Other jurisdictions may adopt or have already adopted similarly stringent data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA standard contractual clauses, the UK's International Data Transfer Agreement / Addendum, and the EU-U.S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U.S.-based organizations who self-certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States.

If there is no lawful manner for us to transfer personal data from the EEA, the UK or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions (such as Europe) at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR's cross-border data transfer limitations.

In addition to data privacy and security laws, we are contractually subject to industry standards adopted by industry groups and, we are, and may become subject to such obligations in the future. For example, we may also be subject to the Payment Card Industry Data Security Standard ("PCI DSS"). The PCI DSS requires companies to adopt certain measures to ensure the security of cardholder information, including using and maintaining firewalls, adopting proper password protections for certain devices and software, and restricting data access. Noncompliance with PCI-DSS can result in penalties ranging from $5,000 to $100,000 per month by credit card companies, litigation, damage to our reputation, and revenue losses. We also rely on vendors to process payment card data, who may be subject to PCI DSS, and our business may be negatively affected if our vendors are fined or suffer other consequences as a result of PCI DSS noncompliance.

We depend on a number of third parties in relation to the provision of our services, a number of which process personal data on our behalf. These third party service providers may breach their contractual or legal obligations, which could negatively affect our business and/or our reputation.

We publish privacy policies, marketing materials and other statements, such as statements related to compliance with certain certifications or self-regulatory principles, concerning data privacy and security, and artificial intelligence. Regulators in the United States are increasingly scrutinizing these statements, and if these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, misleading, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. In addition, these obligations may require us to change our business model.

We have in the past, and could be in the future, subject to data breaches. Our failure (or perceived failure) to comply with applicable data privacy and security obligations, or to protect sensitive information, could result in significant consequences to us, including government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar), additional reporting requirements and/or oversight; bans or restrictions on processing personal data; orders to destroy or not use personal data, imprisonment of company officials and public censure, claims for damages by end-customers, and other affected individuals, and the

imposition of integrity obligations and agency oversight, damage to our reputation, and loss of goodwill, any of which could harm our operations, financial performance, and business. Moreover, despite our efforts, our personnel or third parties with whom we work may fail to comply with such obligations.

In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Evolving and changing definitions of personal data, within the European Union, the United States, and elsewhere, may limit or inhibit our ability to operate or expand our business, including limiting strategic partnerships that may involve the sharing of data. Moreover, if the relevant laws and regulations change, or are interpreted and applied in a manner that is inconsistent with our data practices or the operation of our products, or if we expand into new regions and are required to comply with new requirements, we may need to expend resources in order to change our business operations, data practices, or the manner in which our products operate. Even the perception of privacy concerns, whether or not valid, may harm our reputation and inhibit adoption of our products.

We are subject to risks associated with our non-U.S. operations.

The FCPA prohibits companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. Other anti-corruption or anti-bribery laws, such as the UKBA, prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business in foreign countries. The FCPA also imposes accounting standards and requirements on publicly traded U.S. corporations and their foreign affiliates, which are intended to prevent the diversion of corporate funds to the payment of bribes and other improper payments, and to prevent the establishment of slush funds from which such improper payments can be made. Because of the predominance of government-sponsored healthcare systems around the world, many of our customer relationships outside of the United States are with governmental entities and are therefore subject to such anti-bribery laws. Our internal control policies and procedures may not always protect us from reckless or criminal acts committed by our employees or agents. Violations of these laws, or allegations of such violations, could disrupt our operations, involve significant management distraction, and result in a material adverse effect on our business, results of operations, and financial condition. We also could suffer severe penalties, including criminal and civil penalties, disgorgement, and other remedial measures, including further changes or enhancements to our procedures, policies, and controls, as well as potential personnel changes and disciplinary actions.

Furthermore, we are subject to anti-boycott laws, anti-money laundering laws, and the export controls and economic embargo rules and regulations of the United States, including, but not limited to, the Export Administration Regulations and trade sanctions against embargoed countries, which are administered by the Office of Foreign Assets Control within the Department of the Treasury, as well as the laws and regulations administered by the Department of Commerce. These regulations limit our ability to market, sell, distribute, or otherwise transfer our products or technology to prohibited countries or persons. A determination that we have failed to comply, whether knowingly or inadvertently, may result in substantial penalties, including fines and enforcement actions and civil and/or criminal sanctions, the disgorgement of profits, and the imposition of a court-appointed monitor, as well as the denial of export privileges, and may have an adverse effect on our reputation.

Even if our products are approved by regulatory authorities or CE marked, if we, our contractors, or our suppliers fail to comply with ongoing FDA or other foreign regulatory requirements, or if we experience unanticipated problems with our products, these products could be subject to restrictions or withdrawal from the market.

For any product for which we obtain regulatory clearance or approval, or a CE Certificate of Conformity, the manufacturing processes, reporting requirements, post-approval clinical data, and promotional activities for such product will be subject to continued regulatory review, oversight and periodic inspections by the FDA, our Notified Body and other domestic and foreign regulatory bodies. In particular, we and our suppliers are required to comply with FDA's Quality System Regulations ("QSR") and EU QMS requirements applicable to medical devices for the manufacture of our products and other regulations which cover the methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, storage, and shipping of any product for which we obtain regulatory clearance or approval, or a CE Certificate of Conformity.

The failure by us or one of our suppliers to comply with applicable statutes and regulations, or the failure to timely and adequately respond to any adverse inspectional observations or product safety issues, could result in, among other things, any of the following enforcement actions:

- untitled letters, warning letters, fines, injunctions, consent, and civil penalties;
- unanticipated expenditures to address or defend such actions;
- customer notifications for repair, replacement, refunds;
- recall, detention, or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production;

- refusing or delaying our requests for 510(k) clearance or premarket approval and applications for or conduct of conformity assessments of new products or modified products;
- limitations on the intended uses for which the product may be marketed;
- operating restrictions;
- withdrawing 510(k) clearances or PMA approvals that have already been granted;
- suspension, variation or withdrawal of CE Certificates of Conformity;
- refusal to grant export approval for our products; and
- criminal prosecution.

In addition, we are required to conduct costly post-market testing and surveillance to monitor the safety or effectiveness of our products, and we must comply with medical device reporting requirements, including the reporting of adverse events and malfunctions related to our products. Later discovery of previously unknown problems with our products, including unanticipated adverse events or adverse events of unanticipated severity or frequency, manufacturing problems, or failure to comply with regulatory requirements such as QSR or QMS, may result in changes to labeling, restrictions on such products or manufacturing processes, withdrawal of the products from the market, voluntary or mandatory recalls, a requirement to repair, replace, or refund the cost of any medical device we manufacture or distribute, fines, suspension, variation, or withdrawal of regulatory approvals or CE Certificates of Conformity, product seizures, injunctions, or the imposition of civil, administrative, or criminal penalties which would adversely affect our business, operating results, and prospects.

Our employees, independent contractors, consultants, manufacturers, and third-party sales agents and resellers may engage in misconduct or other improper activities, relating to regulatory standards and requirements.

We are exposed to the risk that our employees, independent contractors, consultants, manufacturers, and third-party sales agents and resellers may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct that violates applicable laws and regulations, such as FDA reporting requirements, manufacturing standards, federal, state and foreign healthcare laws and regulations including those related to fraud and abuse, data privacy laws and laws that require the true, complete and accurate reporting of financial information or data. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs, and other business arrangements. Misconduct by these parties could also involve the improper use of individually identifiable information which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant civil, criminal, and administrative penalties, including, without limitation, damages, fines, disgorgement of profits, imprisonment, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations.

We may be subject to enforcement action, including fines, penalties or injunctions, if we are determined to be engaging in the off-label promotion of our products.

Our promotional materials and training methods must comply with FDA and other applicable national and foreign laws and regulations, including the prohibition of the promotion of off-label use. Physicians may use our products off-label, as the FDA and equivalent third country authorities do not restrict or regulate a physician's choice of treatment within the practice of medicine.

We believe that the specific surgical procedures for which our products are marketed fall within the scope of the surgical applications that have been cleared by the FDA and our Notified Body. However, if the FDA or an equivalent foreign regulatory authority determines that our promotional materials or training constitutes promotion of an off-label use, it could request that we modify our training or promotional materials, require us to stop promoting our products for those specific procedures until we obtain FDA or foreign regulatory authority clearance or approval for them, or subject us to regulatory or enforcement actions, including the issuance of an untitled letter, a warning letter, injunction, seizure, civil fines, and criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our promotional or training materials to constitute promotion of an unapproved use, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false or fraudulent claims for payment of government fund. In that event, our reputation could be damaged and adoption of the products would be impaired. Although our policy is to refrain from statements that could be considered off-label promotion of our products, the FDA or another regulatory authority could disagree and conclude that we have engaged in off-label promotion. In addition, the off-label use of our products may increase the risk of injury to patients, and, in turn, the risk of product liability claims.

Product liability claims are expensive to defend and could divert our management's attention, result in substantial damage awards against us and harm our reputation.

We are required to report certain malfunctions, deaths, and serious injuries associated with our products, which can result in voluntary corrective actions or agency enforcement actions.

Under the FDA's medical device reporting, regulations, and equivalent rules of other countries we are required to report to the FDA and comparable foreign regulatory authorities, any information that our product may have caused or contributed to a death or serious injury or in which our product malfunctioned and, if the malfunction were to recur, would likely cause or contribute to death or serious injury. In the EEA, we must report serious incidents, field safety corrective actions and trend reports through the European Database on Medical Devices ("EUDAMED") module on vigilance and post-market surveillance. However, EUDAMED is not yet fully functional and the related module on vigilance and post-market surveillance is not available yet. Until the entire EUDAMED system is fully functional, serious incidents and field safety corrective actions must be reported to the national competent authorities through national systems.

If we fail to report these events to the FDA or comparable foreign regulatory authorities within the required timeframes, or at all, FDA, or the competent foreign regulatory authority could take enforcement action against us. Any such adverse event involving our products or repeated product malfunctions may result in voluntary or involuntary corrective actions, such as recalls or customer notifications, or action by competent regulatory authorities, such as inspection or enforcement action. Any corrective action, whether voluntary or involuntary, as well as defending ourselves in a lawsuit, could divert managerial and financial resources, impair our ability to manufacture our products in a cost-effective and timely manner, and have an adverse effect on our reputation, results of operations, and financial condition.

Any adverse event involving our products, whether in the United States or abroad could result in future voluntary corrective actions, such as recalls, including corrections, or customer notifications, or action by competent regulatory authorities, such as inspection or enforcement actions. If malfunctions do occur, we may be unable to correct the malfunctions adequately or prevent further malfunctions, in which case we may need to cease manufacture and distribution of the affected products, initiate voluntary recalls, and redesign the products. Regulatory authorities may also take actions against us, such as ordering recalls, imposing fines, or seizing the affected products. Any corrective action, whether voluntary or involuntary, will require the dedication of our time and capital, distract management from operating our business, and may harm our reputation and financial results.

A recall of our products, either voluntarily or at the direction of the FDA or another regulatory authority, including foreign regulatory authorities, or the discovery of serious safety issues or malfunctions with our products, can result in voluntary corrective actions or regulatory enforcement actions, which could have a significant adverse impact on us.

The FDA and similar foreign regulatory authorities have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture or in the event that a product poses an unacceptable risk to health. Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found.

In the case of the FDA, the authority to require a recall must be based on an FDA finding that there is an unreasonable risk of substantial public harm. In addition, foreign governmental bodies have the authority to require the recall of our products in the event of material deficiencies or defects in design or manufacture. A government-mandated or voluntary recall by us or one of our third-party sales agents or resellers could occur as a result of an unacceptable risk to health, component failures, manufacturing errors, design or labeling defects, or other deficiencies and issues. Recalls of any of our products would divert managerial and financial resources and have an adverse effect on our reputation, results of operations, and financial condition, which could impair our ability to produce our products in a cost-effective and timely manner in order to meet our customers' demands. We may also be required to bear other costs or take other actions that may have a negative impact on our future sales and our ability to generate profits.

The FDA requires that certain classifications of recalls be reported to FDA within 10 working days after the recall is initiated. Companies are required to maintain certain records of recalls, even if they are not reportable to the FDA. We have in the past, and may in the future, initiate voluntary recalls involving our products in the future that we determine do not require notification of the FDA. If the FDA disagrees with our determinations, they could require us to report those actions as recalls. A future recall announcement could harm our reputation with customers and negatively affect our sales. In addition, the FDA could take enforcement action for

failing to report the recalls when they were conducted. Equivalent procedures and penalties have been established in other countries including EU Member States.

Modifications to our products may require new 510(k) clearances or premarket approvals and new conformity assessment by our Notified Body, or may require us to cease marketing or recall the modified products until clearances, approvals, or CE Certificates of Conformity are obtained.

Any modification to a 510(k)-cleared device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, design, or manufacture, requires a new 510(k) clearance or, possibly, a PMA. The FDA requires every manufacturer to make and document this determination in the first instance. A manufacturer may determine that a modification could not significantly affect safety or effectiveness and does not represent a major change in its intended use, so that no new 510(k) clearance is necessary. FDA may review any manufacturer's decision and may not agree with our decisions regarding whether new clearances or approvals are necessary. The FDA may also on its own initiative determine that a new clearance or approval is required.

We have modified some of our 510(k) cleared products and have determined based on our review of the applicable FDA guidance that in certain instances new 510(k) clearances or PMAs are not required. If the FDA disagrees with our determination and requires us to submit new 510(k) clearances or PMAs for modifications to our previously cleared products for which we have concluded that new clearances or approvals are unnecessary, we may be required to cease marketing or to recall the modified product until we obtain clearance or approval. In these circumstances, we may be subject to significant enforcement actions, regulatory fines, or penalties, which could require us to redesign our products and harm our operating results.

If a manufacturer determines that a modification to an FDA-cleared device could significantly affect its safety or effectiveness, or would constitute a major change in its intended use, then the manufacturer must file for a new 510(k) clearance or possibly a premarket approval application. Where we determine that modifications to our products require a new 510(k) clearance or premarket approval application, we may not be able to obtain those additional clearances or approvals for the modifications or additional indications in a timely manner, or at all. FDA's ongoing review of the 510(k) program may make it more difficult for us to make modifications to our previously cleared products, either by imposing more strict requirements on when a new 510(k) for a modification to a previously cleared product must be submitted, or applying more onerous review criteria to such submissions.

In the EEA, we must inform the Notified Body that carried out the conformity assessment of the medical devices we market or sell in the EEA of any planned significant changes are made to the products or if there are substantial changes to our quality assurance systems affecting those products. The Notified Body will then assess the changes and determine whether additional audits or actions are required prior to their implementation. Obtaining variation of existing CE Certificates of Conformity or a new CE Certificate of Conformity can be a time-consuming process, and delays in obtaining required future clearances, certifications or approvals would adversely affect our ability to introduce new or enhanced products in a timely manner, which in turn would harm our future growth. Moreover, any substantial changes that take place in the coming years may impact the continuing validity of our CE Certificates of Conformity that were issued on the basis of the Medical Device Directive.

There is no guarantee that the FDA will grant 510(k) clearance or premarket approval of our future products or that our Notified Body will issue the required CE Certificate of Conformity, and failure to obtain necessary clearances or approvals for our future products would adversely affect our business prospects.

We are in the process of developing our regulatory strategies for obtaining clearance approval or CE Certificates of Conformity for future products. Some of them may require 510(k) clearance by the FDA or a new CE Certificate of Conformity by a Notified Body. Other future products may require premarket approval. In addition, some of our new products may require clinical trials or significant clinical evidence to support regulatory approval and we may not successfully complete these clinical trials. Obtaining regulatory clearances or approvals and CE Certificates of Conformity can be a time-consuming process, and delays in obtaining required future regulatory clearances or approvals, and CE Certificates of Conformity would adversely affect our ability to introduce new or enhanced products in a timely manner, which in turn would adversely affect our business prospects. The FDA may not approve or clear these products or our Notified Body may not issue CE Certificate of Conformity for the indications that are necessary or desirable for successful commercialization. Indeed, the FDA may refuse our requests for 510(k) clearance or premarket approval of new products, new intended uses, or modifications to existing products and our Notified Body may refuse to issue new CE Certificates of Conformity. Failure to receive clearance, approval, or CE Certificates of Conformity for our new products would have an adverse effect on our ability to expand our business.

We may fail to obtain or maintain foreign regulatory approvals to market our products in other countries.

We currently market our products internationally and intend to expand our international marketing. International jurisdictions require separate regulatory approvals and compliance with numerous and varying regulatory requirements. The approval procedures

vary among countries and may involve requirements for substantial additional testing, and the time required to obtain approval may differ from country to country and from that required to obtain FDA clearance or approval or to obtain CE Certificates of Conformity.

Clearance or approval by the FDA or obtaining a CE Certificate of Conformity does not ensure approval or certification by regulatory authorities in other countries or jurisdictions, and approval or certification by one foreign regulatory authority does not ensure approval or certification by regulatory authorities in other foreign countries or by the FDA. The foreign regulatory approval or certification process may include all of the risks associated with obtaining FDA clearance or approval, or a CE Certificate of Conformity for a medical device in the EEA, in addition to other risks. In addition, the time required to obtain foreign approval may differ from that required to obtain FDA clearance or approval, or a CE Certificate of Conformity in the EEA, and we may not obtain foreign regulatory approvals on a timely basis, if at all. We may not be able to file for regulatory approvals or certifications and may not receive necessary approvals to commercialize our products in any market. If we fail to receive necessary approvals or certifications to commercialize our products in foreign jurisdictions on a timely basis, or at all, our business, results of operations, and financial condition could be adversely affected.

The results of our clinical trials may not support our product candidate claims or may result in the occurrence of adverse events.

Even if our clinical trials are completed as planned, or on a delayed basis, we cannot be certain that their results will support our product candidate claims or that the FDA, foreign authorities, or our Notified Body will agree with our conclusions regarding them. Success in pre-clinical studies and early clinical trials does not ensure that later clinical trials will be successful, and we cannot be sure that the later trials will replicate the results of prior trials and pre-clinical studies. The clinical trial process may fail to demonstrate that our product candidates are safe and effective for the proposed indicated uses, which could cause us to abandon a product candidate and may delay development of others. Any delay or termination of our clinical trials will delay the filing of our product submissions and, ultimately, our ability to commercialize our product candidates and generate revenue. It is also possible that patients enrolled in clinical trials will experience adverse events that are not currently part of the product candidate's profile.

Inadequate funding for the FDA and other government agencies, or a work slowdown or stoppage at those agencies as part of a broader federal government shutdown, or comparable scenarios with foreign regulatory authorities, could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner, or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve or clear new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes and other events that may otherwise affect the FDA's ability to perform routine functions. Disruptions at FDA and other agencies may also slow the time necessary for new product applications to be reviewed and/or approved by necessary government agencies, which could adversely affect our business. For example, in recent years, including for 35 days beginning on December 22, 2018, the U.S. government shut down several times and certain regulatory agencies, such as the FDA, had to furlough critical employees and stop critical activities. Average review times at FDA have fluctuated in recent years as a result. In addition, government funding of other government agencies on which our operations may rely is subject to the political process, which is inherently fluid and unpredictable.

If a prolonged government shutdown occurs, or if global health concerns or other political or world events prevent the FDA or other regulatory authorities from conducting their regular reviews or other regulatory activities, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Future government shutdowns or delays could also impact our ability to access the public markets and obtain capital to fund the growth of our operations. Similar considerations and concerns apply to foreign regulatory authorities.

We may incur product liability losses, and insurance coverage may be inadequate or unavailable to cover these losses.

Our business exposes us to potential product liability claims that are inherent in the testing, design, manufacture, and sale of surgical devices. Sacroiliac joint and other orthopedic spine surgeries involve significant risk of serious complications, including bleeding, nerve injury, paralysis, and even death. Physicians may misuse or ineffectively use our products, which may result in unsatisfactory patient outcomes or patient injury. In addition, if longer-term patient results and experience indicate that our products or any component of a product cause tissue damage, motor impairment, or other adverse effects, we could be subject to significant liability. We could become the subject of product liability lawsuits alleging that component failures, manufacturing flaws, design defects, or inadequate disclosure of product-related risks or product-related information resulted in an unsafe condition or injury to patients. Product liability lawsuits and claims, safety alerts, or product recalls, regardless of their ultimate outcome, could have a material adverse effect on our business and reputation, our ability to attract and retain customers and our results of operations or financial condition.

Although we maintain third-party product liability insurance coverage, it is possible that claims against us may exceed the coverage limits of our insurance policies or cause us to record a self-insured loss. Even if any product liability loss is covered by an

insurance policy, these policies typically have substantial retentions or deductibles that we are responsible for. Product liability claims in excess of applicable insurance coverage could have a material adverse effect on our business, results of operations, and financial condition.

In addition, any product liability claim brought against us, with or without merit, could result in an increase of our product liability insurance rates. Insurance coverage varies in cost and can be difficult to obtain, and we cannot guarantee that we will be able to obtain insurance coverage in the future on terms acceptable to us or at all.

We are subject to environmental laws and regulations that can impose significant costs and expose us to potential financial liabilities.

The manufacture of certain of our products, including our implants and products, and the handling of materials used in the product testing process involve the use of biological, hazardous and/or radioactive materials and wastes. Our business and facilities and those of our suppliers are subject to foreign, federal, state, and local laws and regulations relating to the protection of human health and the environment, including those governing the use, manufacture, storage, handling, and disposal of, and exposure to, such materials and wastes. We own and operate certain x-ray equipment at our facilities which requires adoption of a radiation safety plan. Our failure to follow such safety plan or otherwise use this equipment properly could be hazardous to our employees and expose us to liability as the employer. In addition, under some environmental laws and regulations, we could be held responsible for costs relating to any contamination at our past or present facilities and at third-party waste disposal sites even if such contamination was not caused by us. A failure to comply with current or future environmental laws and regulations could result in severe fines or penalties. Any such expenses or liability could have a significant negative impact on our business, results of operations, and financial condition.

Certain of our products are derived from human tissue and are or could be subject to additional regulations and requirements.

Our iFuse INTRA implants are derived from human bone tissue, and as a result are subject to FDA and certain state regulations regarding human cells, tissues and cellular or tissue-based products, or HCT/Ps. Currently, our iFuse INTRA implants are marketed as HCT/P products, and are regulated under Section 361 of the Public Health Service Act; as such, we have not been required to file a 510(k) with respect to these products. However, the FDA could require us to obtain a 510(k) clearance for future tissue products not regulated as 361 HCT/Ps. The process of obtaining a 510(k) clearance could take time and consume resources, and failing to receive such a clearance would render us unable to market and sell such products, which could have a material and adverse effect on our business.

In addition, procurement of certain human organs and tissue for transplantation is subject to the National Organ Transplant Act ("NOTA"), which prohibits the transfer of certain human organs, including skin and related tissue, for valuable consideration, but permits the reasonable payment for costs associated with the removal, transportation, implantation, processing, preservation, quality control, and storage of human tissue and skin. We reimburse tissue banks for their expenses associated with the recovery, storage, and transportation of donated human tissue they provide to use for processing. We include in our pricing structure amounts paid to tissue banks to reimburse them for their expenses associated with the recovery and transportation of the tissue, in addition to certain costs associated with processing, preservation, quality control, and storage of the tissue, marketing and medical education expenses, and costs associated with development of tissue processing technologies. NOTA payment allowances may be interpreted to limit the amount of costs and expenses we can recover in our pricing for our products, thereby reducing our future revenue and profitability. If

we were to be found to have violated NOTA's prohibition on the sale or transfer of human tissue for valuable consideration, we would potentially be subject to criminal enforcement sanctions, which could materially and adversely affect our results of operations.

Risks Related to Our Intellectual Property

If we or our licensors fail to adequately protect or enforce our intellectual property rights or secure rights to patents of others, the value of our intellectual property rights would diminish and our ability to successfully commercialize our products may be impaired.

We rely primarily on patent, copyright, trademark and trade secret laws, as well as confidentiality and nondisclosure agreements and other methods, to protect our proprietary technologies and know-how. As of December 31, 2024, we owned 68 issued U.S. patents and had 40 pending U.S. patent applications, and we owned 20 issued foreign patents and had 24 pending foreign patent applications. We have focused the majority of our foreign patent efforts in China, Europe, and Japan. Our current U.S. patents on iFuse, including the triangular shape, expire in December 2025. Competitors may market similar triangular shaped devices upon the expiration of the patents in late 2025. Our current U.S. patents on iFuse-3D, including the fenestrated design, expire in September 2035. Our foreign patents will expire between August 2025 and September 2035.

As of December 31, 2024, we have 22 registered trademarks in the United States and have filed for three more. We have sought protection for at least fourteen of these trademarks in 60 countries including the 27 European member countries of the Madrid Protocol.

We have applied for patent protection relating to certain existing and proposed products and processes. While we generally apply for patents in those countries where we intend to make, have made, use, or sell our products, we may not accurately predict all of the countries where patent protection will ultimately be desirable. If we fail to timely file a patent application in any such country, we may be precluded from doing so at a later date. Furthermore, we cannot assure investors that any of our patent applications will be approved. The rights granted to us under our patents, including prospective rights sought in our pending patent applications, may not be meaningful or provide us with any commercial advantage. In addition, those rights could be opposed, contested, or circumvented by our competitors or be declared invalid or unenforceable in judicial or administrative proceedings. The failure of our patents to adequately protect our technology might make it easier for our competitors to offer the same or similar products or technologies. Competitors may be able to design around our patents or develop products that provide outcomes that are comparable to ours without infringing on our intellectual property rights. Due to differences between foreign and U.S. patent laws, our patented intellectual property rights may not receive the same degree of protection in foreign countries as they would in the United States Even if patents are granted outside the United States, effective enforcement in those countries may not be available. Since most of our issued patents are for the United States only, we lack a corresponding scope of patent protection in other countries. In countries where we do not have significant patent protection, we may not be able to stop a competitor from marketing products in such countries that are the same as or similar to our products.

We rely on our trademarks, trade names and brand names to distinguish our products from the products of our competitors and have registered or applied to register many of these trademarks. We cannot assure investors that our trademark applications will be approved. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands. Further, we cannot assure investors that competitors will not infringe upon our trademarks, or that we will have adequate resources to enforce our trademarks.

We also rely on trade secrets, know-how, and technology, which are not protected by patents, to maintain our competitive position. We try to protect this information by entering into confidentiality and intellectual property assignment agreements with parties that develop intellectual property for us and/or have access to it, such as our officers, employees, consultants, and advisors. However, in the event of unauthorized use or disclosure or other breaches of such agreements, we may not be provided with meaningful protection for our trade secrets or other proprietary information. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our commercial partners, collaborators, employees, and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. If any of our trade secrets, know-how or other technologies not protected by a patent were to be disclosed to or independently developed by a competitor, our business, financial condition, and results of operations could be materially adversely affected.

If a competitor infringes upon one of our patents, trademarks, or other intellectual property rights, enforcing those patents, trademarks, and other rights may be difficult and time consuming. Even if successful, litigation to defend our patents and trademarks against challenges or to enforce our intellectual property rights could be expensive and time consuming and could divert management's attention from managing our business. Moreover, we may not have sufficient resources to defend our patents or trademarks against challenges or to enforce our intellectual property rights. In addition, if third parties infringe any intellectual property that is not material to the products that we make, have made, use, or sell, it may be impractical for us to enforce this intellectual property against those third parties.

We may be subject to damages resulting from claims that we, our employees, or our third-party sales agents or resellers have wrongfully used or disclosed alleged trade secrets of our competitors or are in breach of non-competition or non-solicitation agreements with our competitors.

Many of our employees were previously employed at other medical device companies, including our competitors or potential competitors, in some cases until recently. Some of our third-party sales agents or resellers sell, or in the past have sold, products of our competitors. We may be subject to claims that we, our employees, or our third-party sales agents or resellers have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of these former employers or competitors. In addition, we have been and may in the future be subject to claims that we caused an employee to breach the terms of his or her non-competition or non-solicitation agreement. Even if we are successful in defending against these claims, litigation could result in substantial costs, divert the attention of management from our core business and harm our reputation. If our defense to those claims fails, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. There can be no assurance that this type of litigation will not occur, and any future litigation or the threat thereof may adversely affect our ability to hire additional direct sales representatives. A loss of key personnel or their work product could hamper or prevent our ability to commercialize product candidates, which could have an adverse effect on our business, results of operations, and financial condition.

The medical device industry is characterized by patent litigation and we could become subject to litigation that could be costly, result in the diversion of management's time and efforts, require us to pay damages, and/or prevent us from developing or marketing our existing or future products.

Our commercial success will depend in part on not infringing the patents or violating the other proprietary rights of third parties. Significant litigation regarding patent rights exists in our industry. Our competitors in both the United States and abroad, many of which have substantially greater resources and have made substantial investments in competing technologies, may have applied for or obtained or may in the future apply for and obtain, patents that will prevent, limit, or otherwise interfere with our ability to make and sell our products. We have conducted a limited review of patents issued to third parties. The large number of patents, the rapid rate of new patent issuances, the complexities of the technology involved, and the uncertainty of litigation increase the risk of management's attention being diverted to patent litigation. Any litigation or claim against us, even those without merit, may cause us to incur substantial costs, and could place a significant strain on our financial resources, divert the attention of management from our core business, and harm our reputation. Further, as the number of participants in the medical device industry grows, the possibility of intellectual property infringement claims against us increases. If we are found to infringe the intellectual property rights of third parties, we could be required to pay substantial damages, including treble damages if an infringement is found to be willful, and/or royalties and could be prevented from selling our products unless we obtain a license or are able to redesign our products to avoid infringement. Any such license may not be available on reasonable terms, if at all, and there can be no assurance that we would be able to redesign our products in a way that would not infringe the intellectual property rights of others. If we fail to obtain any required licenses or make any necessary changes to our products or technologies, we may have to withdraw existing products from the market or may be unable to commercialize one or more of our products, all of which could have a material adverse effect on our business, results of operations, and financial condition. If passed into law, patent reform legislation currently pending in the U.S. Congress could significantly change the risks associated with bringing or defending a patent infringement lawsuit.

In addition, we generally indemnify our customers and third-party sales agents and resellers with respect to infringement by our products of the proprietary rights of third parties. Third parties may assert infringement claims against our customers or third-party sales agents and resellers. These claims may require us to initiate or defend protracted and costly litigation on behalf of our customers or third-party sales agents and resellers, regardless of the merits of these claims. Such claims may in some instances require us to advance or indemnify the customer, sales agent or reseller for the cost of the defense, regardless of the plaintiff's ultimate success in the matter. If any of these claims succeed, we may be forced to pay damages on behalf of our customers or third-party sales agents and resellers or may be required to obtain licenses to intellectual property owned by such third parties. If we cannot obtain all necessary licenses on commercially reasonable terms, our customers and third-party sales agents and resellers may be forced to stop using or selling our products.

Risks Related to Ownership of Our Common Stock

The price of our common stock may be volatile, and the value of an investment in our common stock could decline.

Medical device stocks have historically experienced volatility, and the trading price of our common stock may fluctuate substantially. These fluctuations could cause our stockholders to lose all or part of their investment in our common stock. Factors that could cause fluctuations in the trading price of our common stock include the following:

- changes in interest rates, investor risk appetite and other macroeconomic factors impacting the market for securities issued by medical device companies;
- the risk of inflation, interest rate increases and other macroeconomic factors impacting patients' economic ability and likelihood of undergoing elective procedures, whether real or as perceived by investors;
- actual or anticipated changes or fluctuations in our results of operations;
- the impact of infectious diseases, and measures taken to combat them, on our business;
- results of our clinical trials and that of our competitors' products;
- regulatory actions with respect to our products or our competitor's products;
- announcements of new offerings, products, services or technologies, commercial relationships, acquisitions, or other events by us or our competitors;
- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market price and trading volume of healthcare companies, in general, and of companies in the medical device industry in particular;
- fluctuations in the trading volume of our shares or the size of our public float;
- negative publicity;
- whether our results of operations meet the expectations of securities analysts or investors or those expectations change;
- litigation involving us, our industry, or both;
- regulatory developments in the United States, foreign countries, or both;
- lock-up releases and sales of large blocks of our common stock;
- additions or departures of key employees or scientific personnel; and
- general economic conditions and trends.

In addition, if the market for healthcare stocks or the stock market, in general, experience a further loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, results of operations, or financial condition. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. If our stock price is volatile, we may become the target

of securities litigation. Securities litigation could result in substantial costs and divert our management's attention and resources from our business. This could have a material adverse effect on our business, results of operations, and financial condition.

Our sales volumes and our operating results may fluctuate over the course of the year, which could affect the price of our common stock.

We have experienced and continue to experience meaningful variability in our sales and gross profit from quarter to quarter, as well as within each quarter. Our sales and results of operations will be affected by numerous factors, including, among other things:

- payor coverage and reimbursement;
- the number of products sold in the quarter and our ability to drive increased sales of our products;
- our ability to establish and maintain an effective and dedicated sales force;
- pricing pressure applicable to our products, including adverse third-party coverage and reimbursement outcomes;
- the impact of infectious disease outbreaks on our business;
- results of clinical research and trials on our existing products and products in development;
- the mix of our products sold because profit margins differ amongst our products;
- timing of new product offerings, acquisitions, licenses or other significant events by us or our competitors;
- the ability of our suppliers to timely provide us with an adequate supply of materials and components;
- the evolving product offerings of our competitors;
- the demand for, and pricing of, our products and the products of our competitors;
- factors that may affect the sale of our products, including seasonality and budgets of our customers;
- domestic and international regulatory clearances or approvals, or CE Certificates of Conformity, and legislative changes affecting the products we may offer or those of our competitors;
- interruption in the manufacturing or distribution of our products;
- the effect of competing technological, industry and market developments;
- our ability to expand the geographic reach of our sales and marketing efforts;
- the costs of maintaining adequate insurance coverage, including product liability insurance;
- the availability and cost of components and materials;
- the number of selling days in the quarter;
- fluctuation in foreign currency exchange rates; and
- impairment and other special charges.

Some of the products we may seek to develop and introduce in the future will require FDA clearance or approval before commercialization in the United States, and commercialization of such products outside of the United States would likely require additional regulatory approvals, or Certificates of Conformity and import licenses. As a result, it will be difficult for us to forecast demand for these products with any degree of certainty. In addition, we will be increasing our operating expenses as we expand our commercial capabilities. Accordingly, we may experience significant, unanticipated losses. If our quarterly or annual operating results fall below the expectations of investors or securities analysts, the price of our common stock could decline substantially. Furthermore, any quarterly or annual fluctuations in our operating results may, in turn, cause the price of our common stock to fluctuate

substantially. Quarterly comparisons of our financial results may not always be meaningful and should not be relied upon as an indication of our future performance.

We may be unable to utilize our federal and state net operating loss carryforwards to reduce our income taxes.

As of December 31, 2024, we had net operating loss ("NOL") carryforwards of $350.5 million and $271.6 million available to reduce future taxable income, if any, for U.S. federal income tax and state income tax purposes, respectively. If not utilized, our federal and state NOL carryforwards begin to expire in 2030 and 2024, respectively. Portions of these NOL carryforwards could expire unused and be unavailable to offset future income tax liabilities. Unused U.S. federal NOLs generated in tax years beginning after December 31, 2017, will not expire and may be carried forward indefinitely, but the deductibility of such federal NOL is limited to 80% of taxable income. At the state level, there may be periods during which the use of NOL is suspended or otherwise limited. For example, California imposed limits on the usability of California state net operating losses to offset taxable income in tax years beginning after 2023 and before 2027. In addition, under Section 382 of the Code, and corresponding provisions of state law, if a corporation undergoes an "ownership change," which generally occurs if the percentage of the corporation's stock owned by 5% stockholders increases by more than 50% over a three-year period, the corporation's ability to use its pre-change NOL carryforwards and other pre-change tax attributes to offset its post-change income may be limited. We updated our Section 382 ownership change analysis through December 31, 2020. The analysis determined that we have experienced Section 382 ownership changes in 2010 and 2020. A total of $1.4 million of our NOLs and tax credit carryforwards are subject to limitation as a result of the ownership change.

Our charter documents and Delaware law could discourage takeover attempts and lead to management entrenchment.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors that are not nominated by the current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions include:

- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors;
- the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquiror;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by a majority vote of our entire board of directors, the chairman of our board of directors, or our chief executive officer, which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement for the affirmative vote of holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of the voting stock, voting together as a single class, to amend the provisions of our amended and restated certificate of incorporation relating to the management of our business or our amended and restated bylaws, which may inhibit the ability of an acquiror to effect such amendments to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from

conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of us.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time.

A Delaware corporation may opt out of this provision by express provision in its original certificate of incorporation or by amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out of, and do not currently intend to opt out of, this provision.

These and other provisions in our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by our then-current board of directors, including delay or impede a merger, tender offer, or proxy contest involving our company. We regularly review these defensive provisions with our Board of Directors and our larger stockholders but have thus far elected not to remove any of these provisions as we believe they enable our Board of Directors to plan and manage the business with a longer time horizon in mind. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for our stockholders to realize value in a corporate transaction.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the U.S. federal district courts are the exclusive forums for substantially all disputes between us and our stockholders, which restricts our stockholders' ability to bring a lawsuit against us or our directors, officers, or employees in jurisdictions other than Delaware and federal district courts.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of a fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. The provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for these types of disputes with us or our directors, officers, or other employees.

Our amended and restated certificate of incorporation also provides that the U.S. federal district courts are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

Adverse developments affecting the banking industry or the broader financial services industry, such as actual events or concerns involving liquidity, defaults or non-performance, could adversely affect our operations and liquidity.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank, a California corporation ("SVB"), was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation ("FDIC"), as receiver.

Although a statement by the U.S. Department of the Treasury, the Federal Reserve and the FDIC stated that all depositors of SVB would have access to all of their money after only one business day following the date of closure and we and other depositors with SVB received such access on March 13, 2023, uncertainty and liquidity concerns in the broader financial services industry remain. Inflation and rapid increases in interest rates have led to a decline in the trading value of previously issued government securities with interest rates below current market interest rates. The U.S. Department of Treasury, FDIC and Federal Reserve Board announced a program to provide up to $25 billion of loans to financial institutions secured by such government securities held by financial institutions to mitigate the risk of potential losses on the sale of such instruments. However, widespread demands for customer withdrawals or other needs of financial institutions for immediate liquidity may exceed the capacity of such program. There is no guarantee that the U.S. Department of Treasury, FDIC and Federal Reserve Board will provide access to uninsured funds in the future in the event of the closure of other banks or financial institutions in a timely fashion or at all.

Our access to our cash and cash equivalents in amounts adequate to finance our operations could be significantly impaired by the financial institutions with which we have arrangements directly facing liquidity constraints or failures. In addition, investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any material decline in available funding or

our ability to access our cash and cash equivalents could adversely impact our ability to meet our operating expenses, result in breaches of our contractual obligations or result in violations of federal or state wage and hour laws, any of which could have material adverse impacts on our operations and liquidity.

In addition, if any parties with whom we conduct business are unable to access funds held in uninsured deposit accounts or pursuant to lending arrangements with a financial institution that is placed in receivership by the FDIC, such parties' ability to pay their obligations to us or to enter into new commercial arrangements requiring additional payments to us could be adversely affected.

Our loan and security agreement contains covenants that may restrict our business and financing activities.

Our Loan and Security Agreement (as amended, the "Amended Loan Agreement") with Silicon Valley Bank, a division of First-Citizens Bank & Trust Company ("First-Citizens") contains customary events of default, including bankruptcy, the failure to make payments when due, the occurrence of a material impairment on First-Citizens security interest over the collateral, a material adverse change, the occurrence of a default under certain other indebtedness incurred by us or our subsidiaries, the rendering of certain types of judgments against us and our subsidiaries, the revocation of certain government approvals, violation of covenants, and incorrectness of representations and warranties in any material respect.

The Amended Loan Agreement is secured by substantially all our assets other than our intellectual property, which intellectual property is subject to a negative pledge under the terms of the Amended Loan Agreement. The Amended Loan Agreement includes affirmative and negative covenants applicable to us and certain of our foreign subsidiaries. The affirmative covenants include, among others, covenants requiring us to maintain our legal existence and governmental compliance, deliver certain financial reports, and maintain insurance coverage. The negative covenants include, among others, restrictions regarding transferring collateral, pledging our intellectual property to other parties, engaging in mergers or acquisitions, paying dividends or making other distributions, incurring indebtedness, transacting with affiliates, and entering into certain investments, in each case subject to certain exceptions.

The covenants in the Amended Loan Agreement, as well as any future financing agreements that we may enter into, may restrict our ability to finance our operations, engage in, expand, or otherwise pursue our business activities and strategies. Our ability to comply with these covenants may be affected by events beyond our control, and future breaches of any of these covenants could result in a default under our credit facility agreements. If not waived, future defaults could cause all of the outstanding indebtedness under the Amended Loan Agreement to become immediately due and payable.

If we do not have or are unable to generate sufficient cash available to repay our debt obligations when they become due and payable, either upon maturity or in the event of a default, we may not be able to obtain additional debt or equity financing on favorable terms, if at all, which may negatively impact our ability to operate our business.

Our ability to access credit on favorable terms, if necessary, for the funding of our operations and capital projects may be limited due to changes in credit markets.

In the past, the credit markets and the financial services industry have experienced disruption characterized by the bankruptcy, failure, collapse or sale of various financial institutions, increased volatility in securities prices, diminished liquidity and credit availability and intervention from the U.S. and other governments. Continued concerns about the systemic impact of potential long-term or widespread downturn, energy costs, geopolitical issues, the availability and cost of credit, the global commercial and residential real estate markets and related mortgage markets and reduced consumer confidence have contributed to increased market volatility. The cost and availability of credit has been and may continue to be adversely affected by these conditions. We cannot be certain that funding for our capital needs will be available from our existing financial institutions and the credit markets if needed, and if available, to the extent required and on acceptable terms. On November 8, 2024, we entered into a Third Amendment to Loan and Security Agreement (the "Third Amendment") with Silicon Valley Bank, a division of First-Citizens Bank & Trust Company ("First-Citizen"), which amends the Company's Loan and Security Agreement, dated as of August 12, 2021 (the "Original Loan Agreement"), as amended by that certain First Amendment to Loan and Security Agreement, dated as of January 6, 2023 (the "First Amendment") and that certain Second Amendment to Loan and Security Agreement, dated as of January 25, 2024 (the "Second Amendment" and collectively with the Original Loan Agreement, as amended by the First Amendment, Second Amendment and Third Amendment, the "Third Amended Loan Agreement"). The Third Amendment Term Loan extended by First-Citizens to us pursuant to the current Third Amended Loan Agreement terminates and matures on September 1, 2029, and if we cannot renew or refinance this Third Amendment Term Loan, if needed at such time, or obtain funding when needed, in each case on acceptable terms, such conditions may have an adverse effect on our ability to operate our business. See "Note 7. Borrowings" to the "Notes to Consolidated Financial Statements" included in this report for additional information.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity

Risk management and strategy

We recognize the importance of protecting our critical information technology ("IT") systems and data from material risks from cybersecurity threats. Risk management for cybersecurity threats is integrated into our overall enterprise risk management system. We consider cybersecurity risks alongside other business risks. Our risk management framework includes risk assessments, internal controls, and systems monitoring mechanisms. We have implemented and maintain various processes designed to assess, identify, and manage material risks from cybersecurity threats to our IT systems and critical data, including intellectual property, confidential information, that is proprietary, strategic or competitive in nature, health and medical data, clinical trial data, and personal data ("Information Systems and Data"). Third parties also play a role in our cybersecurity efforts. We engage third-party services to assist us from time to time to identify, assess, and manage material risks from cybersecurity threats, including for example through penetration testing, independent audits or consulting on practices to address new challenges. We conduct audits and evaluations of our IT infrastructure, network architecture, and software applications to help us identify vulnerabilities, potential entry points, and areas for improvement. We perform assessments considering principles from the National Institute of Standards and Technology Cybersecurity Framework and by using an external third-party security assessor from time to time.

Depending on the environment, systems, and data, we employ strategies and practices designed to protect and mitigate cybersecurity material risks to our Information Systems and Data, including but not limited to:

- Utilizing third-party tools to monitor threats and cybersecurity vulnerabilities, reduce risk, and enhance governance, risk, and compliance management.
- Engaging a managed cybersecurity service provider to monitor and assess cybersecurity threats, serve as a point of contact for incident notification, and collaborate with our in-house IT team.
- Maintaining security policies, procedures, and standards considering evolving threats and industry standards.
- Engaging external subject matter experts and advisors to inform us of current cyber practices, policies, and programs.
- Conducting tabletop exercises focused on scenarios such as ransomware, disaster recovery, and business continuity.
- Providing mandatory annual security and privacy awareness training to all employees who have access to company email and connected devices.
- Conducting phishing simulations and cyber hygiene training sessions to educate employees and promote responsible cybersecurity practices.
- Maintaining an incident response plan.

We have established an incident response team, which is led by our IT, legal, and compliance leaders and is comprised of stakeholders from various departments in the Company. A designated member from our IT team is responsible for conducting incident assessments, determining severity levels, informing relevant stakeholder, such as the incident response team and senior management, and maintaining documentation of the remediation activity.

In the event of a security incident, our incident response processes are designed to escalate certain cybersecurity incidents to senior leadership, the audit committee and the board of directors, as deemed appropriate.

Governance

Our audit committee is responsible for overseeing our cybersecurity risk management processes, including regarding cybersecurity threats. Our CFO, Anshul Maheshwari, and Vice President of Information Technology, Michael Vedda, provide briefings to our audit committee on the effectiveness and progress of our cybersecurity risk management program on regular basis. Mr. Vedda has more than 20 years of experience and engages with trusted third-party experts for support and guidance when additional guidance is required. Prior to joining SI-BONE, he managed cybersecurity functions, where he was responsible for overseeing cybersecurity strategy and operations, including incident response, threat intelligence, security awareness training programs, risk assessments and remediation, and regulatory and compliance matters. Our board of directors receives regular reports from our audit committee chair regarding our cyber risk management programs, potential cybersecurity risks, efforts to mitigate such risks, and the audit committee's oversight of these activities.

For a description of the risks from cybersecurity threats that may materially affect the Company and how they may do so, see Item 1A. "Risk Factors", including "If we experience significant disruptions in our information technology systems, our business, results of operations, and financial condition could be adversely affected".

Item 2. Properties.

Our leased headquarters in Santa Clara, California, comprises approximately 21,848 square feet, and the lease for this space expires in July 2026. Our headquarters houses our product development, marketing, finance, education, and administration functions. We also lease research and development and warehouse space in another building in Santa Clara, California under a lease that will expire in October 2026, and office spaces in Gallarate, Italy which expires in August 2027 to accommodate our European sales and marketing team. We believe our facilities are adequate and suitable for our current needs but in the future we may need additional space.

Item 3. Legal Proceedings

We may be subject to legal proceedings and claims in the ordinary course of business. We cannot predict the results of any such disputes, and despite the potential outcomes, the existence thereof may have an adverse material impact on us due to diversion of management time and attention as well as the financial costs related to resolving such disputes.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Price of Common Stock

Our common stock is listed on the Nasdaq Global Market under the symbol "SIBN".

Holders of Record

As of February 20, 2025, we had 116 holders of record of our common stock. The actual number of stockholders is greater than this number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividend Policy

We have never declared or paid any cash dividends on our capital stock, and we do not currently intend to pay any cash dividends on our capital stock in the foreseeable future.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes to those statements included elsewhere in this Annual Report on Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report on Form 10-K, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many important factors, including those set forth in the "Risk Factors" section of this Annual Report on Form 10-K, our actual results could differ materially from the results described in, or implied, by these forward-looking statements.

Overview

We are a medical device company dedicated to solving musculoskeletal disorders of the sacropelvic anatomy. Leveraging our knowledge of pelvic anatomy and biomechanics, we have pioneered proprietary minimally invasive surgical implant systems to address sacroiliac joint dysfunction as well as address unmet clinical needs in pelvic fixation and management of pelvic fractures.

Our products include a series of patented titanium implants and the instruments used to implant them, as well as implantable bone products. Since launching our first generation iFuse in 2009, we have launched multiple implant product lines, including iFuse-3D in 2017, iFuse TORQ in 2021, iFuse Bedrock Granite in 2022, and iFuse INTRA and iFuse TORQ TNT in 2024. In the United States, iFuse, iFuse-3D, iFuse TORQ and iFuse Bedrock Granite have clearances for applications in sacroiliac joint dysfunction, adult spinal deformity and pelvic trauma. iFuse TORQ TNT has clearances for applications in pelvic trauma and sacroiliac joint dysfunction.

We market our products primarily with a direct sales force as well as a number of third-party sales agents in the United States, and with a combination of a direct sales force and sales agents in other countries. As of December 31, 2024, more than 115,000 procedures have been performed by over 4,300 physicians in the United States and 38 other countries since we introduced iFuse in 2009.

Factors Affecting Results of Operations and Key Performance Indicators

We monitor certain key performance indicators that we believe provide us and our investors indications of conditions that may affect results of our operations. Our revenue growth rate and commercial progress is impacted by, among other things, our key performance indicators, including our ability to expand access to solutions, increase physician penetration, launch new products, address human capital needs and gain operational efficiencies.

Expand Access to Solutions

As we expand our portfolio, the experience, caliber, and strong clinician relationships of our sales force, including our network of third-party sales agents, will be crucial to drive adoption of our future products and procedures. Since our initial public offering in 2018, we have made significant investments in our commercial infrastructure to build a valuable sales team to expand the market, drive physician engagement and deliver revenue growth.

While we will continue to selectively expand our sales force, we are also focused on increasing our sales managers' capacity and driving sales force productivity by adding more clinical support specialists and implementing hybrid models, including selectively adding third-party sales agents for case coverage, and by placing instrument trays and implants at select sites of service. This expansion of our sales force is one aspect of increasing the overall number of procedures in a given period that we can support with products, which is what we call "surgical capacity." Our surgical capacity is also limited by the volume of implant inventory and the number of instrument trays held ready for surgery, either at our headquarters facility, forward deployed with our sales force or placed at customer facilities. As we grow, and as adoption of our solutions continues to mature, our overall surgical capacity may become an important driver of the amount of revenue that we can generate.

As of December 31, 2024, our U.S. sales force consisted of 87 territory sales managers and 71 clinical support specialists directly employed by us and 252 third-party sales agents, compared to 82 territory sales managers and 69 clinical support specialists directly employed by us and 175 third-party sales agent as of December 31, 2023. As of December 31, 2024, our international sales force consisted of 9 sales representatives directly employed by us and 31 third-party sales agents and resellers, compared to 14 sales representatives directly employed by us and 31 third-party sales agents and resellers as of December 31, 2023.

For fiscal year ended December 31, 2024, over 25 percent of our procedures for sacroiliac joint dysfunction were performed at ASCs and OBLs. With the steady increase in the numbers of minimally invasive procedures, including sacroiliac joint fusion procedures, being performed at ASCs, we continue to actively engage with these facilities to educate their management groups on our clinical evidence, exclusive commercial payor coverage and focus on driving improved education and pathways between pain physicians and surgeons.

Physician Engagement

Engaging and educating physician and other healthcare professionals about the clinical merits and patient benefits of our solutions will be important to grow physician adoption. Our medical affairs team works closely with our sales team to increase physician engagement and activation. Physician activity includes both the number of physicians performing our procedures as well as the number of procedures performed per physician. In addition to training new physicians, we have several initiatives to re-engage inactive physicians.

We utilize a combination of hands-on cadaveric and dry-lab training, as well as SI-BONE SImulator - a portable, radiation-free, haptics and computer-based simulator - for training purposes, and optimize our programs to improve adoption rate, time to first case and ultimately physician productivity.

We are targeting over 12,000 U.S. physicians including over 8,000 orthopedic and neurological surgeons and approximately 4,500 interventional spine physicians, to perform our procedures. As of December 31, 2024 and 2023, in the United States more than 3,200 physicians and 2,700 physicians, respectively, have been trained on our solutions and have treated at least one patient. Outside the United States, as of December 31, 2024 and 2023, more than 1,100 and 900 physicians, respectively, have been trained on our solutions and have treated at least one patient. Since launching our academic training program in August 2018, we have trained residents and fellows in over 240 academic programs in the United States, resulting in the training of approximately 1,600 surgical residents and fellows.

Expand Addressable Markets

Expanding our platform of sacropelvic solutions to address sacroiliac joint dysfunction, pelvic fixation and pelvic trauma has been a key tenet of our strategy, and we have made substantial progress on this mission. With iFuse-3D, iFuse TORQ, iFuse Bedrock Granite, iFuse INTRA and iFuse TORQ TNT, we believe that the value of our innovative, versatile, and complementary product portfolio provides physicians with a comprehensive set of alternatives, and positions us as the top choice for physicians for sacropelvic solutions. We also offer an allograft bone implants for physicians who believe that this kind of implant can be important to obtaining stabilization and /or fusion.

In June 2022, we completed enrollment in SILVIA, a two-year prospective international multi-center randomized controlled trial of two different methods for pelvic fixation in adult patients undergoing multi-segmental, or long-construct, spinal fusion. We anticipate the results for the primary endpoint in 2025. In September 2022 we enrolled the first of the targeted 120 patients in our SAFFRON study, a prospective randomized controlled trial of surgery using our iFuse TORQ device vs. non-surgical management in patients with debilitating sacral fragility or insufficiency fractures. We are no longer actively recruiting patients in our SAFFRON study and anticipate publishing follow-up results in 2025. We are working with a select group of physicians on STACI, a prospective study on the use of iFuse TORQ in patients with sacroiliac joint dysfunction. The purpose of STACI is to provide post-market information on the safety and effectiveness of minimally invasive sacroiliac joint fusion procedures performed with iFuse TORQ.

We continue to invest in research and development initiatives to bring new and differentiated solutions to the market that deliver on our vision of improving patient quality of life through differentiated solutions to target segments with a clear unmet clinical need. Robust clinical evidence is central to drive adoption and favorable reimbursement, and we remain focused on continuing to set the industry standard in delivering evidence-based care through best-in-class clinical trials that demonstrate the efficacy, safety, and economic benefit of our solutions. In 2024, we spent $16.6 million on research and development, equating to 10% of our 2024 revenue.

Enhance Employee Experience and Engagement

Our ability to recruit, develop and retain highly skilled talent is a significant determinant of our success. To attract, retain, and develop our talent, we seek to create a diverse and inclusive workplace with opportunities for our employees to thrive and advance in their careers. We support this with market-competitive compensation, comprehensive benefits, and health and well-being programs.

In addition to ensuring workforce diversity and equitable compensation for our employees, we maintain a strong focus on enhancing employee retention and job satisfaction. To achieve this, we have established a feedback mechanism to continually monitor and respond to employee sentiment. Using this feedback, we deploy strategies that enhance the skills of our people managers and improve internal communications with employees. Furthermore, we provide ongoing learning and leadership training opportunities to support professional growth.

In 2024, we conducted instructor-led trainings designed to build people leadership capabilities and train managers on delivering actionable feedback. We have also adopted a goal for each of our managers to have regular check-ins with employees to discuss their personal goals and career plans in furtherance of our commitment to career and professional development.

Gain operational efficiency

To support our growing portfolio of solutions, we continue to evolve our business processes to identify, measure and improve operational efficiency. The information developed will allow us to optimize processes, increase sales force productivity and improve asset utilization.

We are focused on increasing our territory sales managers and sales representatives capacity, efficiency and productivity. We may do this by adding more clinical support specialists and third-party sales agents as part of hybrid arrangements for case coverage, and by consigning instrument trays and implants at selective sites of service. Our average revenue per territory sales manager has increased to approximately $1.8 million in fiscal year 2024, from $1.6 million in fiscal year 2023.

We have made significant investments in instrument trays used to perform surgeries. Our goal is to deploy instrument trays to the market where the demand exists to increase our asset utilization rates over time and use capital more effectively by having our instrument trays used in more surgeries in any given time period. Given supply chain disruptions impacting the industry, we are working closely with our suppliers to reduce lead time for our implants to ensure we can support our expanding physician footprint and over time build the resilience in our supply chain to reduce our cash investment in inventory. Additionally, we are partnering with our suppliers around design for manufacturing, specifically for newer products, to reduce the overall cost of the implants as we scale, and reduce waste and rework. Lastly, we are integrating our demand planning and manufacturing systems, to ensure we leverage actual usage trends as we build surgical capacity to support our growth.

Components of Results of Operations

Revenue

Our revenue from sales of implants fluctuate based on volume of cases (procedures performed), discounts, mix of international and U.S. sales, different implant pricing and the number of implants used for a particular patient. Similar to other orthopedic companies, our case volume can vary from quarter to quarter due to a variety of factors including reimbursement, sales force changes, physician activities, product launches, and seasonality. In addition, our revenue is impacted by changes in average selling price as we respond to the competitive landscape and price differences at different medical facilities, such as hospitals, ASCs and OBLs. Further, revenue results can differ based upon the mix of business between U.S. and international sales mix of our products used, and the sales channel through which each procedure is supported. Our revenue from international sales is impacted by fluctuations in foreign currency exchange rates between the U.S. dollar (our reporting currency) and the local currency.

Our business is affected by seasonal variations. For instance, we have historically experienced lower sales in the summer months and higher sales in the last quarter of the fiscal year as patients have more time in the winter months to have the procedure completed or want to take advantage of their annual limits on deductibles, co-payments and other out-of-pocket payments specified in their insurance plans. However, taken as a whole, seasonality does not have a material impact on our financial results from year to year.

Cost of Goods Sold, Gross Profit, and Gross Margin

We utilize third-party manufacturers for production of our implants and instrument trays. Cost of goods sold consists primarily of costs of the components of implants and instruments, instrument tray depreciation, royalties, scrap and inventory obsolescence, as well as distribution-related expenses such as logistics and shipping costs. Our cost of goods sold has historically increased as case levels increase and from changes in our product mix.

Operating Expenses

Our operating expenses consist of sales and marketing, research and development, and general and administrative expenses. Personnel costs are the most significant component of operating expenses and consist of salaries, sales commissions and other cash and stock-based compensation related expenses. We intend to make investments to execute our strategic plans and operational initiatives. We anticipate certain operating expenses will continue to increase to support our growth.

Sales and Marketing Expenses

Sales and marketing expenses primarily consist of salaries, stock-based compensation expense, and other compensation related costs, for personnel employed in sales, marketing, medical affairs, reimbursement and professional education departments. In addition, our sales and marketing expenses include commissions and bonuses, generally based on a percentage of sales, as well as certain commission guarantees paid to our senior sales management, territory sales managers, clinical support specialists and third-party sales agents.

Research and Development Expenses

Our research and development expenses primarily consist of engineering, product development, clinical and regulatory expenses (including clinical study expenses), consulting services, outside prototyping services, outside research activities, materials, depreciation, and other costs associated with development of our products. Research and development expenses also include related personnel compensation and stock-based compensation expense. We expense research and development costs as they are incurred.

Research and development expenses for engineering projects fluctuate with project timing. Based upon our broader set of product development initiatives and the stage of the underlying projects, we expect to continue to make investments in research and development. As such, we anticipate that research and development expenses will continue to increase in the future.

General and Administrative Expenses

General and administrative expenses primarily consist of salaries, stock-based compensation expense, and other costs for finance, accounting, legal, insurance, compliance, and administrative matters.

Interest Income

Interest income is primarily related to our investments of excess cash in money market funds and marketable securities.

Interest Expense

Interest expense is primarily related to borrowings, amortization of debt issuance costs, and accretion of final fees on the First-Citizens Third Amended Loan Agreement.

Other Income (Expense), Net

Other income (expense), net consists primarily of net foreign exchange gains and losses on foreign transactions.

Results of Operations

We manage and operate as one reportable segment. The table below summarizes our results of operations for the periods presented (percentages are amounts as a percentage of revenue), which we derived from the consolidated financial statements:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Amount	%	Amount	%
	(in thousands, except for percentages)			
Consolidated Statements of Operations Data:				
Revenue	$ 167,178	100 %	$ 138,886	100 %
Cost of goods sold	35,057	21 %	29,466	21 %
Gross profit	132,121	79 %	109,420	79 %
Operating expenses:				
Sales and marketing	117,054	70 %	110,254	79 %
Research and development	16,560	10 %	15,028	11 %
General and administrative	33,755	20 %	31,069	22 %
Total operating expenses	167,369	100 %	156,351	113 %
Loss from operations	(35,248)	(21)%	(46,931)	(34)%
Interest and other income (expense), net:				
Interest income	7,848	5 %	6,916	5 %
Interest expense	(3,440)	(2)%	(3,462)	(2)%
Other income (expense), net	(73)	— %	141	— %
Loss before income taxes	$ (30,913)	(18)%	$ (43,336)	(31)%

We derive the majority of our revenue from sales to customers in the United States. Revenue by geography is based on billing address of the customer. The table below summarizes our revenue by geography:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Amount	%	Amount	%
	(in thousands except for percentages)			
United States	$ 158,416	95 %	$ 130,621	94 %
International	8,762	5 %	8,265	6 %
	$ 167,178	100 %	$ 138,886	100 %

Comparison of the years ended December 31, 2024 and 2023

Revenue, Cost of Goods Sold, Gross Profit, and Gross Margin:

	Year Ended December 31,			
	2024	2023	$ Change	% Change
	(in thousands except for percentages)			
Revenue	$ 167,178	$ 138,886	$ 28,292	20 %
Cost of goods sold	35,057	29,466	5,591	19 %
Gross profit	$ 132,121	$ 109,420	$ 22,701	21 %
Gross margin	79 %	79 %		

Revenue. The increase in revenue for the year ended December 31, 2024 compared to the year ended December 31, 2023 comprised a $27.8 million increase in our U.S. revenue from increased case volumes due to our expanded portfolio and growing base of active physicians and an increase of $0.5 million in our international revenue due to the increase in case volumes.

Gross Profit and Gross Margin. Gross profit increased $22.7 million for the year ended December 31, 2024 compared to the year ended December 31, 2023 driven by higher revenue. Gross margin was 79% for the years ended December 31, 2024 and December 31, 2023. Gross margin was consistent with prior year due to higher total costs related to iFuse TORQ and iFuse Bedrock Granite implants including royalties, offset by a decrease in depreciation costs and inventory reserves.

Operating Expenses:

	Year Ended December 31,			
	2024	2023	$ Change	% Change
	(in thousands, except for percentages)			
Sales and marketing	$ 117,054	$ 110,254	$ 6,800	6 %
Research and development	16,560	15,028	1,532	10 %
General and administrative	33,755	31,069	2,686	9 %
Total operating expenses	$ 167,369	$ 156,351	$ 11,018	7 %

Sales and Marketing Expenses. The increase in sales and marketing expenses for the year ended December 31, 2024 as compared to the year ended December 31, 2023 was primarily due to a $6.4 million increase in commissions and employee related costs driven by higher revenues, an increase of $1.1 million in physician training and engagement expenses, and an increase in travel expenses of $0.4 million, partially offset by a $1.1 million decrease in certain advertising and marketing activities and consulting.

Research and Development Expenses. The increase in research and development expenses for the year ended December 31, 2024 as compared to the year ended December 31, 2023 was primarily due to a $0.9 million increase in employee related costs and stock-based compensation due to higher headcount and a $0.6 million increase in product development costs.

General and Administrative Expenses. The increase in general and administrative expenses for the year ended December 31, 2024 as compared to the year ended December 31, 2023 was primarily due to a $1.8 million increase in employee related costs and stock-based compensation, and a $0.9 million increase in consulting, accounting, audit, and legal expenses.

Interest and Other Income (Expense), Net:

	Year Ended December 31,			
	2024	2023	$ Change	% Change
	(in thousands, except for percentages)			
Interest income	$ 7,848	$ 6,916	$ 932	13 %
Interest expense	(3,440)	(3,462)	22	1 %
Other income (expense), net	(73)	141	(214)	152 %
Total interest and other income (expense), net	$ 4,335	$ 3,595	$ 740	(21)%

Interest Income. The increase in interest income for the year ended December 31, 2024 as compared to the year ended December 31, 2023 was mainly due to higher interest earned on our investments in marketable securities, primarily as a result of higher interest rates earned on higher cash and investment balances.

Interest Expense. The decrease in interest expense for the year ended December 31, 2024 as compared to the year ended December 31, 2023 was primarily due to lower interest rates associated with the First-Citizens Third Amended Loan Agreement.

Other Income (Expense), Net. Other income (expense), net changed from income to expense for the year ended December 31, 2024 as compared to the year ended December 31, 2023 due to foreign currency fluctuations.

Liquidity and Capital Resources

As of December 31, 2024, we had cash and marketable securities of $150.0 million compared to $166.0 million as of December 31, 2023. We have financed our operations primarily through our public offerings and debt financing arrangements. As of December 31, 2024 and 2023 we had $35.5 million and $36.1 million outstanding debt, respectively.

As of December 31, 2024, we had an accumulated deficit of $431.4 million. During the years ended December 31, 2024 and 2023, we incurred a net loss of $30.9 million and $43.3 million, respectively, and expect to incur additional losses in the future. We have not achieved positive cash flow from operations to date.

In May 2023, we received a total of $83.7 million of net proceeds after deducting the underwriting discounts and commissions from the public offering of our common stock.

Based upon our current operating plan, we believe that our existing cash and marketable securities will enable us to fund our operating expenses and capital expenditure requirements over the next 12 months and beyond. However, the financial impact of a potential economic downturn or capital market disruptions pose risks and uncertainties in our future available capital resources. We may face challenges and uncertainties and, as a result, may need to raise additional capital as our available capital resources may be consumed more rapidly than currently expected due to, but not limited to (a) decreases in sales of our products and the uncertainty of future revenues from new products; (b) changes we may make to the business that affect ongoing operating expenses; (c) changes we may make in our business strategy; (d) regulatory and reimbursement developments affecting our existing products; (e) changes we may make in our research and development spending plans; and (f) other items affecting our forecasted level of expenditures and use of cash resources. In addition, as we seek to deploy new product offerings, the need for additional capital to fund the purchase of inventories of implants and instrument trays may become more acute and may limit the number of revenue opportunities that we pursue. Each new product family introduced typically requires the purchase of consumable implant inventory as well as investment in a fleet of instrument trays required to support procedures nationwide.

Term Loan

Our outstanding debt is related to a Loan and Security Agreement (the “Original Loan Agreement”) dated August 12, 2021 (the “Effective Date”), entered into by us and Silicon Valley Bank, a California corporation (“SVB”). Pursuant to the Original Loan Agreement, SVB provided us with a term loan in the aggregate principal amount of $35.0 million (the “Original Term Loan”).

On January 6, 2023, we entered into a First Amendment to Loan and Security Agreement with SVB (the “First Amendment”, and together with the Original Loan Agreement, collectively the “Amended Loan Agreement”). Upon entry into the Amended Loan Agreement, we borrowed $36.0 million pursuant to a new term loan (the “First Amendment Term Loan”), which was substantially used to repay in full the $35.0 million Original Term Loan outstanding under the Original Loan Agreement, and we also obtained a secured a revolving credit facility in an aggregate principal amount of up to $15.0 million (the “Revolving Line").

On January 25, 2024, we entered into a Second Amendment to Loan and Security Agreement with Silicon Valley Bank, a division of First-Citizens Bank & Trust Company, as successor in interest to SVB (“First-Citizens”) which further amended our Amended Loan Agreement (the “Second Amendment” and together with the Amended Loan Agreement, collectively, the “Second Amended Loan Agreement”). The Second Amendment revised certain provisions related to financial covenants and the periods in which such covenants applied.

On November 8, 2024, we entered into a Third Amendment to Loan and Security Agreement with First-Citizens (the “Third Amendment” and together with the Second Amended Loan Agreement, collectively, the “Third Amended Loan Agreement”), relative to a new term loan in the original aggregate principal amount of $36.0 million extended by First-Citizens to the Company (the “Third Amendment Term Loan”), which was substantially used to refinance and repay in full the then-outstanding $36.0 million existing First Amendment Term Loan. We also paid a certain final payment fee due relative to such prior First Amendment Term Loan. The Third Amendment set the maturity date for the Third Amendment Term Loan to September 1, 2029 (the "Third Amendment Term Loan Maturity Date"), and set the first principal repayment due date relative to the Third Amendment Term Loan to October 1, 2027; provided that upon the achievement of the Performance Milestone (as defined in the Third Amendment), the first principal payment shall become due on October 1, 2028. Interest on the outstanding principal balance of the Third Amendment Term Loan is payable monthly at a floating rate per annum equal to the greater of 4.25% and the WSJ prime rate minus 0.5%. The Company may elect to prepay the Third Amendment Term Loan in whole prior to the Third Amendment Term Loan Maturity Date, subject to a prepayment fee equal to 1.5% of the original principal amount of the Third Amendment Term Loan if the loan is prepaid within 18 months following the closing of the Third Amendment. The Third Amendment further revised certain provisions related to financial covenants

and the periods in which such covenants apply, and First-Citizens and the Company also agreed to terminate the Revolving Line and an uncommitted accordion term loan provision.

Cash Requirements

Our material cash requirements include various contractual and other obligations consisting of long-term debt obligations with First-Citizens, operating lease obligations and purchase obligations with some of our suppliers. Expected timing of those payments are as follows:

		Payments Due By Period			
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
			(in thousands)		
Principal obligations on long-term debt (1)	$ 36,000	$ —	$ 6,000	$ 30,000	$ —
Interest obligations (2)	9,474	2,555	5,056	1,863	—
Operating leases obligations	2,150	1,238	901	11	—
Purchase obligations	438	438	—	—	—
Total	$ 48,062	$ 4,231	$ 11,957	$ 31,874	$ —

(1) Represents the principal obligations at maturities of our First-Citizens Third Amended Loan Agreement.

(2) Represents the future interest obligations on our First-Citizens Third Amended Loan Agreement estimated using an interest rate of 7.0% as of December 31,

2024.

This compared to $49.2 million of contractual obligations as of December 31, 2023.

Cash Flows

The following table sets forth the primary sources and uses of cash for each of the periods presented below:

	Year Ended December 31,		
	2024	2023	$ Change
	(in thousands)		
Net cash provided by (used in):			
Operating activities	$ (12,425)	$ (18,713)	$ 6,288
Investing activities	12,623	(59,798)	72,421
Financing activities	1,958	90,933	(88,975)
Effects of exchange rate changes on cash and cash equivalents	(479)	132	(611)
Net increase in cash and cash equivalents	$ 1,677	$ 12,554	$ (10,877)

Cash Used in Operating Activities

Net cash used in operating activities for the year ended December 31, 2024 of $12.4 million resulted from cash outflows due to net loss of $30.9 million, adjusted for $28.6 million of non-cash items and cash outflows from changes in operating assets and liabilities of $10.1 million. Net cash used in operation activities for the year ended December 31, 2023 of $18.7 million resulted from cash outflows due to net loss of $43.3 million, adjusted for $29.5 million of non-cash items and cash outflows from changes in operating assets and liabilities of $4.8 million. The decrease in net loss, net of non-cash items for the year ended December 31, 2024 compared to the year ended December 31, 2023 was mainly due to increased revenues. Net cash outflows from changes in operating assets and liabilities for year ended December 31, 2024 were primarily due to higher accounts receivable due to timing of collections and the increase in revenue in the fourth quarter of 2024, higher inventory due to build-up related to our newly introduced products, offset in part by an increase in account payable and accrued liabilities due to normal timing of expenses. Net cash outflows from changes in operating assets and liabilities for the year ended December 31, 2023 were primarily due to higher accounts receivable due to timing of collections and the increase in revenue in the fourth quarter of 2023, higher inventory build-up related to our implants, higher prepaid expenses due to timing of payments, and lower accounts payable attributable to the normal course timing of expenses, offset in part by an increase in accrued liabilities and other due to timing of other third-party payments and higher compensation and benefits accruals.

Cash Used In and Provided by Investing Activities

Net cash provided by investing activities in the year ended December 31, 2024 was $12.6 million compared to net cash used in investing activities of $59.8 million in the year ended December 31, 2023. Net cash provided by investing activities for the year ended December 31, 2024 consisted of purchases of property and equipment of $10.5 million related to individual components in instrument trays to support increased case volumes and software, offset by maturities of our marketable securities, net of purchases, of $23.1 million. Net cash used in investing activities for the year ended December 31, 2023 consisted of purchases of property and equipment of $7.8 million related to individual components in instrument trays to support increased case volumes and capitalized costs related to the lease in Santa Clara and equipment and purchases of our marketable securities, net of maturities, of $52.0 million.

Cash Provided by Financing Activities

Cash provided by financing activities in the year ended December 31, 2024 was $2.0 million resulting from proceeds of $2.7 million from the issuance of common stock under our stock-based incentive compensation plans, offset by the payment of $0.8 million for the final fee relative to the refinancing of our term loan with First-Citizens. Cash provided by financing activities for the year ended December 31, 2023 was $90.9 million resulting from proceeds of $83.7 million from the issuance of common stock under our follow-on public offering, proceeds of $6.6 million from the issuance of common stock under our stock-based incentive compensation plans, and net proceeds of $0.7 million from the refinancing of our term loan with First-Citizens.

Critical Accounting Policies, Significant Judgments, and Use of Estimates

This discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenue generated, and expenses incurred during the reporting periods. We base our estimates on our historical experience, current market conditions and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. We believe that the accounting policy discussed below is critical to understanding our historical and future performance, as it relates to the more significant area involving management's judgments. For more comprehensive discussion of our significant accounting policies, refer to "Note 2 - Summary of Significant Account Policies" in the accompanying Notes to Consolidated Financial Statements in Item 8 of this Form 10-K.

Revenue Recognition

We derive our revenue from the sale of our products to medical groups and hospitals through our direct sales force and third-party sales agents throughout the United States and Europe. We receive payment for the implants consumed during the surgery and do not receive additional or separate consideration for the use of the instrument tray furnished for the physicians' use. We identify the instrument trays as a lease component and the implants as a non-lease component in our arrangements with our customers. We determine that the non-lease component is qualitatively predominant, and as such, elected the practical expedient to not separate the lease and non-lease components. Therefore, the overall arrangement is accounted for under Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606").

In accordance with ASC 606, we recognize revenue when control is transferred to the customer, in an amount that reflects the consideration we expect to be entitled to in exchange for the goods or services. To recognize revenue, we apply the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied.

As it relates to majority of our revenue consisting of product sales where our sales representative delivers the product at the point of implantation at hospital or medical facilities, we recognize the revenue upon completion of the procedure and authorization by the customer, net of rebates and price discounts. We also generate a small portion of our revenue from sale of products through third-party sales agents and hospital or medical facilities where the product is ordered in advance of a procedure. The performance obligation is the delivery of the product and therefore, we recognize revenue upon shipment to the customers, net of rebates and price discounts. We account for rebates and price discounts as a reduction to revenue, calculated based on the terms agreed to with the customer. Sales prices are specified in either customer contract, agreed price list, or purchase order, which is executed prior to the transfer of control to the customer. For certain hospitals and medical facilities, we have agreements in place consisting of either a master services agreement or an approved price list, which defines the terms and conditions of the arrangement, including the pricing information, payment terms and pertinent aspects of the relationship between the parties. We also have agreements in place with its third-party sales agents, which include standard terms that do not allow for payment contingent on resale of the product, obtaining financing, or other terms that could impact the distributor's payment obligation. Our standard payment terms are generally net 30 to 90 days. We consider sales commissions and related expenses as incremental and recoverable costs of acquiring customer contracts. Our sales commissions are paid to our sales representatives in connection with each surgery performed. The period of benefit is concurrent when we recognize our revenue, as such, we also recognize sales commission as expense when incurred.

Stock-Based Compensation

We grant restricted stock unit awards subject to market and service vesting conditions to certain executive officers. This type of grant consists of the right to receive shares of common stock, subject to achievement of time-based criteria and certain market-related performance goals over a specified period, as established by the Compensation Committee of the Company's Board of Directors. The fair value of our market-related performance awards is estimated using a Monte-Carlo simulation, which incorporates the probability of the achievement of the market-related performance goals at the date of grant. If such performance goals are not ultimately met, the expense is not reversed. Stock-based compensation expense is recognized ratably over the requisite service period.

Seasonality

Our business is affected by seasonal variations. For instance, we have historically experienced lower sales in the summer months and higher sales in the last quarter of the fiscal year. However, taken as a whole, seasonality does not have a material impact on our financial results.

Recent Accounting Pronouncements

See Note 2 of Notes to Consolidated Financial Statements for related discussions on recently adopted accounting standards and updates on recently issued accounting standards not yet effective, which information is incorporated by reference here.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks, including changes to foreign currency exchange rates and interest rates.

Foreign Currency Exchange Risk

We have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar, primarily the Euro. Accordingly, changes in exchange rates, and in particular a strengthening of the U.S. dollar, have in the past, and may in the future, negatively affect our revenue and other operating results as expressed in U.S. dollars.

We have experienced and will continue to experience fluctuations in net loss as a result of transaction gains or losses related to remeasuring certain current asset and current liability balances denominated in currencies other than the functional currency of the entities in which they are recorded. At this time, we have not entered into, but in the future we may enter into, derivatives or other financial instruments in an attempt to hedge our foreign currency exchange risk. It is difficult to predict the effect hedging activities would have on our results of operations. Foreign currency gains or losses, net recognized in the years ended 2024, 2023 and 2022 were not material. A hypothetical 100 basis point change in foreign exchange rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

Interest Rate Risk

Our exposure to changes in interest rates relates to interest earned and market value on our cash and cash equivalents and short-term investments. Our cash and cash equivalents and short-term investments consist of cash, money market funds, U.S. government securities. The market value of our marketable securities may decline if current market interest rates rise. Our investment policy and strategy are focused on preservation of capital and supporting our liquidity requirements. We do not make investments for trading or speculative purposes.

With the execution of the Third Amendment with First-Citizens relative to the Third Amendment Term Loan, interest is payable monthly at a floating annual rate set at the greater of the prime rate as published in the Wall Street Journal minus 0.5% or 4.25%. Rising interest rates will increase the amount of interest paid on this debt. We believe that our exposure to interest rate risk is not significant due to the low risk profile of our investments and the amount of our Third Amendment Term Loan, therefore a hypothetical 100 basis point in market interest rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

Item 8. Financial Statements and Supplementary Data

SI-BONE, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of SI-BONE, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of SI-BONE, Inc. and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive loss, of changes in stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition – U.S. Implant Product Sales

As described in Note 2 to the consolidated financial statements, the majority of the Company's consolidated revenue comes from product sales where the Company's sales representative delivers the product at the point of implantation at the hospital or medical facilities. Management recognizes the revenue from these sales upon completion of the procedure and authorization by the customer, net of rebates and price discounts. The Company also generates a small portion of revenue from the sale of products through third-party sales agents and to certain hospitals or medical facilities where the products are ordered in advance of a procedure, and management recognizes revenue upon shipment to the customers, net of rebates and price discounts. The Company's consolidated revenue was $167.2 million for the year ended December 31, 2024, of which $158.4 million is related to the U.S. implant product sales.

The principal consideration for our determination that performing procedures relating to revenue recognition for U.S. implant product sales is a critical audit matter is a high degree of auditor effort in performing procedures related to the Company's revenue recognition for U.S. implant product sales.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the recording of U.S. implant product sales upon completion of the procedure and authorization by the customer. These procedures also included, among others, (i) evaluating revenue transactions by testing the issuance and settlement of invoices and credit memos, (ii) tracing transactions not settled to a detailed listing of accounts receivable, (iii) for a sample of outstanding customer invoice balances at December 31, 2024, obtaining evidence of subsequent cash receipt for paid invoices where applicable, and obtaining and inspecting source documents, including invoices, sales contracts, and proof of implantation for unpaid invoices, and (iv) testing the completeness and accuracy of data provided by management.

/s/PricewaterhouseCoopers LLP
San Jose, California
February 25, 2025

We have served as the Company's auditor since 2013.

SI-BONE, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	December 31, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 34,948	$ 33,271
Short-term investments	115,094	132,748
Accounts receivable, net of allowance for credit losses of $588 and $1,118, respectively	27,459	21,953
Inventory	27,074	20,249
Prepaid expenses and other current assets	3,204	3,173
Total current assets	207,779	211,394
Property and equipment, net	20,374	16,000
Operating lease right-of-use assets	1,984	2,706
Other non-current assets	300	325
TOTAL ASSETS	$ 230,437	$ 230,425
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 6,488	$ 4,588
Accrued liabilities and other	19,492	17,452
Operating lease liabilities, current portion	1,152	1,416
Total current liabilities	27,132	23,456
Long-term borrowings	35,452	36,065
Operating lease liabilities, net of current portion	879	1,511
Other long-term liabilities	10	18
TOTAL LIABILITIES	63,473	61,050
Commitments and contingencies (Note 6)		
STOCKHOLDERS' EQUITY		
Preferred stock, $0.0001 par value; 5,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.0001 par value; 100,000,000 shares authorized; 42,086,477 and 40,693,299 shares issued and outstanding, respectively	4	4
Additional paid-in capital	598,070	569,477
Accumulated other comprehensive income	244	335
Accumulated deficit	(431,354)	(400,441)
TOTAL STOCKHOLDERS' EQUITY	166,964	169,375
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 230,437	$ 230,425

The accompanying notes are an integral part of these consolidated financial statements.

SI-BONE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except share and per share amounts)

	Year Ended December 31,		
	2024	**2023**	**2022**
Revenue	$ 167,178	$ 138,886	$ 106,409
Cost of goods sold	35,057	29,466	15,705
Gross profit	132,121	109,420	90,704
Operating expenses:			
Sales and marketing	117,054	110,254	107,726
Research and development	16,560	15,028	13,627
General and administrative	33,755	31,069	28,960
Total operating expenses	167,369	156,351	150,313
Loss from operations	(35,248)	(46,931)	(59,609)
Interest and other income (expense), net:			
Interest income	7,848	6,916	1,304
Interest expense	(3,440)	(3,462)	(2,819)
Other income (expense), net	(73)	141	(132)
Net loss	(30,913)	(43,336)	(61,256)
Other comprehensive income (loss):			
Unrealized gain (loss) of marketable securities	26	166	(65)
Changes in foreign currency translation	(117)	(63)	(55)
Comprehensive loss	$ (31,004)	$ (43,233)	$ (61,376)
Net loss per share, basic and diluted	$ (0.75)	$ (1.13)	$ (1.79)
Weighted-average number of common shares used to compute basic and diluted net loss per share	41,466,564	38,427,419	34,201,824

The accompanying notes are an integral part of these consolidated financial statements.

SI-BONE, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balances as of December 31, 2021	**33,674,085**	**$ 3**	**$ 429,914**	**$ 352**	**$ (295,849)**	**$ 134,420**
Issuance of common stock upon exercise of stock options, net of shares withheld	80,571	—	379	—	—	379
Issuance of common stock related to employee stock purchase plan	170,717	—	1,818	—	—	1,818
Issuance of common stock upon vesting of restricted stock units	806,204	—	—	—	—	—
Stock-based compensation	—	—	23,061	—	—	23,061
Foreign currency translation	—	—	—	(55)	—	(55)
Net unrealized loss on marketable securities	—	—	—	(65)	—	(65)
Net loss	—	—	—	—	(61,256)	(61,256)
Balances as of December 31, 2022	**34,731,577**	**3**	**455,172**	**232**	**(357,105)**	**98,302**
Issuance of common stock from public offerings, net of underwriting discounts, commissions and offering costs	4,068,497	1	83,671	—	—	83,672
Issuance of common stock upon exercise of stock options, net of shares withheld	698,627	—	4,386	—	—	4,386
Issuance of common stock related to employee stock purchase plan	178,918	—	2,191	—	—	2,191
Issuance of common stock upon vesting of restricted stock units	993,077	—	—	—	—	—
Issuance of common stock upon exercise of warrant, net of shares withheld	22,603	—	—	—	—	—
Stock-based compensation	—	—	24,057	—	—	24,057
Foreign currency translation	—	—	—	(63)	—	(63)
Net unrealized gain on marketable securities	—	—	—	166	—	166
Net loss	—	—	—	—	(43,336)	(43,336)
Balances as of December 31, 2023	**40,693,299**	**4**	**569,477**	**335**	**(400,441)**	**169,375**
Issuance of common stock upon exercise of stock options, net of shares withheld	143,685	—	570	—	—	570
Issuance of common stock related to employee stock purchase plan	176,787	—	2,154	—	—	2,154
Issuance of common stock upon vesting of restricted stock units	1,072,706	—	—	—	—	—
Stock-based compensation	—	—	25,869	—	—	25,869
Foreign currency translation	—	—	—	(117)	—	(117)
Net unrealized gain on marketable securities	—	—	—	26	—	26
Net loss	—	—	—	—	(30,913)	(30,913)
Balances as of December 31, 2024	**42,086,477**	**4**	**$ 598,070**	**$ 244**	**$ (431,354)**	**$ 166,964**

The accompanying notes are an integral part of these consolidated financial statements.

SI-BONE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2024	**2023**	**2022**
Cash flows from operating activities			
Net loss	$ (30,913)	$ (43,336)	$ (61,256)
Adjustments to reconcile net loss to net cash used in operating activities			
Stock-based compensation	25,869	24,057	23,061
Depreciation and amortization	4,379	5,428	3,452
Accounts receivable credit losses	470	761	150
Inventory reserve	1,300	1,709	319
Accretion (amortization) of discount and premium on marketable securities	(5,440)	(4,009)	229
Amortization of debt issuance costs	153	208	198
Loss on disposal of property and equipment	1,877	1,302	153
Changes in operating assets and liabilities			
Accounts receivable	(5,840)	(2,122)	(6,479)
Inventory	(8,047)	(4,719)	(6,028)
Prepaid expenses and other assets	(2)	(762)	810
Accounts payable	1,861	(1,118)	2,529
Accrued liabilities and other	1,908	3,888	1,207
Net cash used in operating activities	(12,425)	(18,713)	(41,655)
Cash flows from investing activities			
Maturities of marketable securities	228,500	137,500	126,200
Purchases of marketable securities	(205,380)	(189,499)	(119,508)
Purchases of property and equipment	(10,497)	(7,799)	(9,507)
Net cash provided by (used in) investing activities	12,623	(59,798)	(2,815)
Cash flows from financing activities			
Proceeds from follow-on public offering, net of underwriting discounts, commissions and offering costs	—	83,671	—
Proceeds from debt financing	36,000	36,000	—
Repayments of debt financing	(36,000)	(35,275)	—
Payments of debt issuance costs	(46)	(40)	—
Final payment fee related to debt	(720)	—	—
Proceeds from the exercise of common stock options	570	4,386	379
Proceeds from issuance of common stock under employee stock purchase plan	2,154	2,191	1,818
Net cash provided by financing activities	1,958	90,933	2,197
Effect of exchange rate changes on cash and cash equivalents	(479)	132	(429)
Net increase (decrease) in cash and cash equivalents	1,677	12,554	(42,702)
Cash and cash equivalents at			
Beginning of year	33,271	20,717	63,419
End of year	$ 34,948	$ 33,271	$ 20,717
Supplemental disclosure of cash flow information			
Cash paid for interest	$ 3,346	$ 3,263	$ 2,621
Noncash investing and financing activities			
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ 449	$ 143	$ 127
Supplemental disclosure of non-cash information			
Unpaid purchases of property and equipment	$ 588	$ 501	$ 1,115

The accompanying notes are an integral part of these consolidated financial statements.

1. The Company and Nature of Business

SI-BONE, Inc. (the "Company") was incorporated in the state of Delaware on March 18, 2008 and is headquartered in Santa Clara, California. The Company is a medical device company that has pioneered a proprietary minimally invasive surgical implant system to fuse the sacroiliac joint for treatment of musculoskeletal disorders of the sacropelvic anatomy. The Company's products include a series of patented titanium implants and the instruments used to implant them, as well as implantable bone products. Since launching its first generation iFuse in 2009, the Company has launched multiple implant product lines, including iFuse-3D in 2017, iFuse TORQ in 2021, iFuse Bedrock Granite in 2022 and iFuse INTRA, and iFuse TORQ TNT in 2024. In the United States, iFuse, iFuse-3D, iFuse TORQ and iFuse Bedrock Granite have clearances for applications in sacroiliac joint dysfunction, adult spinal deformity and pelvic trauma. iFuse TORQ TNT has clearances for applications in pelvic trauma and sacroiliac joint dysfunction.

In May 2023, the Company received a total of $83.7 million of net proceeds after deducting the underwriting discounts and commissions of $5.8 million from the offering of 3,775,000 shares of the Company's common stock and the exercise of underwriter's option to purchase from the Company an additional 566,250 shares of the Company's common stock, at a public offering price of $22.00 per share. Of these shares, 272,753 shares were offered by a selling stockholder, and the Company did not receive any proceeds from the sale by the selling stockholder.

Risks and Uncertainties

The Company is subject to uncertainties related to liquidity, the ability to meet covenants and access to funding for its capital needs as the financial service industry has experienced disruptions characterized by the bankruptcy, failure, collapse or sale of various financial institutions. The Company's cash and cash equivalents are primarily invested in deposits and money market accounts with a single major financial institution in the U.S. Deposits in these banks may exceed the federally insured limits or any other insurance provided on such deposits, if any. As of the date of issuance of these consolidated financial statements, the extent to which the current macroeconomic environment may materially impact the Company's financial condition, liquidity, or results of operations remains uncertain.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The consolidated financial statements include the Company's accounts, as well as those of the Company's wholly-owned international subsidiaries. All inter-company accounts and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant accounting estimates and management judgments reflected in the consolidated financial statements primarily includes the fair value of performance-based restricted stock unit awards. Estimates are based on historical experience, where applicable and other assumptions believed to be reasonable by the management. Actual results could differ from those estimates.

Change in accounting estimate

During the first quarter of 2024, the Company reassessed the useful life of its instrument trays based on a comprehensive evaluation of usage trends and its estimate on the average life of instruments before loss or damage that requires disposal. As a result of this review, the Company determined that extending the useful life of its instrument trays would more accurately reflect its anticipated future economic benefits. Effective January 1, 2024, the Company changed its estimates of the useful lives of instrument trays from three to five years. The effect of this change in estimate reduced depreciation expense by $1.9 million, resulting in a decrease in net loss of $1.9 million and basic and diluted earnings per share by $0.04 for the year ended December 31, 2024.

Segments

The Company's chief operating decision makers ("CODMs") are the Chief Executive Officer and Chief Financial Officer. The Company has determined that it has a single operating and reportable segment. The CODMs use revenue and net loss at the consolidated level to measure segment profit and loss, allocate resources, monitor plan versus actual results, and manage operations. Significant expenses within net loss include cost of goods sold, sales and marketing, research and development, and general and

administrative at the consolidated level. Other segment items within net loss include interest income, interest expense, and other income (expense), net.

Substantially all of the segment revenue is derived from sales to customers in the United States. Descriptions of segment products are included in Note 1. The Company and Nature of Business. Revenue by geography is based on billing address of the customer. International revenue accounted for less than 10% of the total revenue during the periods presented. Long-lived assets held outside the United States are immaterial. The following table summarizes the Company's revenue by geography:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
United States	$ 158,416	$ 130,621	$ 98,751
International	8,762	8,265	7,658
	$ 167,178	$ 138,886	$ 106,409

Foreign Currency

The Company’s foreign subsidiaries use local currency as their functional currency. Assets and liabilities are translated at exchange rates prevailing at the balance sheet dates. Revenue, costs and expenses are translated into U.S. dollars using average exchange rates for the period. Gains and losses from foreign currency translation are recorded as a component of accumulated other comprehensive income (loss). Gains and losses from foreign currency transactions are recognized as a component of other income (expense), net.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and marketable securities. The Company’s cash and marketable securities are deposited with financial institutions in the United States and in Europe. The majority of the Company’s cash and marketable securities are deposited with a single financial institution in the United States. Deposits in this institution exceed the amount of insurance provided on such deposits. The Company has not experienced any net losses on its deposits of cash and marketable securities.

The Company’s revenue and accounts receivable are spread across a large number of customers, primarily in the United States, and no customer accounts for more than 10% of total revenue or gross accounts receivable in any period presented.

Fair Value of Financial Instruments

Carrying amounts of certain of the Company’s financial instruments, including cash equivalents, accounts receivable, accounts payable, and accrued liabilities, approximate fair value due to their relatively short maturities and market interest rates, if applicable. The Company's marketable securities are classified as Level 1 or Level 2 of the fair value hierarchy as defined below. The carrying value of the Company’s long-term debt also approximates fair value based on management’s estimation that a current interest rate would not differ materially from the stated rate.

The Company discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, a three-tier value hierarchy has been established, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Quoted prices (unadjusted) in active market that are accessible at measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and considers factors specific to the asset or liability.

Cash and Cash Equivalents

The Company considers all highly liquid investments with remaining maturities at the date of purchase of three months or less to be cash equivalents.

Marketable Securities

The Company's marketable securities primarily consist of investments in money market funds, U.S. treasury securities and U.S. agency bonds. All of the Company's marketable securities are available-for-sale debt securities and are classified based on their maturities. Marketable securities with remaining maturities at the date of purchase of three months or less are classified as cash equivalents. Short term investments are securities that original or remaining maturity is greater than three months and not more than twelve months. Long-term investments are securities that original or remaining maturity is more than twelve months. All marketable securities are recorded at their estimated fair value. When the fair value of a security is below its amortized cost, the amortized cost will be reduced to its fair value if it is more likely than not that the Company will be required to sell the potentially impaired security before recovery of its amortized cost basis, or the Company has the intention to sell the security. If neither of these conditions are met, the Company determines whether the impairment is due to credit losses by comparing the present value of the expected cash flows of the security with its amortized cost basis. The amount of impairment recognized is limited to the excess of the amortized cost over the fair value of the security. An allowance for credit losses for the excess of amortized cost over the expected cash flows is recorded in other income, net in the consolidated statements of operations. Impairment losses that are not credit-related are included in accumulated other comprehensive income (loss) in stockholders' equity.

Accounts Receivable and Allowance for Credit Losses

Trade accounts receivable are recorded at the invoiced amount, net of allowances for credit losses for any potential uncollectible amounts. The allowance for credit losses is based on our assessment of the collectability of accounts. Management regularly reviews the adequacy of the allowance for credit losses on a collective basis by considering the age of each outstanding invoice, each customer's expected ability to pay and collection history, current market conditions, and reasonable and supportable forecasts of future economic conditions to determine whether the allowance is appropriate. Accounts receivable are written-off and charged against an allowance for credit losses when the Company has exhausted collection efforts without success.

The movement in the allowance for credit losses was as follows:

	Year ended December 31,		
	2024	2023	2022
	(in thousands)		
Balance at beginning of year	$ 1,118	$ 400	$ 264
Provision	470	761	150
Write-offs	(1,000)	(43)	(14)
Balance at end of year	$ 588	$ 1,118	$ 400

Inventory

Inventory is stated at lower of cost or net realizable value. The Company establishes the inventory basis by determining the cost based on standard costs approximating the purchase costs on a first-in, first-out basis. The excess and obsolete inventory is estimated based on future demand and market conditions. Inventory write-downs are charged to cost of goods sold.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. All property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets, which are as follows:

Computer and office equipment	3 – 5 years
Instrument trays	5 years
Machinery and equipment	3 – 5 years
Furniture and fixtures	7 years
Leasehold Improvement	Lesser of estimated useful life or remaining lease term

Construction in progress includes the cost of individual components of an instrument tray used for surgical placement of the Company's products that have not yet been placed into service. Once an instrument tray is placed into service, the Company transfers its carrying value into instrument trays and begins depreciating the cost of the instrument tray over its useful life. Individual components within an instrument tray may require replacement due to normal wear and tear or periodic loss.

When an impairment or disposal of individual components or instrument trays occurs, the cost and related accumulated depreciation are removed from the consolidated balance sheet and the resulting gain or loss is recognized as a component of cost of goods sold in the consolidated statements of operations and comprehensive loss. Maintenance and repairs are charged to operations as incurred.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets (or asset group) may not be fully recoverable. Whenever events or changes in circumstances suggest that the carrying amount of long-lived assets may not be recoverable, the Company estimates the future cash flows expected to be generated by the assets (or asset group) from its use or eventual disposition. If the sum of the expected future cash flows is less than the carrying amount of those assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. Significant management judgment is required in the grouping of long-lived assets and forecasts of future operating results that are used in the discounted cash flow method of valuation. For the years ended December 31, 2024, 2023, and 2022 the Company has not experienced impairment losses on its long-lived assets.

Leases

The Company determines if an arrangement is a lease at inception. The classification of leases is evaluated at commencement and, as necessary, at modification. Operating leases are included in operating lease right-of-use assets and operating lease liabilities on the consolidated balance sheets. The Company does not have any material finance leases in any of the periods presented.

Operating lease expense is recognized on a straight-line basis over the term of the lease. Variable lease payments are recognized as operating expenses in the period in which the obligation for those payments is incurred. Variable lease payments primarily include common area maintenance, utilities, real estate taxes and other operating costs that are passed on from the lessor in proportion to the space leased by the Company. The lease term represents the non-cancelable period of the lease. For certain leases, the Company has an option to extend the lease term. These renewal options are not considered in the remaining lease term unless it is reasonably certain that the Company will exercise such options.

The Company elected certain practical expedients which are: (i) to not record leases with an initial term of twelve months or less on the balance sheet; (ii) to combine the lease and non-lease components in determining the lease liabilities and right-of-use assets, and (iii) to carry forward prior conclusions about lease identification and classification. The Company’s lease contracts do not provide an implicit borrowing rate; hence the Company determined the incremental borrowing rate based on information available at lease commencement to determine the present value of lease liability. The Company determines its incremental borrowing rate based on the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term, an amount equal to the

lease payments in a similar economic environment. The Company uses its headquarters in the United States ("parent entity")'s incremental borrowing rates as the treasury operations are managed centrally by the parent entity.

Revenue Recognition

The Company's revenue is derived from the sale of its products to medical groups and hospitals through its direct sales force and third-party sales agents and resellers throughout the United States and Europe. The Company receives payment for its implants consumed during the surgery and does not receive additional or separate consideration for the use of the instrument tray furnished by the Company for the physicians' use. The Company identifies the instrument trays as a lease component and the implants as a non-lease component in its arrangements with its customers. The Company determines that the non-lease component is qualitatively predominant, and as such, elected the practical expedient to not separate the lease and non-lease components. Therefore, the overall arrangement is accounted for under Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606").

In accordance with ASC 606, the Company recognizes revenue when control is transferred to the customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for the goods or services. Under the revenue recognition standard, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied. As it relates to product sales where the Company's sales representative delivers the product at the point of implantation at the hospital or medical facilities, the Company continues to recognize the revenue upon completion of the procedure and authorization by the customer, net of rebates and price discounts. This represents the majority of the Company's consolidated revenue. The Company also generates a small portion of revenue from the sale of products through third-party sales agents and to certain hospital or medical facilities where the products are ordered in advance of a procedure. The performance obligation is the delivery of the products and therefore, revenue is recognized upon shipment to the customers, net of rebates and price discounts. The Company accounts for rebates and price discounts as a reduction to revenue, calculated based on the terms agreed to with the customer. Sales prices are specified in either the customer contract or agreed price list, which is executed prior to the transfer of control to the customer. For certain hospitals and medical facilities, the Company has agreements in place consists of either a master services agreement or an agreed price list, which defines the terms and conditions of the arrangement, including the pricing information, payment terms and pertinent aspects of the relationship between the parties. The Company also has agreements in place with its distributors, which include standard terms that do not allow for payment contingent on resale of the product, obtaining financing, or other terms that could impact the distributor's payment obligation. The Company's standard payment terms are generally net 30 to 90 days.

Shipping and Handling Costs

Shipping and handling costs are treated as fulfillment costs, which are expensed as incurred and are included in cost of goods sold.

Costs to Obtain Customer Contracts

Sales commissions and related expenses are considered incremental and recoverable costs of acquiring customer contracts. The Company's sales commissions paid to its sales representatives are generally based on the surgeries performed. The Company applied the practical expedient that permits an entity to expense the cost to obtain a contract as incurred when the expected amortization is one

year or less. The period of benefit is concurrent with when the Company recognizes its revenue and as such, the Company recognizes sales commissions as expense when incurred.

Warranty

The Company has a warranty program that provides a purchaser a one-time replacement of any iFuse implant at no additional cost for a revision procedure within a one-year period following the original procedure and is accounted for as a warranty accrual. The Company also provides a purchaser with a one-time credit equal to the purchase price paid for use on future purchases for any revision procedure within the one-year period following an original procedure where an implant is not required. The warranty is not priced or sold separately and is intended to safeguard the customer against defects and it does not provide incremental service to the customer. As such, it is considered an assurance type warranty and is not accounted as a service type warranty, which could represent a separate performance obligation. The Company accounts for these one-time credits as sales reserves and is included in accrued liabilities and other in the consolidated balance sheets. Sales and warranty reserves from the warranty program were immaterial as of December 31, 2024 and 2023.

Research and Development

Research and development costs are charged to operations as incurred and consist of costs incurred by the Company for the development of the Company's product which primarily include: (1) employee-related expenses, including salaries, benefits, travel and stock-based compensation expense; (2) external research and development expenses; and (3) other expenses, which include direct and allocated expenses for facilities and other costs.

Advertising Expenditures

The cost of advertising is expensed as incurred and is included under sales and marketing expense in the consolidated statements of operations. Advertising expenses were $0.5 million, $1.1 million and $1.6 million for the years ended December 31, 2024, 2023, and 2022 respectively.

Loss Contingency

The Company is subject to various potential loss contingencies arising in the ordinary course of business. From time to time, the Company may be involved in certain proceedings, legal actions and claims. Such matters are subject to many uncertainties, and the outcomes of these matters are not within the Company's control and may not be known for prolonged periods of time. In some actions, the claimants may seek damages, as well as other relief, including injunctions which may prohibit the Company to engage in certain activities, which, if granted, could require significant expenditures and/or result in lost revenues. The Company records a liability in the consolidated financial statements when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is reasonably possible but not known or probable, and can be reasonably estimated, the estimated loss or range of loss is disclosed. In most cases, significant judgment is required to estimate the amount and timing of a loss to be recorded.

Stock-Based Compensation

The Company applies the fair value recognition provisions of stock-based compensation. Stock-based compensation expense is recognized over the requisite service period using the straight-line method and is based on the value of the portion of stock-based payment awards that is ultimately expected to vest. As such, the Company's stock-based compensation is reduced for the estimated forfeitures at the date of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company uses historical data to estimate pre-vesting forfeitures and record stock-based compensation expense only for those awards that are expected to vest. To the extent actual forfeitures differ from the estimates, the difference will be recorded as a cumulative adjustment in the period that the estimates are revised.

The Company estimates the grant date fair value of stock options using the Black-Scholes option valuation model. The model requires management to make a number of assumptions including expected volatility, expected term, risk-free interest rate and expected dividends. A number of these assumptions are subjective, and their determination generally require judgment.

- *Expected Term* - The expected term represents the period that the share-based awards are expected to be outstanding. The Company uses the simplified method to determine the expected term as permitted by the guidance. The simplified method is calculated as the average of the time to vesting and the contractual life of the options.
- *Expected Volatility* - The expected volatility is measured using the historical daily changes in the market price of the Company's

common stock over a period consistent with the expected term.

- *Risk-Free Interest Rate* - The risk-free interest rate is based on the U.S. Treasury zero coupon issued in effect at the time of grant for periods corresponding with the expected term of the option.
- *Dividend Yield* - The Company has not paid any dividends and has no current plans to pay dividends on its common stock. As such, the Company uses expected dividend yield of zero.

The fair value of the restricted stock unit ("RSU") grant is based on the market price of the Company's common stock on the date of grant.

The Company grants restricted stock unit awards subject to market and service vesting conditions to certain executive officers. This type of grant consists of the right to receive shares of common stock, subject to achievement of time-based criteria and certain market-related performance goals over a specified period, as established by the Compensation Committee of the Company's Board of Directors. For these awards that are subject to market-related performance, the fair value is determined based on the number of shares granted and a Monte Carlo valuation model, which incorporates the probability of the achievement of the market-related performance goals as part of the grant date fair value. If such performance goals are not ultimately met, the expense is not reversed. Stock-based compensation expense is recognized ratably over the requisite service period.

In the event the underlying terms of stock awards are modified on which stock-based compensation was granted, additional expense is recognized for any modification that increases the total fair value of the share-based payment arrangement at the modification date.

Income Taxes

The Company accounts for income taxes under the asset and liability method, whereby deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to affect taxable income. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized.

The Company recognizes uncertain tax positions when it meets a more-likely-than-not threshold. The Company recognizes potential accrued interest and penalties related to unrecognized tax benefits as income tax expense.

Net Loss per Share of Common Stock

Basic net loss per common share is calculated by dividing the net loss by the weighted-average number of common shares outstanding during the period, without consideration for potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of common shares and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share calculation, common stock options, restricted stock units, ESPP purchase rights and warrants are considered to be potentially dilutive securities. Because the Company has reported a net loss in all periods presented, common stock options, restricted stock units, ESPP purchase rights and warrants are anti-dilutive, therefore diluted net loss per common share is the same as basic net loss per common share for those periods.

Comprehensive Loss

Comprehensive loss represents changes in the stockholders' equity except those resulting from distributions to stockholders. The Company's unrealized foreign currency translation income (losses) and unrealized gains (losses) on marketable securities represent the

two components of other comprehensive income that are excluded from the reported net loss for each of the reporting periods and has been presented in the consolidated statements of operations and comprehensive loss.

Warrants

The Company accounts for warrants for shares of common stock as equity in accordance with the accounting guidance for derivatives. The accounting guidance provides a scope exception from classifying and measuring as a financial liability a contract that would otherwise meet the definition of a derivative if the contract is both (i) indexed to the entity's own stock and (ii) classified in the stockholders' equity section of the consolidated balance sheet. The Company determined that the warrants for shares of common stock issued in connection with its prior debt arrangements are required to be classified in equity. Warrants classified as equity are recorded as additional paid-in capital on the consolidated balance sheet and no further adjustments to their valuation are made.

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 requires public business entities to disclose additional information in specified categories with respect to the reconciliation of the effective tax rate to the statutory rate (the rate reconciliation) for federal, state, and foreign income taxes. It also requires greater detail about individual reconciling items in the rate reconciliation to the extent the impact of those items exceeds a specified threshold. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. The Company is currently evaluating the impacts of ASU 2023-09 on its disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03"). ASU 2024-03 requires disclosure in the notes to the financial statements of specified information about certain costs and expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027. ASU 2024-03 should be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact of ASU 2024-03 on its disclosures.

3. Marketable Securities

All of the Company's marketable securities were available-for-sale debt securities and were classified based on their maturities. Marketable securities with remaining maturities at the date of purchase of three months or less are classified as cash equivalents. Short-term investments are securities that original maturity or remaining maturity is greater than three months and not more than twelve months. Long-term investments are securities for which the original maturity or remaining maturity is greater than twelve months.

The table below summarizes the marketable securities:

	December 31, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
	(in thousands)			
Money market funds	$ 27,326	$ —	$ —	$ 27,326
Cash equivalents	27,326	—	—	27,326
U.S. treasury securities	112,649	91	(2)	112,738
U.S. agency bonds	2,355	1	—	2,356
Short-term investments	115,004	92	(2)	115,094
Total marketable securities	$ 142,330	$ 92	$ (2)	$ 142,420

	December 31, 2023			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
	(in thousands)			
Money market funds	$ 23,331	$ —	$ —	$ 23,331
Cash equivalents	23,331	—	—	23,331
U.S. treasury securities	129,695	67	—	129,762
U.S. agency bonds	2,988	—	(2)	2,986
Short-term investments	132,683	67	(2)	132,748
Total marketable securities	$ 156,014	$ 67	$ (2)	$ 156,079

The amortized cost of the Company's available-for-sale securities approximates their fair value. Unrealized losses are generally due to interest rate fluctuations, as opposed to credit quality. However, the Company reviews individual securities that are in an unrealized loss position in order to evaluate whether or not they have experienced or are expected to experience credit losses. As of December 31, 2024 and 2023, unrealized gains and losses from the investments were not the result of a decline in credit quality. As a result, the Company did not recognize any credit losses related to its investments and that all unrealized gains and losses on available-for-sale securities are recorded in accumulated other comprehensive income (loss) on the consolidated balance sheets during the years ended December 31, 2024 and 2023.

The Company elected to present accrued interest receivable separately from short-term investments on its consolidated balance sheets. Accrued interest receivables were $0.3 million and $0.2 million as of December 31, 2024 and 2023, respectively, and were recorded in prepaid expenses and other current assets. The Company also elected to exclude accrued interest receivable from the estimation of expected credit losses on its marketable securities and reverse accrued interest receivable through interest income (expense) when amounts are determined to be uncollectible. The Company did not write off any accrued interest receivable during the years ended December 31, 2024, 2023, and 2022.

4. Fair Value Measurement

Carrying amounts of certain of the Company's financial instruments, including cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate fair value due to their relatively short maturities and market interest rates, if applicable. The carrying value of the Company's long-term debt also approximates fair value based on management's estimation that a current interest rate would not differ materially from the stated rate. There were no other financial assets and liabilities that requires fair value hierarchy measurements and disclosures for the periods presented.

The table below summarizes the fair value of the Company's marketable securities measured at fair value on a recurring basis based on the three-tier fair value hierarchy:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Marketable securities				
Money market funds	$ 27,326	$ —	$ —	$ 27,326
U.S. treasury securities	112,738	—	—	112,738
U.S. agency bonds	—	2,356	—	2,356
Total marketable securities	$ 140,064	$ 2,356	$ —	$ 142,420

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Marketable securities				
Money market funds	$ 23,331	$ —	$ —	$ 23,331
U.S. treasury securities	129,762	—	—	129,762
U.S. agency bonds	—	2,986	—	2,986
Total marketable securities	$ 153,093	$ 2,986	$ —	$ 156,079

5. Balance Sheet Components

Inventory

As of December 31, 2024, inventory consisted of finished goods of $24.0 million and work-in-progress and components of $3.1 million. As of December 31, 2023, inventory consisted of finished goods of $18.8 million and work-in-progress and components of $1.4 million.

Property and Equipment, net:

	December 31, 2024	December 31, 2023
	(in thousands)	
Instrument trays	$ 23,158	$ 18,205
Machinery and equipment	3,188	3,067
Construction in progress	6,212	3,856
Computer and office equipment	3,098	1,856
Leasehold improvements	3,873	3,873
Furniture and fixtures	386	389
	39,915	31,246
Less: Accumulated depreciation and amortization	(19,541)	(15,246)
	$ 20,374	$ 16,000

As of December 31, 2024, construction in progress pertains to cost of individual components of an instrument tray used for surgical placement of the Company's products that have not yet been placed into service of $5.6 million and software costs of $0.6 million. Depreciation expense was $4.4 million, $5.4 million and $3.4 million for the years ended December 31, 2024, 2023, and 2022, respectively.

Accrued Liabilities and Other:

	December 31, 2024	December 31, 2023
	(in thousands)	
Accrued compensation and related expenses	$ 13,914	$ 13,464
Accrued royalty	2,054	1,360
Accrued professional services	1,202	929
Accrued rebates	1,384	687
Others	938	1,012
	$ 19,492	$ 17,452

6. Commitments and Contingencies

Operating Leases

The Company has a non-cancelable operating lease for an office building space, located in Santa Clara, California, with an original lease period expiring in May 2025. On July 18, 2024, the Company extended the term of the lease for an additional period of fourteen months commencing on June 1, 2025 and expiring July 31, 2026.

The Company also has non-cancelable leases for a building used for research and development and warehouse space in Santa Clara, California which expires in October 2026, and office building space in Gallarate, Italy which expires in August 2027.

The Company also leases vehicles under operating lease arrangements for certain of its personnel in Europe which expire at various times throughout 2025 to 2028.

Supplemental information related to lease expense and valuation of the lease assets and lease liabilities are as follows:

	December 31, 2024	December 31, 2023
	(in thousands)	
Operating lease expense	$ 1,379	$ 1,552
Variable lease expense	667	465
Total lease expense	$ 2,046	$ 2,017
Cash paid for amounts included in the measurement of operating lease liabilities	$ 1,558	$ 1,632
Leased assets obtained in exchange for new operating lease liabilities	$ 449	$ 143
Weighted average remaining lease term (in years)	1.76	2.20
Weighted average discount rate	7.15%	5.87%

Future minimum lease payments under non-cancelable operating leases as of December 31, 2024 was as follows:

Year Ending December 31,	(in thousands)
2025	$ 1,238
2026	880
2027	21
2028	11
2029	—
Thereafter	—
Total operating lease payments	$ 2,150
Less: imputed interest	(119)
Total operating lease liabilities	$ 2,031

As of December 31, 2024, the Company had no operating lease liabilities that had not commenced.

Purchase Commitments and Obligations

The Company has certain purchase commitments related to its inventory management with certain manufacturing suppliers based on the agreements or blanket purchase orders. The contractual obligations represent future cash commitments and liabilities under agreements with third parties and exclude orders for goods and services entered into in the normal course of business that are not enforceable or legally binding. These outstanding commitments amounted to $0.4 million and $0.4 million as of December 31, 2024 and 2023, respectively.

Indemnification

The Company enters into standard indemnification arrangements in the ordinary course of business. Pursuant to these arrangements, the Company indemnifies, holds harmless, and agrees to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third-party with respect to the Company's technology. The term of these indemnification agreements is generally perpetual. The maximum potential amount of future payments the Company could be required to make under these agreements is not determinable because it involves claims that may be made against the Company in the future, but have not yet been made.

The Company has entered into indemnification agreements with its directors and officers that may require the Company to indemnify its directors and officers against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct of the individual.

The Company has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements. No liability associated with such indemnifications has been recorded to date.

Legal Contingencies

In October 2024, the Company received a civil investigative demand ("CID") from the U.S. Department of Justice, Civil Division, in connection with an investigation under the federal Anti-Kickback Statute and Civil False Claims Act (the "Investigation"). The CID requests information and documents primarily relating to meals and consulting service payments provided to health care professionals. The Company is cooperating with the Investigation but is currently unable to express a view regarding the likely duration, or ultimate outcome, of the Investigation or estimate the possibility of, or amount or range of, any possible financial impact. Depending on how the Investigation progresses, there may be a material impact on the Company's business, results of operations, or financial condition.

From time to time, the Company may become involved in legal proceedings arising in the ordinary course of its business. Except in regard to the Investigation, the Company is not presently a party to any material legal proceedings that, if determined adversely to the Company, would have a material adverse effect on the Company.

7. Borrowings

Term Loan

The following table summarizes the outstanding borrowings from the term loan as of the periods presented:

	December 31, 2024	December 31, 2023
	(in thousands)	
Principal Outstanding	$ 36,000	$ 36,000
Final payment fee	—	720
Total Principal outstanding and final payment fee	36,000	36,720
Less: Unamortized debt issuance costs and lender fees	(548)	(655)
Outstanding debt, net of debt issuance costs and unaccreted value of final fee	$ 35,452	$ 36,065
Classified as:		
Long-term borrowings	$ 35,452	$ 36,065

The outstanding debt is related to a Loan and Security Agreement dated August 12, 2021 (the "Original Loan Agreement") entered into by the Company with Silicon Valley Bank, a California corporation (“SVB”). Pursuant to the Original Loan Agreement, SVB provided a term loan in the aggregate principal amount of $35.0 million to the Company (the “Original Term Loan”).

On January 6, 2023, the Company entered into a First Amendment to Loan and Security Agreement with SVB pursuant to which the Company received a new term loan facility in an aggregate principal amount of $36.0 million (the "First Amendment" and with the Original Loan Agreement, collectively the "Amended Loan Agreement”). Upon entry into the Amended Loan Agreement, the Company borrowed $36.0 million pursuant to the term loan (the "First Amendment Term Loan"), which was substantially used to repay in full the $35.0 million Original Term Loan outstanding under the Original Loan Agreement and the Company obtained a secured revolving credit facility in an aggregate principal amount of up to $15.0 million (the “Revolving Line”). The First Amendment also provided for a final payment fee payable to SVB of 2% of the original principal amount of the First Amendment Term Loan due upon the earlier of the First Amendment Term Loan Maturity Date, termination of the Amended Loan Agreement, acceleration by the Lender following an event of default, or prepayment of the First Amendment Term Loan.

On January 25, 2024, the Company entered into a Second Amendment to Loan and Security Agreement with Silicon Valley Bank, a division of First-Citizens Bank & Trust Company, as successor in interest to SVB ("First Citizens") which amended the Company's Amended Loan Agreement (the “Second Amendment” and together with the Amended Loan Agreement, collectively, the “Second Amended Loan Agreement”). The Second Amendment revised certain provisions related to financial covenants and the periods in which such covenants applied.

On November 8, 2024, the Company entered into a Third Amendment to the Loan and Security Agreement with First-Citizens (the “Third Amendment” and together with the Second Amended Loan Agreement, collectively, the “Third Amended Loan Agreement”), pursuant to which a new term loan in the original aggregate principal amount of $36.0 million was extended by First-Citizens to the Company (the “Third Amendment Term Loan”), which was substantially used to refinance and repay in full the then-outstanding $36.0 million existing First Amendment Term Loan. The Company also paid a final payment fee of $0.7 million due relative to such prior First Amendment Term Loan. The Third Amendment sets the maturity date for the Third Amendment Term Loan as September 1, 2029 (the “Third Amendment Term Loan Maturity Date”), set the first principal repayment due date relative to the Third Amendment Term Loan to October 1, 2027; provided that upon the achievement of the Performance Milestone (as defined in the Third Amendment), the first principal payment shall become due on October 1, 2028. Interest on the Third Amendment Term Loan will be payable monthly at a floating rate per annum equal to the greater of 4.25% and the WSJ Prime Rate minus 0.5%. The Company may elect to prepay the Third Amendment Term Loan in whole prior to the Third Amendment Term Loan Term Loan Maturity Date, subject to a prepayment fee equal to 1.5% of the original principal amount of the Third Amendment Term Loan if the loan is prepaid within 18 months following the closing of the Third Amendment. The Third Amendment further revised certain provisions related to financial covenants and the periods in which such covenants apply.

The Company accounted for the Third Amended Loan Agreement as a debt modification. Accordingly, the remaining unamortized debt issuance costs related to the Second Amended Loan Agreement together with any lender fees incurred in connection with the entry of the Third Amended Loan Agreement are amortized to interest expense using the straight-line method over the new term of the loan through August 2029.

The effective interest rates were 9.1%, 9.0% and 7.8% for the years ended December 31, 2024, 2023, and 2022 respectively.

The table below summarizes the future principal payments under the Third Amendment Term Loan as of December 31, 2024:

Year ending December 31,	(in thousands)
2025	$ —
2026	—
2027	6,000
2028	18,000
2029	12,000
Total principal payments	$ 36,000

The Third Amended Loan Agreement includes affirmative and negative covenants applicable to the Company and certain of its foreign subsidiaries. The affirmative covenants include, among others, covenants requiring the Company to maintain its legal existence and governmental compliance, deliver certain financial reports, and maintain insurance coverage. The negative covenants include, among others, restrictions regarding transferring collateral, pledging the Company's intellectual property to other parties, engaging in mergers or acquisitions, paying dividends or making other distributions, incurring indebtedness, transacting with affiliates, and entering into certain investments, in each case subject to certain exceptions. As of December 31, 2024, the Company was in compliance with all debt covenants.

8. Warrants

In 2023, a warrant holder exercised warrants, and the Company issued 22,603 net shares of common stock through a cashless exercise of the warrants in accordance with the conversion terms. The table below summarizes common stock warrants issued and outstanding as of December 31, 2024 and 2023:

Date		Outstanding Balance at December 31, 2023	Price per Share	Warrants Issued	Warrant Exercised	Warrant Expired	Outstanding Balance at December 31, 2024
Issuance	Expiration						
3/1/2017	3/1/2027	1,388	$5.94	—	—	—	1,388
11/26/2014	11/26/2024	6,680	$16.47	—	—	(6,680)	—
10/20/2015	10/20/2025	41,650	$16.47	—	—	—	41,650
11/09/2015	11/09/2025	25,709	$16.47	—	—	—	25,709
12/22/2016	12/22/2026	9,712	$10.03	—	—	—	9,712
		85,139		—	—	(6,680)	78,459

9. Common and Preferred Stock

The Company's amended and restated certificate of incorporation as last amended in June 2024, authorizes the Company to issue 100,000,000 shares of common stock and 5,000,000 shares of preferred stock, each having a par value of $0.0001. Common stock issued and outstanding as of December 31, 2024 and 2023 were 42,086,477 shares and 40,693,299 shares, respectively. As of December 31, 2024 and 2023, there was no preferred stock issued and outstanding.

The holders of common stock are entitled to receive dividends whenever funds are legally available, as, when, and if declared by the Board of Directors. There have been no dividends declared to date.

10. Stock-Based Compensation

2008 Stock Option Plan and 2018 Equity Incentive Plan

In April 2008, the Company adopted the 2008 Stock Option Plan (the “2008 SOP”), as amended, under which the Board of Directors may issue incentive and non-qualified stock options to employees, directors and consultants. In October 2018, the Company adopted the 2018 Equity Incentive Plan (the “2018 EIP”), which serves as the successor to the 2008 SOP, under which the Board of Directors may issue incentive and non-qualified stock options, RSUs and PSUs to employees, directors and consultants. No new options have been granted under the 2008 SOP since August 2018. Outstanding options under the 2008 SOP continue to be subject to the terms and conditions of that plan.

The number of shares of common stock reserved for issuance under the 2018 EIP will automatically increase on January 1 of each year, beginning January 1, 2019, and continuing through and including January 1, 2028, by 5% of the total number of shares of the Company's capital stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by the Company's Board of Directors. As of December 31, 2024, a total of 5,208,332 shares of common stock are available for future grants under the 2018 EIP. On January 1, 2025, the total number of shares of common stock reserved for issuance under the 2018 EIP automatically increased by 2,104,324 shares.

The Board of Directors has the authority to determine to whom options will be granted, the number of shares, the term and the exercise price. If an individual owns stock representing more than 10% of the outstanding shares, the price of each share shall be at least 110% of the fair market value, as determined by the Board of Directors. The exercise price of an incentive stock option and a non-qualified stock option shall not be less than 100% and 85%, respectively, of the fair market value on the date of grant.

Options granted have a term of 10 years, except, options granted to individuals holding more than 10% of the outstanding shares have a term of five years. Options generally vest over a four-year period. RSUs granted under the 2018 EIP generally vest over one to four years based upon continued services and are settled at vesting in shares of the Company's common stock.

Stock Options

The following table summarizes stock option activity for the years ended December 31, 2024 and 2023:

	Options Outstanding			
	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Contractual Remaining Life (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2023	1,188,708	$10.14		
Exercised	(143,685)	$3.96		
Canceled and forfeited	(3,892)	$11.97		
Outstanding as of December 31, 2024	1,041,131	$10.98	2.83	$ 5,917
Options vested and exercisable as of December 31, 2024	1,041,131	$10.98	2.83	$ 5,917
Options vested and expected to vest as of December 31, 2024	1,041,131	$10.98	2.83	$ 5,917

The aggregate intrinsic value of options exercised during the years ended December 31, 2024, 2023 and 2022 amounted to $1.6 million, $11.7 million and $1.0 million, respectively, representing the difference between the fair value of the Company's common stock at the date of exercise and the exercise price paid. The aggregate intrinsic values of options outstanding, options vested and exercisable, and options vested and expected to vest as of December 31, 2024 represents the difference between the exercise price and the closing price of the Company’s common stock on the last trading day of the year.

Outstanding options and exercisable options information by range of exercise prices as of December 31, 2024 was as follows:

			Options Outstanding			Options Vested and Exercisable	
Exercise Price			Number of Shares	Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
$3.24	-	$4.41	246,331	1.45	$4.31	246,331	$4.31
$4.42	-	$5.31	287,641	2.31	$4.68	287,641	$4.68
$5.32	-	$18.10	194,938	3.42	$11.36	194,938	$11.36
$18.11	-	$20.51	16,627	4.09	$18.74	16,627	$18.74
$20.52	-	$22.00	295,594	4.04	$22.00	295,594	$22.00
			1,041,131	2.83	$10.98	1,041,131	$10.98

There were no stock options granted during the years ended December 31, 2024, 2023 and 2022.

As of December 31, 2024, there is no unrecognized compensation cost related to stock options.

Restricted Stock Units

Restricted stock units ("RSUs") are share awards that entitle the holder to receive freely tradable shares of the Company's common stock upon vesting. RSUs generally vest over one to four years based upon continued services and are settled at vesting in shares of the Company's common stock. The grant date fair value of the RSUs is equal to the closing price of the Company's common stock on the grant date.

The Company has granted performance-based restricted stock unit awards subject to market and service vesting conditions to certain executive officers under SI-BONE's 2018 Equity Incentive Plan ("PSUs"). The shares subject to the PSUs vest over a three-year performance period. The actual number of PSUs that will vest in each measurement period will be determined by the Compensation Committee based on the Company's total shareholder return ("TSR") relative to the TSR of the Median Peer Companies (as defined in the award agreement). The grant date fair value of each stock award with a market condition was determined using the Monte Carlo valuation model. The table below summarizes the assumptions used to estimate the grant date fair value of the PSUs granted:

	Year Ended December 31,		
	2024	2023	2022
Expected volatility of common stock	47.0% to 59.0%	58.0% to 73.0%	48.9% to 58.7%
Expected volatility of peer companies	29.0% to 97.0%	33.0% to 141.0%	24.2% to 152.5%
Correlation coefficient of peer companies	(0.01) to 1.00	(0.15) to 1.00	(0.13) to 1.00
Risk-free interest rate	4.1% to 4.7%	3.9% to 5.0%	0.4% to 1.2%
Dividend yield	0.6% to 4.7%	—% to 1.3%	—% to 1.0%

The following table summarizes RSU and PSU activity for the years ended December 31, 2024 and 2023:

	RSUs		PSUs	
	Number of Shares	Weighted-Average Grant Date Fair Value	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding as of December 31, 2023	1,899,790	$19.93	385,122	$14.74
Granted	1,116,364	$18.11	319,858	$18.48
Vested	(978,267)	$20.95	(94,439)	$16.27
Canceled and forfeited	(153,247)	$18.07	—	—
Outstanding as of December 31, 2024	1,884,640	$18.47	610,541	$16.47

As of December 31, 2024, the unrecognized compensation cost related to the RSUs was $27.1 million, which is expected to be recognized over a period of approximately 2.3 years. As of December 31, 2024, the unrecognized compensation cost related to the PSUs was $3.7 million, which is expected to be recognized over a period of approximately 1.8 years.

Employee Stock Purchase Plan

The Company's 2018 Employee Stock Purchase Plan (the "ESPP") allows eligible employees to purchase shares of the Company's common stock through payroll deductions at the price equal to 85% of the lesser of the fair market value of the stock as of the first date or the ending date of each six month offering period. The offering period generally commences in May and November. On March 26, 2020, the Company's Compensation Committee approved the amendment of the terms of future offerings under the ESPP which, among other things, increased the maximum number of shares that may be purchased on any single purchase date and provided for automatic enrollment in a new offering.

As of December 31, 2024, a total of 1,802,295 shares of common stock are available for future grants under the ESPP. On January 1, 2025, the total number of shares of common stock reserved for issuance under the ESPP Plan increased by 420,865 shares.

The fair value of the ESPP shares is estimated using the Black-Scholes option pricing model, which is being amortized over the requisite service period. The Company issued 176,787 shares, 178,918 shares, and 170,717 shares under the ESPP during the years ended December 31, 2024, 2023, and 2022, respectively, representing $2.2 million, $2.2 million, $1.8 million in employee contributions. For each of the years ended December 31, 2024 and 2023, total accumulated ESPP related employee payroll deductions amounted to $0.3 million and $0.4 million, respectively, which were included within accrued compensation and related expenses in the consolidated balance sheets. For the years ended December 31, 2024, 2023, and 2022, the Company recognized $0.9 million, $1.0 million, and $0.7 million, respectively, of stock-based compensation expense related to ESPP. As of December 31, 2024, the unrecognized compensation cost for the ESPP was $0.5 million.

The Company estimated the fair value of ESPP purchase rights during the offering period using a Black-Scholes option pricing model with the following assumptions:

	Year Ended December 31,		
	2024	2023	2022
Expected term (years)	0.5	0.5	0.5
Expected volatility	41.9% to 57.9%	41.9% to 54.4%	49.5% to 62.1%
Risk-free interest rate	4.44% to 5.41%	5.26% to 5.38%	0.07% to 1.54%
Dividend yield	—%	—%	—%

Stock-Based Compensation

The following table sets forth stock-based compensation expense recognized for the periods presented:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
Cost of goods sold	$ 932	$ 672	$ 484
Sales and marketing	$ 10,654	10,931	11,006
Research and development	$ 3,270	2,933	2,637
General and administrative	$ 11,013	9,521	8,934
	$ 25,869	$ 24,057	$ 23,061

11. Employee Benefit Plan

The Company sponsors a 401(k) plan covering all employees. Contributions made by the Company are discretionary and are determined annually by the Board of Directors. Effective January 1, 2019, the Company made a discretionary matching contribution equal to dollar for dollar employee contribution, up to 3% eligible compensation of the employee, with a maximum annual contribution from the Company of one thousand dollars per employee. Further, in order for an employee to receive the matching contribution, the employee must be at least 21 years old, work at least 1,000 hours per year, and must be employed by the Company at the beginning through the end of the year.

12. Net Loss Per Share of Common Stock

The following table summarizes the computation of basic and diluted net loss per share:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands, except share and per share data)		
Net loss	$ (30,913)	$ (43,336)	$ (61,256)
Weighted-average shares used to compute basic and diluted net loss per share	41,466,564	38,427,419	34,201,824
Net loss per share, basic and diluted	$ (0.75)	$ (1.13)	$ (1.79)

Because the Company has reported a net loss in all periods presented, outstanding stock options, restricted stock units, ESPP purchase rights and common stock warrants are anti-dilutive and therefore diluted net loss per common share is the same as basic net loss per common share for the periods presented. The following anti-dilutive common stock equivalents were excluded from the computation of diluted net loss per share for the periods presented:

	Year Ended December 31,		
	2024	2023	2022
Stock options	1,041,131	1,188,708	1,903,341
Restricted stock units	2,495,181	2,284,912	1,950,524
ESPP purchase rights	145,509	102,172	134,226
Common stock warrants	78,459	85,139	118,122
	3,760,280	3,660,931	4,106,213

13. Income Taxes

The components of the Company's loss before income taxes are as follows:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
Domestic	$ (31,082)	$ (43,491)	$ (61,396)
Foreign	169	155	140
Loss before income taxes	$ (30,913)	$ (43,336)	$ (61,256)

There was no provision for income taxes recorded for the years ended December 31, 2024, 2023 and 2022. The Company continues to maintain a full valuation allowance against its net deferred tax assets due to the uncertainty surrounding realization of such assets. The Company periodically evaluates the realizability of its net deferred tax assets based on the expected realization and is dependent on the Company's ability to generate sufficient future taxable income during periods prior to the expiration of tax attributes to fully utilize these assets.

The components of deferred income taxes are as follows:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Federal	$ (5,080)	$ (10,606)
State	(1,002)	(1,856)
Foreign	70	28
Total deferred income taxes	(6,012)	(12,434)
Change in deferred tax valuation allowance	6,012	12,434
Net deferred income tax	$ —	$ —

Income tax expense differs from the amount computed by applying the statutory federal income tax rate due to the following:

	Year Ended December 31,		
	2024	2023	2022
Tax at statutory federal rate	(21.0)%	(21.0)%	(21.0)%
State tax, net of federal benefit	(3.3)%	(4.3)%	(4.9)%
Tax credits	(2.0)%	(1.3)%	(0.7)%
Change in deferred tax valuation allowance	19.5 %	28.7 %	26.1 %
Stock compensation	2.9 %	(3.0)%	0.3 %
Foreign rate differences	0.2 %	(2.1)%	0.1 %
Reversal of nontaxable or nondeductible items	1.3 %	2.1 %	0.1 %
Nondeductible executive compensation	1.3 %	0.3 %	— %
Other	1.1 %	0.6 %	— %
Total income tax expense	— %	— %	— %

The tax effects of temporary differences and carryforwards that give rise to significant portions of the deferred tax assets are presented below:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Net operating loss carryforwards	$ 89,592	$ 85,173
Research and development credits	6,279	5,342
Accruals and reserves	4,506	3,698
Interest limitation	2,584	4,378
Depreciation and amortization	144	474
Stock compensation	3,693	3,474
Operating lease liabilities	511	735
Capitalized research and development	6,413	4,614
Total deferred tax assets	113,722	107,888
Operating lease right-of-use assets	(500)	(678)
Total deferred tax liabilities	(500)	(678)
Less: Valuation allowance	(113,222)	(107,210)
Total deferred tax asset, net of valuation allowance	$ —	$ —

The following table summarizes changes in the valuation allowance for the years ended December 31, 2024, 2023, and 2022:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
Beginning balance	$ 107,210	$ 94,776	$ 78,786
Net changes during the period	6,012	12,434	15,990
Ending balance	$ 113,222	$ 107,210	$ 94,776

As of December 31, 2024, the Company had net operating loss ("NOL") carryforwards of approximately $350.5 million and $271.6 million available to reduce future taxable income, if any, for federal and state income tax purposes, respectively. If not utilized, the Company's federal NOL carryforward begins to expire in 2030, and the state NOL carryforward began to expire in 2024.

As of December 31, 2024, the Company had credit carryforwards of approximately $5.5 million and $4.4 million available to reduce future taxable income, if any, for both federal and state income tax purposes, respectively. The federal credits begin to expire in 2029, and the state credits have no expiration date.

The Company updated its Section 382 ownership change analysis through December 31, 2020 and determined that the last ownership change was in February 2020 due to the follow-offering. The analysis concluded that no additional NOL carryforwards will expire due to the Section 382 limitation from the ownership change for both federal and state tax purposes. The Company maintains the reduction of $1.4 million of its NOL carryforwards from the previous ownership change. The Company has reviewed changes in the outstanding number of shares and equity transactions for the period January 1, 2021 through December 31, 2024 to determine if an additional ownership change occurred for Section 382 purposes. The Company reasonably believes no additional ownership change occurred in the current year. The Company will continually assess the need to update its Section 382 ownership change analysis. An ownership change in the future could materially limit the Company's ability to utilize its NOL carryforwards and other tax attributes.

Under an Organization for Economic Co-operation and Development Inclusive Framework, countries that agreed to enact a two-pillar solution aim to address the challenges arising from the digitalization of the world economy (Pillar Two). Pillar Two sets out a global minimum Effective Tax Rate (ETR) rules to ensure that large multinational businesses with consolidated revenue over €750 million are subject to a minimum ETR of 15% on income arising in low-tax jurisdictions. The Company will continue to monitor the impact of Pillar Two; however, the Pillar Two is currently not applicable as the Company does not meet the threshold of having consolidated revenue over €750 million.

The Company accounts for the uncertainty in income taxes by utilizing a comprehensive model for the recognition, measurement, presentation and disclosure in financial statements of any uncertain tax positions that have been taken or are expected to be taken on an income tax return. The changes in the Company's uncertain income tax positions for the years ended December 31, 2024, 2023 and 2022 consisted of the following:

	Year ended December 31,		
	2024	2023	2022
	(in thousands)		
Balance at beginning of the year	$ 2,629	$ 2,944	$ 2,655
Increases related to tax positions taken prior to current year	(43)	$ (726)	$ (12)
Increases related to current year's tax positions	438	411	301
Balance at end of the year	$ 3,024	$ 2,629	$ 2,944

The Company has elected to recognize interest and penalties related to uncertain tax positions as a component of income tax expense. The Company has no accrued interest related to unrecognized tax benefits as of December 31, 2024 and 2023. None of the Company's unrecognized tax benefits that, if recognized, would affect its effective tax rates for the years ended December 31, 2024, 2023, and 2022. The Company does not anticipate the total amounts of unrecognized tax benefits will significantly increase or decrease in the next 12 months.

The Company currently has no federal, state or foreign tax examinations in progress nor has it had any federal or state examinations since inception. As a result of the Company's net operating loss carry forwards, all of its tax years are subject to federal and state tax examinations.

14. Related Party Transactions

On February 24, 2020, the Company entered into a joint development agreement (the “Development Agreement”) with SeaSpine Orthopedics Corporation (“SeaSpine”), which recently merged with Orthofix Medical, Inc. ("Orthofix"), to develop a next generation device for sacropelvic fixation. Mr. Keith Valentine, who serves as the President, Chief Executive Officer and a member of the board of directors of SeaSpine, also serves as a member of the Company's Board of Directors since August 2015. On April 27, 2021, Addendum No.1 to the Development Agreement was entered into by and between the Company and SeaSpine to extend certain obligations as described under the Development Agreement to a consultant of the Company. On October 4, 2023, Keith C. Valentine resigned as a member of the Board of Directors of Orthofix. As such, subsequent to October 4, 2023, SeaSpine is no longer a related party of the Company.

Pursuant to the development plan, SeaSpine shall use reasonable efforts to assist in the development of the potential product offering, including licensing certain existing intellectual property to be incorporated into such product. Under the terms of the Development Agreement, the Company agreed to make monthly payments to SeaSpine to reimburse for full time resources employed by SeaSpine responsible to conduct the development activities. For the year ended December 31, 2023, the Company did not incur any reimbursement charges but purchased an immaterial amount of instrument components from Seaspine. For the year ended December 31, 2022, the Company expensed $38,725 of reimbursement charges from SeaSpine. The reimbursement charges were recorded within research and development expense in the consolidated statement of operations.

Certain intellectual property developed pursuant to the project plan will be owned by the Company, certain intellectual property developed pursuant to the project plan will be owned by SeaSpine, and other intellectual property developed pursuant to the project plan will be jointly owned by SeaSpine and the Company. The Company also agreed to provide SeaSpine a royalty-free, worldwide, perpetual, non-exclusive license of certain of the Company's intellectual property incorporated into the product to be developed. The Company also agreed to pay SeaSpine a product royalty, in an amount specified in the Development Agreement, for each resulting product sold for a period of 10 years beginning on the initial market launch. The term of the Development Agreement shall continue until the expiration of all royalty terms, unless earlier terminated by either party, as provided for by the Development Agreement. The Company recorded $0.3 million of royalty for the year ended December 31, 2023. The Company recorded an immaterial amount of royalty for the year ended December 31, 2022.

The outstanding liability to SeaSpine as of December 31, 2024 and December 31, 2023 was $0.2 million and $0.1 million, respectively, and was recorded within accounts payable and accrued liabilities and other in the consolidated balance sheet.

Supplementary Data

Selected Quarterly Consolidated Financial Data (Unaudited)

Pursuant to the amendments to Item 302 of Regulation S-K, since we do not have any material retrospective change to the statements of comprehensive income for any of the quarters within the two most recent fiscal years either individually or in the aggregate, we are not required to disclose the quarterly financial data.

Schedule II - Valuation and Qualifying Accounts

All schedules are omitted because they are not applicable, or the required information is shown in the financial statements or notes thereto.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities and Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute assurances. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

As of December 31, 2024, our management, with the participation of our Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"), have evaluated our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based on that evaluation, our CEO and our CFO have concluded that, as of December 31, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Management conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2024 based on the criteria set forth in "Internal Control-Integrated Framework" (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2024 based on those criteria. The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by our independent registered public accounting firm, PricewaterhouseCoopers LLP, as stated in their report, which appears in Part II, Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting.

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the fiscal quarter ended December 31, 2024, the following Section 16 officer and director adopted, modified or terminated a "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K of the Exchange Act) as set forth in the table below.

			Type of Trading Arrangement				
Name of Position	**Action**	**Adoption/Termination Date**	**Rule 10b5-1***	**Non-Rule 10b5-1****	**Total Shares of Common Stock to be Sold**	**Total Shares of Common Stock to be Purchased**	**Expiration Date**
Laura Francis, Chief Executive Officer	Adoption	December 13, 2024	X		321,456 (1)		March 31, 2026
Anshul Maheshwari , Chief Financial Officer	Adoption	December 13, 2024	X		106,670 (2)		March 31, 2026
*Contract, instruction or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act							
** "Non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K under the Exchange Act.							

(1) (a) up to 75,000 shares of common stock held by the David & Laura Francis Joint Rev Trust; (b) up to 60,416 shares of common stock subject to restricted stock unit awards (RSUs) previously granted to Ms. Francis that may vest and be released to her on or before March 31, 2026 upon satisfaction of the applicable service-based vesting conditions, to be reduced by the shares sold to satisfy tax withholding obligations arising from the vesting of such RSUs; and (c) up to 186,040 shares of common stock subject to performance-based restricted stock unit awards (PSUs) previously granted to Ms. Francis that may vest and be released to her on or before March 31, 2026 upon satisfaction of the applicable performance-based vesting conditions, to be reduced by the shares sold to satisfy tax withholding obligations arising from the vesting of such PSUs. The actual number of shares of common stock that may vest and be released to Ms. Francis upon satisfaction of the applicable performance-based vesting conditions pursuant to the PSUs is not yet determinable. Moreover, the actual number of share that will be sold pursuant to the Rule 10b5-1 trading arrangement is not yet determinable.

(2) (a) up to 53,150 shares of common stock held by Mr. Maheshwari; (b) up to 34,028 shares of common stock subject to restricted stock unit awards (RSUs) previously granted to Mr. Maheshwari that may vest and be released to him on or before March 31, 2026 upon satisfaction of the applicable service-based vesting conditions, to be reduced by the shares sold to satisfy tax withholding obligations arising from the vesting of such RSUs; and (c) up to 19,492 shares of common stock subject to performance-based restricted stock unit awards (PSUs) previously granted to Mr. Maheshwari that may vest and be released to him on or before March 31, 2026 upon satisfaction of the applicable performance-based vesting conditions, to be reduced by the shares sold to satisfy tax withholding obligations arising from the vesting of such PSUs. The actual number of shares of common stock that may vest and be released to Mr. Maheshwari upon satisfaction of the applicable performance-based vesting conditions pursuant to the PSUs is not yet determinable. Moreover, the actual number of share that will be sold pursuant to the Rule 10b5-1 trading arrangement is not yet determinable.

None of the Company's other directors or executive officers adopted a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement, as defined in Item 408 of Regulation S-K under the Exchange Act during the three-month period ended December 31, 2024.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information required by this item will be contained in our definitive proxy statement to be filed with the Securities and Exchange Commission on Schedule 14A in connection with our 2025 Annual Meeting of Stockholders, or the 2025 Proxy Statement, which will be filed not later than 120 days after the end of our fiscal year ended December 31, 2024, under the headings "Management," "Proposal 1 - Election of Directors," "Information Regarding the Board of Directors and Corporate Governance," and, if applicable, "Delinquent Section 16(a) Reports", and is incorporated herein by reference.

We have adopted a Code of Business Conduct and Ethics that applies to our officers, directors and employees which is available on our website at www.si-bone.com. The Code of Business Conduct and Ethics is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and Item 406 of Regulation S-K. In addition, we intend to promptly disclose on our website in the future (1) the nature of any substantive amendment to our Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions and (2) the nature of any waiver, including an implicit waiver, from a provision of our code of ethics that is granted to one of these specified officers, the name of such person who is granted the waiver and the date of the waiver.

We have adopted an Insider Trading Policy governing the purchase, sale, and/or other dispositions of our securities by directors, officers and employees that is designed to promote compliance with insider trading laws, rules and regulations, as well as procedures designed to further the foregoing purposes. From time to time, we may engage in transactions in our securities. It is our policy to comply with applicable laws and regulations relating to insider trading. A copy of our insider trading policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

Item 11. Executive Compensation.

The information required by this item regarding executive compensation will be incorporated by reference to the information set forth in the sections titled "Executive Compensation" and "Compensation of Non-Employee Board Members" in our 2025 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item regarding security ownership of certain beneficial owners and management will be incorporated by reference to the information set forth in the sections titled "Security Ownership of Certain Beneficial Owners and Management" and "Securities Authorized for Issuance Under Equity Compensation Plans" in our 2025 Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item regarding certain relationships and related transactions and director independence will be incorporated by reference to the information set forth in the sections titled "Certain Relationships and Related Party Transactions" and "Information Regarding the Board of Directors and Corporate Governance," respectively, in our 2025 Proxy Statement.

Item 14. Principal Accounting Fees and Services.

The information required by this item regarding principal accountant fees and services will be incorporated by reference to the information set forth in the section titled "Principal Accountant Fees and Services" in our 2025 Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this report:

1. Financial Statements

Information in response to this Item is included in Part II, Item 8 of this Annual Report on Form 10-K.

2. Financial Statement Schedules

All schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

3. Exhibits

The following exhibits, as required by Item 601 of Regulation S-K are attached or incorporated by reference as stated below.

EXHIBIT INDEX

Exhibit Number	Description	Incorporation By Reference			Filing Date
		Form	SEC File No.	Exhibit	
3.1	Amended and Restated Certificate of Incorporation.	8-K	001-38701	3.1	10/19/2018
3.2	Second Amended and Restated Bylaws	8-K	001-38701	3.1	9/20/2023
3.3	Amendment to Amended and Restated Certificate of Incorporation	8-K	001-38701	3.1	6/26/2024
4.1	Form of Common Stock Certificate of the Company.	S-1/A	333-227445	4.1	10/5/2018
4.2	Reference is made to Exhibits 3.1 and 3.2.				
4.3	Description of SI-BONE, Inc. Common Stock	10-Q	001-38701	4.3	5/5/2020
10.1+	Form of Indemnity Agreement between the Registrant and each of its directors and executive officers.	S-1	333-227445	10.1	9/20/2018
10.2+	2008 Stock Plan and forms of agreements thereunder.	S-1/A	333-227445	10.2	10/5/2018
10.3+	2018 Equity Incentive Plan.	S-1/A	333-227445	10.3	10/5/2018
10.4+	Forms of Stock Option Grant Notice, Option Agreement and Notice of Exercise under the 2018 Equity Incentive Plan.	S-1/A	333-227445	10.4	10/5/2018
10.5+	Forms of Restricted Stock Unit Grant Notice and Restricted Stock Unit Award Agreement under the 2018 Equity Incentive Plan.	10-Q	001-38701	10.1	11/8/2022
10.6+	2018 Employee Stock Purchase Plan.	S-1/A	333-227445	10.6	10/5/2018
10.7+	Offer Letter Agreement, dated December 15, 2009, between the Registrant and Jeffrey W. Dunn.	S-1	333-227445	10.7	9/20/2018
10.8+	Offer Letter Agreement, dated June 19, 2016, between the Registrant and Anthony J. Recupero.	S-1	333-227445	10.18	9/20/2018
10.9	Amended and Restated Investors' Rights Agreement, dated June 2, 2016, by and among the Registrant and the parties thereto, as amended on October 4, 2018.	S-1/A	333-227445	10.21	10/5/2018
10.10+	Amendment to Restricted Stock Units of Laura Francis	10-Q	001-38701	10.2	11/12/2019
10.11+	Amendment to Offer Letter with Jeffrey Dunn	8-K	001-38701	10.1	1/7/2021

10.12+	2023 Non-Employee Directors' Compensation Policy	10-Q	001-38701	10.1	8/08/2023
10.13+	SI-BONE, Inc. Severance Benefit Plan and Form of Participation Agreement	10-K	001-38701	10.24	3/10/2021
10.14+	Offer Letter Agreement, dated March 4, 2021, between the Registrant and Mika Nishimura	10-Q	001-38701	10.3	5/4/2021
10.15	Office Lease Agreement, dated February 2, 2018, between the Registrant and Bixby SPE Finance 11, LLC, as amended on April 16, 2018.	S-1	333-227445	10.21	9/20/2018
10.16	Loan and Security Agreement, dated August 12, 2021, between the Registrant and Silicon Valley Bank	10-Q	001-38701	10.1	11/9/2021
10.17+	Second Amendment to the Offer Letter Agreement and Severance Plan Participation Agreement with Jeffrey Dunn	10-Q	001-38701	10.2	11/9/2021
10.18+	Offer Letter Agreement, dated April 20, 2021, between the Registrant and Anshul Maheshwari	8-K	001-38701	10.1	4/20/2021
10.19+	Amended and Restated Participation Agreement dated April 20, 2021, between the Registrant and Laura Francis	8-K	001-38701	10.2	4/20/2021
10.20+	Form of Performance-Based Restricted Stock Unit Agreement	10-Q	001-38701	10.2	11/8/2022
10.21#	First Amendment to Loan and Security Agreement, dated January 6, 2023 between the Registrant and Silicon Valley Bank	10-K	001-38701	10.29	3/2/2023
10.22	Letter Agreement, dated March 24, 2023 between the Registrant and Silicon Valley Bridge Bank	10-Q	001-38701	10.20	5/2/2023
10.23+	Performance Stock Unit Grants to Executive Officers or Key Executives	8-K	001-38701	Item 5.02	1/10/2022
10.24#	Second Amendment to Loan and Security Agreement, dated January 25, 2024 between the Registrant and Silicon Valley Bank	10-K	001-38701	10.26	2/27/2024
10.25#	Manufacture and Supply Agreement, dated February 23, 2024, between the Registrant and RMS Company	10-K	001-38701	10.27	2/27/2024
10.26	Second Amendment to Lease Agreement, dated July 17, 2024, between the Registrant and Bixby SPE Finance 11, LLC.	8-K	001-38701	10.1	7/19/2024
10.27#	Third Amendment to Loan and Security Agreement, dated November 8, 2024, between the Registrant and Silicon Valley Bank	10-Q	001-38701	10.2	11/12/2024
10.28+ *	Offer Letter Agreement dated April 17, 2024, between the Registrant and Thomas A. West				
10.29+*	Form of Financial Performance-Based Restricted Stock Unit Agreement				
19.1*	Insider Trading Policy				
21.1*	List of Subsidiaries of Registrant				
23.1*	Consent of PricewaterhouseCoopers, Independent Registered Public Accounting Firm				
24.1*	Power of Attorney (contained in the signature page of this report)				
31.1*	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
31.2*	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
32.1**	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
97.1	2023 Recoupment (Clawback) Policy	10-K	001-38701	97.1	2/27/2024
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document				

101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith. Exhibit 32.1 is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall such exhibit be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise specifically stated in such filing.

\+ Indicates a management contract or compensatory plan.

The Company has omitted portions of the referenced exhibit pursuant to Item 601(b) of Regulation S-K because it (a) is not material and (b) the type of information that the Registrant both customarily and actually treats as private or confidential.

(b) We have filed, or incorporated into this Annual Report on Form 10-K by reference, the exhibits listed on the Exhibit Index immediately above.

(c) See Item 15(a)2 above.

Item 16. Form 10-K Summary.

Not provided.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

SI-BONE, Inc.

Date: February 25, 2025

By: /s/ Laura A. Francis
Laura A. Francis
Chief Executive Officer
(Duly Authorized Officer and Principal Executive Officer)

SI-BONE, Inc.

Date: February 25, 2025

By: /s/ Anshul Maheshwari
Anshul Maheshwari
Chief Financial Officer
(Principal Financial and Accounting Officer)

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Laura A. Francis, and Michael A. Pisetsky, and each of them, as his or her true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him or her and in his or her name, place or stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Laura A. Francis Laura A. Francis	Chief Executive Officer and Director (*Duly Authorized Officer and Principal Executive Officer*)	February 25, 2025
/s/ Anshul Maheshwari Anshul Maheshwari	Chief Financial Officer *(Principal Financial and Accounting Officer)*	February 25, 2025
/s/ Timothy E. Davis, Jr. Timothy E. Davis, Jr.	Director	February 25, 2025
/s/ Jeffrey W. Dunn Jeffrey W. Dunn	Chairman of the Board of Directors	February 25, 2025
/s/ John G. Freund, M.D. John G. Freund, M.D.	Director	February 25, 2025
/s/ Jeryl L. Hilleman Jeryl L. Hilleman	Director	February 25, 2025
/s/ Gregory K. Hinckley Gregory K. Hinckley	Director	February 25, 2025
/s/ Mika Nishimura Mika Nishimura	Director	February 25, 2025
/s/ Thomas A. West Thomas A. West	Director	February 25, 2025
/s/ Daniel Wolf Daniel Wolf	Director	February 25, 2025

Exhibit 10.28

VIA ELECTRONIC DELIVERY

April 17, 2024

Re: SI-BONE, Inc. Board of Directors

Dear Tom:

It is my sincere pleasure to invite you to join the Board of Directors (the "*Board*") of SI-BONE, Inc. (the "*Company*"), and to serve on the Compensation Committee of the Board (the "*Compensation Committee*"), each contingent upon your election by the stockholders at our stockholder meeting planned for June 25, 2024 (the "*2024 Annual Meeting*"). The Company plans to file a proxy statement, in substantially the form attached hereto as Exhibit A, which designates you as a candidate for Director in the Class to be elected in 2024. By signing below, you consent to your inclusion in the proxy statement as a candidate for Director. In consideration for this nomination, you agree to provide the Services as Director described below, subject to your election by the Company's stockholders at our 2024 Annual Meeting.

As a Board member, you will participate in regularly scheduled and special Board and Compensation Committee meetings, meet or otherwise periodically confer with Company executives and provide such other services as are customary and appropriate for Board and committee members (the "*Services*"). The Company will reimburse you for reasonable travel and other incidental expenses approved by the Company, so long as you provide the Company with appropriate receipts or other relevant documentation. You are not an employee of the Company and have no authority to obligate the Company by contract or otherwise. You will not be eligible for any employee benefits, nor will the Company make deductions from any amounts payable to you for taxes. Any taxes shall be solely your responsibility.

In connection with your appointment to the Board and the Compensation Committee, in exchange for the Services you will be compensated in accordance with our Non-Employee Director Compensation Policy, a copy of which is attached as Exhibit B (the "*Director Compensation Policy*"). This includes a "sign-on" RSU grant vesting over three years as well as cash retainers for your Board and committee service, generally paid quarterly. Beginning with our annual meeting anticipated to occur in June 2025, you will become eligible for annual refresh RSUs, which are granted annually to each non-employee Director. In the event of a Change in Control or a Corporate Transaction (each as defined in the Company's equity incentive plan in existence from time to time), any unvested portion of any then outstanding equity awards will fully vest as of immediately prior to the effective time of such Change in Control or Corporate Transaction, subject to your Continuous Service on the effective date of such transaction. All compensation is contingent upon your election to the Company's Board. Additional details of your compensation may be found in our Director Compensation Policy, which the Compensation Committee and the Board may amend and update from time to time.

In your capacity as a director of the Company, you will be expected not to use or disclose any confidential information, including, but not limited to, trade secrets of any former employer or other person or entity to whom you have an obligation of confidentiality. Rather, you will be

expected to use only information that is generally known and used by persons with training and experience comparable to your own, that is common knowledge in the industry or otherwise legally in the public domain, or that is otherwise provided by the Company. You acknowledge that as a result of your service as a director you will obtain confidential information relating to or provided by the Company and its affiliates (including but not limited to its stockholders and customers as well as non-public tangible and intangible manifestations regarding patents, copyrights, trademarks, trade secrets, technology, inventions, works of authorship, business plans, data or any other confidential knowledge). During and after your Service with the Company, you shall not use for your benefit or disclose confidential information, knowledge or data relating to or provided by the Company and its affiliates. You agree that any confidential information that you may develop, either alone or jointly with others, or have access to as a result of performing services for the Company is assigned by you to the Company and is the sole property of the Company. Additionally, as a reminder, as a member of the Company's Board, you will have fiduciary duties to the Company and its stockholders.

You will be entitled to indemnification for your Services as a Board member in accordance with the Company's Bylaws and Certificate of Incorporation. In addition, the Company will enter into an Indemnity Agreement with you in substantially the same form as is in place with the other members of the Board. A copy of the Company's form of indemnification agreement entered into with each non-employee Director is attached as Exhibit C (the "*Indemnification Agreement*").

This letter, along with the Indemnification Agreement and documentation for any RSU's to be granted to you in the future, constitutes the entire agreement between you and the Company. This agreement supersedes any other agreements or promises made to you by anyone, whether oral or written, and it may only be modified in a writing signed by a duly authorized officer of the Company. We look forward to your favorable reply and to a productive future relationship.

Sincerely,

SI-BONE, Inc.

/s/ Jeffrey Dunn
Jeffrey W. Dunn
Chairman of the Board

Acknowledged and Agreed:

/s/ Thomas A. West
Thomas A. West

Exhibit A

Draft SI-BONE, Inc. 2024 Proxy Statement

Exhibit B

SI-BONE, Inc. Non-Employee Director Compensation Policy

Exhibit C

SI-BONE, Inc. Form of Director Indemnification Agreement

SI-BONE, Inc.

Restricted Stock Unit Grant Notice
(2018 Equity Incentive Plan)

SI-BONE, Inc. (the "***Company***"), pursuant to its 2018 Equity Incentive Plan (the "***Plan***"), hereby awards to Participant a Restricted Stock Unit Award for the number of shares of the Company's Common Stock ("***Restricted Stock Units***") set forth below (the "***Award***"). The Award is subject to all of the terms and conditions as set forth in this notice of grant (this "***Restricted Stock Unit Grant Notice***"), and in the Plan and the Restricted Stock Unit Award Agreement, both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein will have the meanings set forth in the Plan or the Restricted Stock Unit Award Agreement. In the event of any conflict between the terms in this Restricted Stock Unit Grant Notice or the Restricted Stock Unit Award Agreement and the Plan, the terms of the Plan will control.

Participant:
Date of Grant:
Performance Period:
Vesting Commencement Date
Target Number of Restricted Stock Units:
Maximum Number of Restricted Stock Units:

Vesting Schedule: The number of Restricted Stock Units subject to the Award that may vest will be determined in accordance with the Restricted Stock Unit Award Vesting Criteria set forth in Attachment I to this Restricted Stock Unit Grant Notice (the "***Vesting Criteria***"). The Target Number of Restricted Stock Units represent the number of Restricted Stock Units that would vest if the Participant satisfies the service vesting conditions set forth in the Vesting Criteria and the Company achieves 100% of the Company's target performance goal specified in the Vesting Criteria. In no event will more than the Maximum Number of Restricted Stock Units vest.

Issuance Schedule: Subject to any Capitalization Adjustment, one share of Common Stock will be issued for each Restricted Stock Unit that vests at the time set forth in Section 6 of the Restricted Stock Unit Award Agreement.

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Restricted Stock Unit Grant Notice, the Restricted Stock Unit Award Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Restricted Stock Unit Grant Notice, the Restricted Stock Unit Award Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the acquisition of the Common Stock pursuant to the Award specified above and supersede all prior oral and written agreements on the terms of this Award, with the exception, if applicable, of (i) equity awards previously granted and delivered to Participant, (ii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law; and (iii) any written employment agreement or severance arrangement that would provide for vesting acceleration of this Award upon the terms and conditions set forth therein.

By accepting this Award, Participant acknowledges having received and read the Restricted Stock Unit Grant Notice, the Restricted Stock Unit Award Agreement and the Plan and agrees to all of the terms and conditions set forth in these documents. Participant consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

SI-BONE, Inc. **Participant**

By: __ __
Signature Signature

Name: __ Date: __

Title:__

Date:__

Attachments: Restricted Stock Unit Award Vesting Criteria, Restricted Stock Unit Award Agreement and 2018 Equity Incentive Plan

Attachment I
Restricted Stock Unit Award Vesting Criteria

The number of Restricted Stock Units that may vest will be determined in accordance with the following criteria. Capitalized terms not explicitly defined in this Attachment I shall have the same meanings given to them in the Plan, the Restricted Stock Unit Award Grant Notice (the "***Grant Notice***") or the Restricted Stock Unit Award Agreement, as applicable.

1. Performance Period.

The performance period for the Restricted Stock Units shall be the period of time beginning January 1, 2025 and ending on December 31, 2025 (the "***Performance Period***").

2. Performance Criteria; Earned PRSUs.

The number of Restricted Stock Units subject to the Award that may vest, subject to the satisfaction of the Service Vesting Requirement described in Section 4 below, will be determined by reference to two criteria (the "***Financial Criteria***" and each, a "***Financial Criterion***").

(a) As soon as practicable within the 45-day period following the end of the Performance Period, the Compensation Committee of the Board (the "***Committee***") shall determine the applicable number of Restricted Stock Units that may vest based on achievement the Financial Criteria during the Performance Period (the "***Earned PRSUs***"). The date of the Committee's determination is the "***Determination Date***." All financial metrics will be based on the Company's final 2025 audited financial statement.

(b) Each achievement level is associated with a payout multiplier as set forth in the table above (i.e., achievement of Threshold results in 50% payout; achievement of Target results in 100% payout; achievement of Upper results in a 150% payout; achievement of Max results in a 200% payout).

(c) With respect to each Financial Criteria, its weight will be multiplied by the payout multiplier associated with the applicable achievement level which will then be applied to the Target Number of Restricted Stock Units. The sum of these amounts for both Financial Criteria shall be the Earned PRSUs.

3. Vesting Period

The Earned PRSUs shall vest

with one-third of the Earned PRSUs vesting on February 15, 2026; and

with the remaining two-thirds of the Earned PRSUs vesting in a series of eight equal quarterly installments (with vesting dates on February 15, May 15, August 15 and November 15 of each year), until the Earned PRSUs are fully vested, subject in each case to the recipient's Continued Service to the Company on the applicable vesting date.

The period from February 15, 2026 to February 15, 2028 is the "***Vesting Period***."

4. Service Requirement.

Except as specifically provided in Section 5 below, the Participant must remain in Continuous Service through the applicable vesting date in order for the relevant Restricted Stock Units to vest.

5. Death, Disability, Change in Control

(a) Death or Disability. In the event the Participant's Continuous Service terminates during the Performance Period as a result of the Participant's death or Disability, then 100% of the Target Number of Restricted Stock Units will vest. In the event the Participant's Continuous Service terminates during the Vesting Period as a result of the Participant's death or Disability, then the remainder of the Earned PRSUs will vest.

(b) Impact of Change in Control.

i. Change of Control During Performance Period. In the event of a Change in Control of the Company (as defined in the Plan) prior to the beginning of the Vesting Period, and (ii) either (A) within three months prior to or 12 months following such Change in Control the Company terminates the Participant's continued service other than for Cause (as defined in the Plan), or the Participant terminates his or her service for Good Reason (as defined in the Company's Severance Benefit Plan), and Participant timely executes a Release for benefit of the Company and allows such Release to become effective in accordance with its terms, or (B) this Award is not assumed, continued or substituted for by the surviving corporation or acquiring corporation, then to the extent either of the Financial Criteria (i.e., either the Company's Net Revenue or Adjusted EBITDA) remain reasonably determinable on a standalone basis at the end of the Performance Period, the Earned PRSU's shall be calculated as set forth above with respect to such Financial Criterion and 100% of such Earned PRSUs with respect to such Financial Criterion shall vest and be released on February 15, 2026; if, however, the either Company's independent revenues or Adjusted EBITDA is not reasonably determinable on a standalone basis, then 100% of the Target Number of Restricted Stock Units with respect to such Financial Criterion will vest upon such employment termination.

ii. Change of Control During Vesting Period. In the event of (i) a Change in Control of the Company (as defined in the Plan) during the Vesting Period, and (ii) within three months prior to or 12 months following such Change in Control the Company terminates the Participant's continued service other than for Cause (as defined in the Company's Severance Benefit Plan), or the Participant terminates his service for Good Reason (as defined below), then 100% of the remaining unvested Earned PRSUs will vest.

Attachment II

SI-BONE, Inc.

2018 Equity Incentive Plan
Restricted Stock Unit Award Agreement

Pursuant to the Restricted Stock Unit Grant Notice (the "***Grant Notice***") and this Restricted Stock Unit Award Agreement, SI-BONE, Inc. (the "***Company***") has awarded you ("***Participant***") a Restricted Stock Unit Award (the "***Award***") pursuant to the Company's 2018 Equity Incentive Plan (the "***Plan***") for the number of Restricted Stock Units/shares indicated in the Grant Notice. Capitalized terms not explicitly defined in this Restricted Stock Unit Award Agreement or the Grant Notice will have the same meanings given to them in the Plan. The terms of your Award, in addition to those set forth in the Grant Notice, are as follows.

1. Grant of the Award. This Award represents the right to be issued on a future date one (1) share of Common Stock for each Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 below) as indicated in the Grant Notice. As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company for your benefit (the "***Account***") the number of Restricted Stock Units/shares of Common Stock subject to the Award. This Award was granted in consideration of your services to the Company. Except as otherwise provided herein, you will not be required to make any payment to the Company or an Affiliate (other than services to the Company or an Affiliate) with respect to your receipt of the Award, the vesting of the Restricted Stock Units or the delivery of the Company's Common Stock to be issued in respect of the Award. Notwithstanding the foregoing, the Company reserves the right to issue you the cash equivalent of Common Stock, in part or in full satisfaction of the delivery of Common Stock upon the vesting of the Restricted Stock Units, and, to the extent applicable, references in this Restricted Stock Unit Award Agreement and the Grant Notice to Common Stock issuable in connection with your Restricted Stock Units will include the potential issuance of its cash equivalent pursuant to such right.

2. Vesting. Subject to the limitations contained herein, your Award will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice, provided that vesting will cease upon the termination of your Continuous Service. Upon such termination of your Continuous Service, the Restricted Stock Units/shares of Common Stock credited to the Account that were not vested on the date of such termination will be forfeited at no cost to the Company and you will have no further right, title or interest in or to such underlying shares of Common Stock. Notwithstanding the foregoing, if your Continuous Service terminates as a result of your death or Disability, the Award will vest as set forth in the Restricted Stock Unit Award.

3. Number of Shares. The number of Restricted Stock Units subject to your Award may be adjusted from time to time for Capitalization Adjustments, as provided in the Plan. Any additional Restricted Stock Units, shares, cash or other property that becomes subject to the Award pursuant to this Section 3, if any, will be subject, in a manner determined by the Board to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Restricted Stock Units and shares covered by your Award.

Notwithstanding the provisions of this Section 3, no fractional shares or rights for fractional shares of Common Stock will be created pursuant to this Section 3. Any fraction of a share will be rounded down to the nearest whole share.

4. Securities Law Compliance. You may not be issued any Common Stock under your Award unless the shares of Common Stock underlying the Restricted Stock Units are either (i) then registered under the Securities Act, or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Your Award must also comply with other applicable laws and regulations governing the Award, and you will not receive such Common Stock if the Company determines that such receipt would not be in material compliance with such laws and regulations.

5. Transfer Restrictions. Prior to the time that shares of Common Stock have been delivered to you, you may not transfer, pledge, sell or otherwise dispose of this Award or the shares issuable in respect of your Award, except as expressly provided in this Section 5. For example, you may not use shares that may be issued in respect of your Restricted Stock Units as security for a loan. The restrictions on transfer set forth herein will lapse upon delivery to you of shares in respect of your vested Restricted Stock Units. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, will thereafter be entitled to receive any distribution of Common Stock to which you were entitled at the time of your death pursuant to this Restricted Stock Unit Award Agreement. In the absence of such a designation, your legal representative will be entitled to receive, on behalf of your estate, such Common Stock or other consideration.

(a) Death. Your Award is transferable by will and by the laws of descent and distribution. At your death, vesting of your Award will be accelerated as set forth herein and your executor or administrator of your estate will be entitled to receive, on behalf of your estate, any Common Stock or other consideration that vested but was not issued before your death.

(b) Domestic Relations Orders. Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your right to receive the distribution of Common Stock or other consideration hereunder, pursuant to a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by applicable law that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this Award with the Company's General Counsel prior to finalizing the domestic relations order or marital settlement agreement to verify that you may make such transfer, and if so, to help ensure the required information is contained within the domestic relations order or marital settlement agreement.

6. Date of Issuance.

(a) The issuance of shares in respect of the Restricted Stock Units is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the Withholding Obligation set forth in Section 11 of this

Restricted Stock Unit Award Agreement, in the event one or more Restricted Stock Units vests, then on the Settlement Date the Company will issue to you one (1) share of Common Stock for each vested Restricted Stock Unit subject to any adjustment under Section 3 above, and subject to any different provisions in the Grant Notice). Each Settlement Date determined by this paragraph is referred to as an "***Original Issuance Date***".

(b) If the Original Issuance Date falls on a date that is not a business day, delivery will instead occur on the next following business day. In addition, if:

(i) the Original Issuance Date does not occur (1) during an "open window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities ("***Insider Trading Policy***"), or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company's policies (a "***10b5-1 Arrangement***")), *and*

(ii) either (1) the Company's then-effective Insider Trading Policy does not permit sell to cover transactions in satisfaction of applicable Withholding Obligations, (2) a Withholding Obligation does not apply, or (3) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the Withholding Obligation by withholding shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a "same day sale" commitment with a broker-dealer pursuant to Section 9 of this Restricted Stock Unit Award Agreement (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay your Withholding Obligation in cash,

then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Company's Common Stock in the open public market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock under this Award are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulations Section 1.409A-1(d).

(c) The form of delivery of the shares of Common Stock in respect of your Award (e.g., a stock certificate or electronic entry evidencing such shares) will be determined by the Company.

7. Dividends. You will receive no benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution that does not result from a Capitalization Adjustment; provided, however, that this sentence will not apply with respect to any shares of Common Stock that are delivered to you in connection with your Award after such shares have been delivered to you.

8. Award not a Service Contract.

(a) Your Continuous Service with the Company or an Affiliate is not for any specified term and may be terminated by you or by the Company or an Affiliate at any time, for any reason, with or without cause and with or without notice. Nothing in this Restricted Stock Unit Award Agreement (including, but not limited to, the vesting of your Award or the issuance of the shares subject to your Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Restricted Stock Unit Award Agreement or the Plan will: (i) confer upon you any right to continue in the employ or service of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Restricted Stock Unit Award Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Restricted Stock Unit Award Agreement or Plan; or (iv) deprive the Company of the right to terminate you at will and without regard to any future vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award is earned only by continuing as an employee, director or consultant at the will of the Company or an Affiliate and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "***reorganization***"). You acknowledge and agree that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Restricted Stock Unit Award Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Restricted Stock Unit Award Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Restricted Stock Unit Award Agreement, for any period, or at all, and will not interfere in any way with the Company's right to terminate your Continuous Service at any time, with or without your cause or notice, or to conduct a reorganization.

9. Withholding Obligation.

(a) On each vesting date, and on or before the time you receive a distribution of the shares of Common Stock underlying your Restricted Stock Units, and at any other time as reasonably requested by the Company in accordance with applicable tax laws, you hereby authorize any required withholding from the Common Stock issuable to you and/or otherwise agree to make adequate provision, including in cash, for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate that arise in connection with your Award (the "***Withholding Obligation***").

(b) By accepting this Award, you acknowledge and agree that the Company or any Affiliate may, in its sole discretion, satisfy all or any portion of the Withholding Obligation relating to your Award by any of the following means or by a combination of such means: (i) causing you to pay any portion of the Withholding Obligation in cash; (ii) withholding from any compensation otherwise payable to you by the Company or an Affiliate; (iii) withholding shares of Common Stock from the shares of

Common Stock issued or otherwise issuable to you in connection with the Award with a Fair Market Value (measured as of the date shares of Common Stock are issued pursuant to Section 6) equal to the amount of such Withholding Obligation; provided, however, that the number of such shares of Common Stock so withheld will not exceed the amount necessary to satisfy the Withholding Obligation using the maximum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income; and *provided*, further, that to the extent necessary to qualify for an exemption from application of Section 16(b) of the Exchange Act, if applicable, such share withholding procedure will be subject to the express prior approval of the Board or the Company's Compensation Committee; and/or (iv) permitting or requiring you to enter into a "same day sale" commitment, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***"), pursuant to this authorization and without further consent, whereby you irrevocably elect to sell a portion of the shares to be delivered in connection with your Restricted Stock Units to satisfy the Withholding Obligation and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Obligation directly to the Company and/or its Affiliates.

(c) Unless the Withholding Obligation is satisfied, the Company will have no obligation to deliver to you any Common Stock or other consideration pursuant to this Award.

(d) In the event the Withholding Obligation arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Withholding Obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

10. Tax Consequences. The Company has no duty or obligation to minimize the tax consequences to you of this Award and will not be liable to you for any adverse tax consequences to you arising in connection with this Award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this Award and by signing the Grant Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so. You understand that you (and not the Company) will be responsible for your own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

11. Unsecured Obligation. Your Award is unfunded, and as a holder of a vested Award, you will be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares or other property pursuant to this Restricted Stock Unit Award Agreement. You will not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant to this Restricted Stock Unit Award Agreement until such shares are issued to you pursuant to Section 6 of this Restricted Stock Unit Award Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Restricted Stock Unit Award Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

12. Notices. Any notice or request required or permitted hereunder will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States

mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Award by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this Award, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

13. Additional Acknowledgements. You hereby consent and acknowledge that:

(a) Receipt of the Award is voluntary and therefore you must accept the terms and conditions of this Award Agreement and Grant Notice as a condition to receipt of this Award. This Award is voluntary and occasional and does not create any contractual or other right to receive future awards or other benefits in lieu of future awards, even if similar awards have been granted repeatedly in the past. All determinations with respect to any such future awards, including, but not limited to, the time or times when such awards are made, the size of such awards and performance and other conditions applied to the awards, will be at the sole discretion of the Company.

(b) The future value of your Award is unknown and cannot be predicted with certainty. You do not have, and will not assert, any claim or entitlement to compensation, indemnity or damages arising from the termination of this Award or diminution in value of this Award and you irrevocably release the Company, its Affiliates and, if applicable, your employer, if different from the Company, from any such claim that may arise.

(c) The rights and obligations of the Company under your Award will be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by, the Company's successors and assigns.

(d) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(e) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

(f) This Award Agreement will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(g) All obligations of the Company under the Plan and this Award Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and assets of the Company.

14. Clawback. Your Award (and any compensation paid or shares issued under your Award) is subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntarily terminate employment upon a resignation for "good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

15. Governing Plan Document. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Your Award (and any compensation paid or shares issued under your Award) is subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntarily terminate employment upon a resignation for "good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

16. Effect on Other Employee Benefit Plans. The value of the Award subject to this Restricted Stock Unit Award Agreement will not be included as compensation, earnings, salaries, or other similar terms used when calculating benefits under any employee benefit plan (other than the Plan) sponsored by the Company or any Affiliate except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any or all of the employee benefit plans of the Company or any Affiliate.

17. Severability. If all or any part of this Restricted Stock Unit Award Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Restricted Stock Unit Award Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Restricted Stock Unit Award Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

18. Other Documents. You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act. In addition, you acknowledge receipt of the Company's policy permitting certain individuals to sell shares only during certain "window" periods and the Company's Insider Trading Policy, in effect from time to time.

19. Amendment. This Restricted Stock Unit Award Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Restricted Stock Unit Award Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Restricted Stock Unit Award Agreement, so long as a copy of such amendment is delivered to you, and provided that, except as otherwise expressly provided in the

Plan, no such amendment materially adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Restricted Stock Unit Award Agreement in any way it may deem necessary or advisable to carry out the purpose of the Award as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change will be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

20. Compliance with Section 409A of the Code. This Award is intended to be exempt from the application of Section 409A of the Code, including but not limited to by reason of complying with the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4) and any ambiguities herein will be interpreted accordingly. Notwithstanding the foregoing, if it is determined that the Award fails to satisfy the requirements of the short-term deferral rule and is otherwise not exempt from, and determined to be deferred compensation subject to Section 409A of the Code, this Award will comply with Section 409A to the extent necessary to avoid adverse personal tax consequences and any ambiguities herein will be interpreted accordingly. If it is determined that the Award is deferred compensation subject to Section 409A and you are a "Specified Employee" (within the meaning set forth in Section 409A(a)(2)(B)(i) of the Code) as of the date of your "Separation from Service" (as defined in Section 409A), then the issuance of any shares that would otherwise be made upon the date of your Separation from Service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of the Separation from Service, with the balance of the shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of adverse taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2). Notwithstanding any contrary provision of the Notice of Grant or of this Restricted Stock Unit Award Agreement, under no circumstances will the Company reimburse you for any taxes or other costs under Section 409A or any other tax law or rule. All such taxes and costs are solely your responsibility.

* * * * *

This Restricted Stock Unit Award Agreement will be deemed to be signed by the Company and the Participant upon the signing by the Participant of the Restricted Stock Unit Grant Notice to which it is attached.

Attachment III

2018 Equity Incentive Plan

SI-BONE, Inc.
2018 Equity Incentive Plan

Adopted by the Board of Directors: July 26, 2018
Approved by the Stockholders: October 4, 2018
Effective Date: October 16, 2018

1. General.

(a) Eligible Award Recipients and Plan Purposes. Employees, Directors and Consultants are eligible to receive Awards under the Plan. The Company, by means of the Plan, seeks to secure and retain the services of such persons, to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and to provide a means by which such eligible recipients may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Awards.

(b) Available Awards. The Plan provides for the grant of the following types of Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights (iv) Restricted Stock Awards, (v) Restricted Stock Unit Awards, (vi) Performance Stock Awards, (vii) Performance Cash Awards, and (viii) Other Stock Awards.

2. Administration.

(a) Administration by Board. The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine (A) which of the persons eligible under the Plan will be granted Awards; (B) when and how each Award will be granted; (C) what type of Award will be granted; (D) the provisions of each Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Common Stock under the Award; (E) the number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan and Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement or in the written terms of a Performance Cash Award, in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

(v) To prohibit the exercise of any Option, SAR or other exercisable Award during a period of up to thirty days prior to the consummation of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash

dividends) of Company assets to stockholders, or any other change affecting the shares of Common Stock or the share price of the Common Stock including any Corporate Transaction, for reasons of administrative convenience.

(vi) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or termination of the Plan will not impair a Participant's rights under his or her then-outstanding Award without his or her written consent except as provided in subsection (viii) below.

(vii) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, by adopting amendments relating to Incentive Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to make the Plan or Awards granted under the Plan compliant with the requirements for Incentive Stock Options or exempt from or compliant with the requirements for nonqualified deferred compensation under Section 409A of the Code, subject to the limitations, if any, of applicable law. However, if required by applicable law or listing requirements, and except as provided in Section 10(a) relating to Capitalization Adjustments, the Company will seek stockholder approval of any amendment of the Plan that (A) materially increases the number of shares of Common Stock available for issuance under the Plan, (B) materially expands the class of individuals eligible to receive Awards under the Plan, (C) materially increases the benefits accruing to Participants under the Plan, (D) materially reduces the price at which shares of Common Stock may be issued or purchased under the Plan, (E) materially extends the term of the Plan, or (F) materially expands the types of Awards available for issuance under the Plan. Except as provided in the Plan (including subsection (viii) below) or an Award Agreement, no amendment of the Plan will impair a Participant's rights under an outstanding Award unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(viii) To submit any amendment to the Plan for stockholder approval.

(ix) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided however,* that a Participant's rights under any Award will not be impaired by any such amendment unless (A) the Company requests the consent of the affected Participant, and (B) such Participant consents in writing. Notwithstanding the foregoing, (1) a Participant's rights will not be deemed to have been impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights, and (2) subject to the limitations of applicable law, if any, the Board may amend the terms of any one or more Awards without the affected Participant's consent (A) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (B) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (C) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code; or (D) to comply with other applicable laws or listing requirements.

(x) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(xi) To adopt such rules, procedures and sub-plans related to the operation and administration of the Plan as are necessary or appropriate under local laws and regulations to permit participation in the Plan by Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement that are required for compliance with the laws or regulations of the relevant foreign jurisdiction).

(xii) To effect at any time or from time to time, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase or strike price of any outstanding Option or SAR under the Plan; (B) the cancellation of any outstanding Option or SAR under the Plan and the

grant in substitution therefor of a new (1) Option or SAR under the Plan, (2) a Restricted Stock Award, (3) a Restricted Stock Unit Award, (4) an Other Stock Award, (5) cash and/or (6) other valuable consideration determined by the Board, in its sole discretion; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Committee may, at any time, abolish the subcommittee and/or revest in the Committee any powers delegated to the subcommittee. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Rule 16b-3 Compliance. The Committee may consist solely of two or more Non-Employee Directors, in accordance with Rule 16b-3.

(d) Delegation to an Officer. The Board may delegate to one or more Officers the authority to do one or both of the following (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Stock Awards) and, to the extent permitted by applicable law, the terms of such Awards, and (ii) determine the number of shares of Common Stock to be subject to such Stock Awards granted to such Employees; *provided, however*, that the Board resolutions regarding such delegation will specify the total number of shares of Common Stock that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Any such Stock Awards will be granted on the form of Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. Notwithstanding anything to the contrary in this Section 2(d), the Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) to determine the Fair Market Value pursuant to Section 15(w)(iii) below.

(e) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. Shares Subject to the Plan.

(a) Share Reserve. Subject to Section 10(a) relating to Capitalization Adjustments, and the following sentence regarding the annual increase, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards will not exceed **2,576,538 shares**, (the "***Share Reserve***"). In addition, the Share Reserve will automatically increase on January 1st of each year for a period of ten years commencing on January 1, 2019 and ending on (and including) January 1, 2028, in an amount equal to **five percent (5%)** of the total number of shares of Common Stock outstanding on the last day of the preceding calendar year. Notwithstanding the foregoing, the Board may act prior to the first day of any calendar year to provide that there will be no increase in the Share Reserve for such calendar year or that the increase in the Share Reserve for such calendar year will be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence.

(b) Share Reserve Limit. For clarity, the Share Reserve in Section 3(a) is a limitation on the number of shares of Common Stock that may be issued pursuant to the Plan and does not limit the granting of Stock Awards except that the Company shall keep available at all times the number of shares of Common Stock reasonably required to satisfy its obligations to issue shares pursuant to such Stock Awards. Shares may be issued in connection with a merger or acquisition as permitted by NASDAQ

Listing Rule 5635(c) or, if applicable, NYSE Listed Company Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan. Furthermore, if a Stock Award or any portion thereof (i) expires or otherwise terminates without all of the shares covered by such Stock Award having been issued or (ii) is settled in cash (*i.e.*, the Participant receives cash rather than stock), such expiration, termination or settlement will not reduce (or otherwise offset) the number of shares of Common Stock that are subject to the Share Reserve and available for issuance under the Plan.

(c) Reversion of Shares to the Share Reserve. If any shares of Common Stock issued pursuant to a Stock Award are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant, then the shares that are forfeited or repurchased will revert to and again become available for issuance under the Plan. Any shares reacquired by the Company in satisfaction of tax withholding obligations on a Stock Award or as consideration for the exercise or purchase price of a Stock Award will again become available for issuance under the Plan.

(d) Incentive Stock Option Limit. Subject to the Share Reserve (as increased under Section 3(a)) and Section 10(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options will be the number of shares of Common Stock equal to **three (3) times** the Share Reserve.

(e) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

4. Eligibility.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants; provided, however, that Stock Awards may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined in Rule 405, unless (i) the stock underlying such Stock Awards is treated as "service recipient stock" under Section 409A of the Code (for example, because the Stock Awards are granted pursuant to a Corporate Transaction such as a spin off transaction), (ii) the Company, in consultation with its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in consultation with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b) Ten Percent Stockholders. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five years from the date of grant.

5. Provisions Relating to Options and Stock Appreciation Rights.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; *provided, however*, that each Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of its grant or such shorter period specified in the Award Agreement.

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will be not less than 100% of the Fair Market Value of the Common Stock subject to the Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value of the Common Stock subject to the Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

(c) Procedure for Option Exercise and Payment of Exercise Price for Options. To exercise any outstanding Option, the Participant must provide notice of exercise to the Stock Plan Administrator in compliance with the provisions of the Stock Option Agreement evidencing such Option. The purchase price of Common Stock acquired pursuant to the exercise of an Option will be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board has the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The permitted methods of payment are as follows:

(i) by cash, check, bank draft or money order payable to the Company;

(ii) provided that at the time of exercise the Company has established procedures for cashless exercise, pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;

(iii) provided that at the time of exercise the Company has established procedures for accepting such form of payment, by delivery to the Company (either by actual delivery or attestation) of already-owned shares of Common Stock that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise; provided that (A) such tender would not violate the provisions of any law, regulation or agreement restricting the redemption of the Company's stock, (B) any certificated shares must be endorsed or accompanied by an executed assignment separate from certificate, and (C) such shares have been held by the Participant for the minimum period, if any, necessary to avoid adverse accounting treatment as a result of such tender;

(iv) provided that at the time of exercise the Company has established procedures for accepting such payment via a "net exercise," if an Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided, however*, that the Company will accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued. Shares of Common Stock will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the "net exercise," (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(v) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d) Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock

Appreciation Right Agreement evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the aggregate strike price of the number of Common Stock equivalents with respect to which the Participant is exercising the SAR on such date. The appreciation distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (and pursuant to subsections (ii) and (iii) below), and will be exercisable during the lifetime of the Participant only by the Participant; *provided, however*, that the Board may, in its sole discretion, permit transfer of the Option or SAR in a manner that is not prohibited by applicable tax and securities laws upon the Participant's request, including to a trust if the Participant is considered to be the sole beneficial owner (determined under Section 671 of the Code and applicable state law) while the Option is held in the trust, provided that the Participant and the trustee enter into a transfer and other agreements required by the Company. Except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, subject to the execution of transfer documentation in a format acceptable to the Company, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, marital settlement agreement or other divorce or separation instrument; *provided, however*, that if an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company or to any third party designated by the Company, in a form approved by the Company (or the designated broker), designate a third party who, upon the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, upon the death or the Participant, the executor or administrator of the Participant's estate or the Participant's legal heirs will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary. The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date three months following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the applicable Award Agreement) and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after

termination of Continuous Service, the Participant does not exercise his or her Option or SAR (as applicable) within the applicable time frame, the Option or SAR will terminate.

(h) Automatic Extension of Termination Date. If the exercise of an Option or SAR following the termination of the Participant's Continuous Service for any reason other than for Cause and other than upon the Participant's death of Disability would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a period equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement. In addition, unless otherwise provided in a Participant's Award Agreement, if the immediate sale of any Common Stock received upon exercise of an Option or SAR within the applicable post-termination exercise period following the termination of the Participant's Continuous Service (other than for Cause) would violate the Company's insider trading policy, then the Option or SAR will not terminate prior to (i) the expiration of a period of months equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Common Stock received upon exercise of the Option or SAR would not be in violation of the Company's insider trading policy, or (ii) the expiration of the permitted term of the Option or SAR as set forth in the applicable Award Agreement as determined without giving effect to any termination of Continuous Service.

(i) Disability of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date 12 months following such termination of Continuous Service (or such longer or shorter period specified in the Award Agreement) and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in the Award Agreement for exercisability after the termination of the Participant's Continuous Service for a reason other than death, then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (i) the date 18 months following the date of death (or such longer or shorter period specified in the Award Agreement) and (ii) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR (as applicable) will terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in a Participant's Award Agreement or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service. If a Participant's Continuous Service is suspended pending an investigation of the existence of Cause, all of the Participant's rights under the Option or SAR will also be suspended during the investigation period.

(l) Non-Exempt Employees. No Option or SAR, whether or not vested, granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six months following the date of grant of the Option or SAR. Notwithstanding the foregoing, consistent with the provisions of the Worker Economic Opportunity Act, (i) in the event of the Participant's death or Disability, (ii) upon a

Corporate Transaction in which such Option or SAR is not assumed, continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participant's retirement (as such term may be defined in the Participant's Award Agreement or in another applicable agreement or in accordance with the Company's then current employment policies and guidelines), any such vested Options and SARs may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the U.S. Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employee's regular rate of pay, the provisions of this Section 5(l) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

(m) Whole Shares. Options and SARs may be exercised only with respect to whole shares of Common Stock.

(n) Securities Compliance. No Option or SAR may be exercised unless the shares of Common Stock issuable upon such exercise are then registered under the Securities Act or, if such shares of Common Stock are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of any Option or SAR also must comply with other applicable laws and regulations governing the Award, and the Participant may not exercise the Award if the Company determines

6. Provisions of Stock Awards Other than Options and SARs.

(a) Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. To the extent consistent with the Company's bylaws, at the Board's election, shares of Common Stock may be (i) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical. Each Restricted Stock Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of legal consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under the Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.

(iii) Termination of Participant's Continuous Service. If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Dividends. A Restricted Stock Award Agreement may provide that any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical. Each Restricted

Stock Unit Award Agreement will conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

(iii) Settlement. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Dividend Equivalents. Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.

(vi) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(vii) Unsecured Obligation. A Restricted Stock Unit Award is an unfunded obligation, and as a holder of a vested Restricted Stock Unit Award, a Participant shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares pursuant to the terms of the applicable Award Agreement. A Participant shall not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant a Restricted Stock Unit Award unless and until such shares are actually issued. Nothing contained in the Plan or any Restricted Stock Unit Award Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between a Participant and the Company or any other person.

(c) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award that is payable (including that may be granted, may vest or may be exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may, but need not, require the completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Board or Committee, in its sole discretion. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board may determine that cash may be used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award that is payable contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Cash Award may, but need not, require the completion of a specified period of Continuous Service. At the time of grant of a Performance Cash Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Board or Committee, in its sole discretion. The Committee may specify the form of payment of Performance Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her Performance Cash Award, or such portion thereof as the Board may specify, to be paid in whole or in part in cash or other property.

(iii) Board Discretion. The Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for a Performance Period.

(d) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value of the Common Stock at the time of grant) may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards.

7. Covenants of the Company.

(a) Securities Law Compliance. The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise or vesting of the Stock Awards; *provided, however*, that this undertaking will not require the Company to register under the Securities Act or other securities or applicable laws, the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise or vesting of such Stock Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of a Stock Award or the subsequent issuance of Common Stock pursuant to the Stock Award if such grant or issuance would be in violation of any applicable securities law.

(b) No Obligation to Notify or Minimize Taxes; No Liability for Taxes. The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of a Stock Award for any adverse tax consequences to such holder in connection with a Stock Award. As a condition to accepting a Stock Award under the Plan, each Participant (i) agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from such Stock Award or other Company compensation and (ii) acknowledges that such Participant was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of the Stock Award and has either done so or knowingly and voluntarily declined to do so. Additionally, each Participant acknowledges any Option or SAR granted under the Plan is exempt from Section 409A of the Code only if the exercise or strike price per share is at least equal to the "fair market value" per share of the Common Stock on the date of grant as determined by the Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Award. Additionally, as a condition to accepting an Option or SAR granted under the Plan, each Participant agrees not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates

in the event that the Internal Revenue Service asserts that such exercise price or strike price is less than the "fair market value" of the Common Stock on the date of grant as subsequently determined by the Internal Revenue Service.

8. Tax Withholding

(a) Withholding Authorization. As a condition to acceptance of any Award under the Plan, a Participant authorizes withholding from payroll and any other amounts payable to such Participant, and otherwise agree to make adequate provision for (including), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise, vesting or settlement of such Award, as applicable. Accordingly, a Participant may not be able to exercise an Award even though the Award is vested, and the Company shall have no obligation to issue shares of Common Stock subject to an Award, unless and until such obligations are satisfied.

(b) Satisfaction of Withholding Obligation. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; *provided, however*, that (A) no shares of Common Stock are withheld with a Fair Market Value exceeding the maximum amount of tax that may be required to be withheld by law (or such other amount as may be permitted while still avoiding classification of the Stock Award as a liability for financial accounting purposes), and (B) with respect to an Award held by any Participant who is subject to the filing requirements of Section 16 of the Exchange Act, any such share withholding must be specifically approved by the Compensation Committee as the applicable method that must be used to satisfy the tax withholding obligation or such share withholding procedure must otherwise satisfy the requirements for an exempt transaction under Section 16(b) of the Exchange Act; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; (v) by means of a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board, or (vi) by such other method as may be set forth in the Award Agreement; provided, however, that

(c) Withholding Indemnification. As a condition to accepting an Award under the Plan, in the event that the amount of the Company's withholding obligation in connection with such Award was greater than the amount actually withheld by the Company, each Participant agrees to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

9. Miscellaneous.

(a) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Stock Awards will constitute general funds of the Company.

(b) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the papering of the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

(c) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares of Common

Stock under, the Award pursuant to its terms, and (ii) the issuance of the Common Stock subject to such Award has been entered into the books and records of the Company.

(d) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state or foreign jurisdiction in which the Company or the Affiliate is incorporated, as the case may be. Furthermore, to the extent the Company is not the employer of a Participant, the grant of an Award will be not establish an employment or other service relationship between the Company and the Participant. Further, nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award will constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or service or confer any right or benefit under the Award or the Plan unless such right or benefit has specifically accrued under the terms of the Award Agreement and/or Plan.

(e) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion to (x) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(f) Incentive Stock Option $100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds $100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(g) Execution of Additional Documents. As a condition to accepting an Award under the Plan, the Participant agrees to execute any additional documents or instruments necessary or desirable, as determined in the Company's sole discretion, to carry out the purposes or intent of the Award, or facilitate compliance with securities and/or other regulatory requirements, in each case at the Company's request.

(h) Electronic Delivery and Participation. Any reference herein or in an Award Agreement to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access). By accepting any Award the Participant consents to receive documents by electronic delivery and, if requested by the Company, to participate in the Plan through an on-line electronic system established and maintained by the Plan Administrator or another third party selected by the Plan Administrator. The form of delivery of any Common Stock (*e.g.*, a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

(i) Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures

for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code.

(j) Transfer or Assignment of Awards; Issued Shares. Except as expressly provided in the Plan or the form of Award Agreement, Awards granted under the Plan may not be transferred or assigned by the Participant. After the vested shares subject to an Award have been issued, or in the case of Restricted Stock and similar awards, after the issued shares have vested, the holder of such shares is free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein, the terms of the Trading Policy and applicable securities laws.

(k) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntary terminate employment upon a "resignation for good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

(l) Securities Compliance. A Participant will not be issued any shares in respect of an Award unless either (i) the shares are registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Each Award also must comply with other applicable laws and regulations governing the Award, and a Participant will not receive such shares if the Company determines that such receipt would not be in material compliance with such laws and regulations.

(m) Compliance with Section 409A of the Code. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

10. Adjustments upon Changes in Common Stock; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities by which the share reserve is to increase automatically each year pursuant to Section 3(a), (iii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(d), and (iv) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final,

binding and conclusive. Notwithstanding the provisions of this Section 10(a), no fractional shares or rights for fractional shares of Common Stock shall be created pursuant to this Section 10(a). The Board shall, in its discretion, determine an equivalent benefit for any fractional shares or fractional shares that might be created by the adjustments referred to in this Section 10(a).

(b) Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service; *provided, however,* that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Corporate Transaction. The following provisions will apply to Stock Awards in the event of a Corporate Transaction unless otherwise provided in the Stock Award Agreement or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of a Stock Award. In the event of a Corporate Transaction, then, notwithstanding any other provision of the Plan, the Board will take one or more of the following actions with respect to Stock Awards, contingent upon the closing or completion of the Corporate Transaction:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Stock Award or to substitute a similar stock award for the Stock Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Stock Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the Stock Award (and, if applicable, the time at which the Stock Award may be exercised) to a date prior to the effective time of such Corporate Transaction as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Corporate Transaction), which exercise is contingent upon the effectiveness of such Corporate Transaction with such Stock Award terminating if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction in accordance with the exercise procedures determined by the Board;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Stock Award; and

(v) cancel or arrange for the cancellation of the Stock Award, to the extent not vested or not exercised prior to the effective time of the Corporate Transaction, in exchange for a payment, if any, in such form as may be determined by the Board, equal to the excess, if any, of (A), the per share amount (or value of property per share) payable to holders of Common Stock in connection with the Corporate Transaction, over (B) the per share exercise price under the applicable Award, multiplied by the number of shares subject to the Stock Award. Such payment may be subject to vesting based on the Participant's Continuous Service, provided that the vesting schedule shall be no less favorable to the Participant than the schedule under which the Stock Award would have become vested and/or exercisable. In addition, any escrow, holdback, earnout or similar provisions in the definitive agreement for the Corporate Transaction may apply to such payment to the holder of the Stock Award to the same extent and in the same manner as such provisions apply to the holders of Common Stock. For clarity, this payment may be $0 if the amount per share (or value of property per share) payable to the holders of the Common Stock is equal to or less than the per share exercise price of the Stock Award.

The Board need not take the same action or actions with respect to all Stock Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of a Stock Award.

(d) Change in Control. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur.

11. Severability. If all or any part of the Plan or any Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of the Plan or such Award Agreement not declared to be unlawful or invalid. Any Section of the Plan or any Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

12. Termination or Suspension of the Plan. The Board may suspend or terminate the Plan at any time. No Incentive Stock Option will be granted after the tenth anniversary of the earlier of (i) the Adoption Date, or (ii) the date the Plan is approved by the stockholders of the Company. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated. Suspension or termination of the Plan will not impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan.

13. Effective Date of the Plan.

The Plan will come into existence on the Adoption Date; provided, however, no Award may be granted prior to the IPO Date (that is, the Effective Date). In addition, no Stock Award will be exercised (or, in the case of a Restricted Stock Award, Restricted Stock Unit Award, Performance Stock Award, or Other Stock Award, will be granted) and no Performance Cash Award will be settled unless and until the Plan has been approved by the stockholders of the Company, which approval will be within 12 months after the Adoption Date.

14. Choice of Law.

The laws of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

15. Definitions. As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "***Adoption Date***" means the date the Plan is adopted by the Board.

(b) "***Affiliate***" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(c) "***Award***" means a Stock Award or a Performance Cash Award.

(d) "***Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

(e) "***Board***" means the Board of Directors of the Company.

(f) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the Effective

Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(g) "***Cause***" will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's commission, indictment or conviction of, or plea of no contest with respect to, any felony or crime involving dishonesty or moral turpitude; (ii) such Participant's failure to satisfactorily perform his or her job duties as assigned by the Board or the officers of the Company, inability to meet documented performance goals, willful neglect of his or her duties, or refusal or failure to follow the lawful and reasonable directions of the Board or the officers of the Company, provided that the Company first provides the Participant with written notice of such conduct and 30 days to cure the conduct (if curable), and the Participant has failed to cure such conduct within such 30 day period; (iii) such Participant's disloyalty, gross negligence, willful misconduct, dishonesty, fraud or breach of fiduciary duty to the Company; (iv) such Participant's violation of any rule or policy of the Company, or breach of an employment, consulting or other agreement with the Company, which could reasonably result in direct or indirect loss, damage or injury to the Company; (v) such Participant's disclosure of any trade secret or confidential information of the Company; (vi) such Participant's commission of an act which could at the discretion of the Company be reasonably deemed to constitute unfair competition with the Company or induce any customer or supplier to breach a contract with the Company; or (vii) such Participant's intentional acts on the part of the Participant that have generated material adverse publicity toward or about the Company. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(h) "***Change in Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, (C) on account of the acquisition of securities of the Company by any individual who is, on the IPO Date, either an executive officer or a Director (either, an "***IPO Investor***") and/or any entity in which an IPO Investor has a direct or indirect interest (whether in the form of voting rights or participation in profits or capital contributions) of more than 50% (collectively, the "***IPO Entities***") or on account of the IPO Entities continuing to hold shares that come to represent more than 50% of the combined voting power of the Company's then outstanding securities as a result of the conversion of any class of the Company's securities into another class of the Company's securities having a different number of votes per share pursuant to the conversion provisions set forth in the Company's Amended and Restated Certificate of Incorporation; or (D) solely because the level of Ownership held by any Exchange Act Person (the "***Subject Person***") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting

securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction; *provided, however*, that a merger, consolidation or similar transaction will not constitute a Change in Control under this prong of the definition if the outstanding voting securities representing more than 50% of the combined voting power of the surviving Entity or its parent are owned by the IPO Entities;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; *provided, however*, that a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries will not constitute a Change in Control under this prong of the definition if the outstanding voting securities representing more than 50% of the combined voting power of the acquiring Entity or its parent are owned by the IPO Entities; or

(iv) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board; *provided, however*, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing or any other provision of this Plan, (A) the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Awards subject to such agreement; *provided, however*, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply. To the extent required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder). The Board may, in its sole discretion and without a Participant's consent, amend the definition of "Change in Control" to conform to the definition of "Change in Control" under Section 409A of the Code, and the regulations thereunder.

(i) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(j) "***Committee***" means a committee of one or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(k) "***Common Stock***" means, as of the IPO Date, the common stock of the Company, having one vote per share.

(l) "***Company***" means SI-BONE, Inc., a Delaware corporation.

(m) "***Consultant***" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

(n) "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; *provided, however,* that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A of the Code, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(o) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board, in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

If required for compliance with Section 409A of the Code, in no event will a Corporate Transaction be deemed to have occurred if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as

determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

(p) "***Director***" means a member of the Board.

(q) "***Disability***" means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(r) "***Effective Date***" means the effective date of this Plan, which is the IPO Date.

(s) "***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(t) "***Entity***" means a corporation, partnership, limited liability company or other entity.

(u) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(v) "***Exchange Act Person***" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than50% of the combined voting power of the Company's then outstanding securities.

(w) "***Fair Market Value***" means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock will be, unless otherwise determined by the Board, the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(x) "***Incentive Stock Option***" means an option granted pursuant to Section 5 of the Plan that is intended to be, and that qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(y) "***IPO Date***" means the date of the underwriting agreement between the Company and the underwriter(s) managing the initial public offering of the Common Stock, pursuant to which the Common Stock is priced for the initial public offering.

(z) "***Non-Employee Director***" means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("***Regulation S-K***")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(aa) "***Nonstatutory Stock Option***" means any option granted pursuant to Section 5 of the Plan that does not qualify as an Incentive Stock Option.

(ab) "***Officer***" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(ac) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(ad) "***Option Agreement***" means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of the Plan.

(ae) "***Optionholder***" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(af) "***Other Stock Award***" means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 6(d).

(ag) "***Other Stock Award Agreement***" means a written agreement between the Company and a holder of an Other Stock Award evidencing the terms and conditions of an Other Stock Award grant. Each Other Stock Award Agreement will be subject to the terms and conditions of the Plan.

(ah) "***Own,***" "***Owned,***" "***Owner,***" "***Ownership***" A person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(ai) "***Participant***" means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(aj) "***Performance Cash Award***" means an award of cash granted pursuant to the terms and conditions of Section 6(c)(ii).

(ak) "***Performance Criteria***" means the one or more criteria that the Board or Committee (as applicable) will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any one of, or combination of, the following as determined by the Board or Committee (as applicable): (1) earnings (including earnings per share and net earnings); (2) earnings before interest, taxes and depreciation; (3) earnings before interest, taxes, depreciation and amortization; (4) total stockholder return; (5) return on equity or average stockholder's equity; (6) return on assets, investment, or capital employed; (7) stock price; (8) margin (including gross margin); (9) income (before or after taxes); (10) operating income; (11)

operating income after taxes; (12) pre-tax profit; (13) operating cash flow; (14) sales or revenue targets; (15) increases in revenue or product revenue; (16) expenses and cost reduction goals; (17) improvement in or attainment of working capital levels; (18) economic value added (or an equivalent metric); (19) market share; (20) cash flow; (21) cash flow per share; (22) share price performance; (23) debt reduction; (24) customer satisfaction; (25) stockholders' equity; (26) capital expenditures; (27) debt levels; (28) operating profit or net operating profit; (29) workforce diversity; (30) growth of net income or operating income; (31) billings; (32) pre-clinical development related compound goals; (33) financing; (34) regulatory milestones, including approval of a compound; (35) stockholder liquidity; (36) corporate governance and compliance; (37) product commercialization; (38) intellectual property; (39) personnel matters; (40) progress of internal research or clinical programs; (41) progress of partnered programs; (42) partner satisfaction; (43) budget management; (44) clinical achievements; (45) completing phases of a clinical study (including the treatment phase); (46) announcing or presenting preliminary or final data from clinical studies; in each case, whether on particular timelines or generally; (47) timely completion of clinical trials; (48) submission of INDs and NDAs and other regulatory achievements; (49) partner or collaborator achievements; (50) internal controls, including those related to the Sarbanes-Oxley Act of 2002; (51) research progress, including the development of programs; (52) investor relations, analysts and communication; (53) manufacturing achievements (including obtaining particular yields from manufacturing runs and other measurable objectives related to process development activities); (54) strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property; (55) establishing relationships with commercial entities with respect to the marketing, distribution and sale of the Company's products (including with group purchasing organizations, distributors and other vendors); (56) supply chain achievements (including establishing relationships with manufacturers or suppliers of active pharmaceutical ingredients and other component materials and manufacturers of the Company's products); (57) co-development, co-marketing, profit sharing, joint venture or other similar arrangements; and (58) other measures of performance selected by the Board or Committee (as applicable).

(al) "***Performance Goals***" means, for a Performance Period, the one or more goals established by the Board or Committee (as applicable) for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board or Committee (as applicable) (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board or Committee (as applicable) will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to expensed under generally accepted accounting principles; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles. In addition, the Board or Committee (as applicable) retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Stock Award Agreement or the written terms of a Performance Cash Award.

(am) "***Performance Period***" means the period of time selected by the Board or Committee (as applicable) over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Stock Award or a Performance Cash Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board or Committee (as applicable).

(an) "***Performance Stock Award***" means a Stock Award granted pursuant to the terms and conditions of Section 6(c)(i).

(ao) "***Plan***" means this SI-BONE, Inc. 2018 Equity Incentive Plan.

(ap) "***Restricted Stock Award***" means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(a).

(aq) "***Restricted Stock Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(ar) "***Restricted Stock Unit Award***" means a right to receive shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(b).

(as) "***Restricted Stock Unit Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Unit Award evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Agreement will be subject to the terms and conditions of the Plan.

(at) "***Rule 16b-3***" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(au) "***Rule 405***" means Rule 405 promulgated under the Securities Act.

(av) "***Securities Act***" means the Securities Act of 1933, as amended.

(aw) "***Stock Appreciation Right***" or "***SAR***" means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.

(ax) "***Stock Appreciation Right Agreement***" means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement will be subject to the terms and conditions of the Plan.

(ay) "***Stock Award***" means any right to receive Common Stock granted under the Plan, including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a Restricted Stock Unit Award, a Stock Appreciation Right, a Performance Stock Award or any Other Stock Award.

(az) "***Stock Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement will be subject to the terms and conditions of the Plan.

(ba) "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(bb) "***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

SI-BONE, Inc. Insider Trading Policy

Approved by the Board of Directors March 21, 2017

UPDATED: MARCH 16, 2023

Introduction

This policy determines acceptable transactions in the securities of SI-BONE, Inc. (the "***Company***") by our employees, directors and covered consultants. During the course of your employment, directorship or consultancy with the Company, you may receive important information that is not yet publicly available ("***inside information***"), about the Company or about other publicly-traded companies with which the Company has business dealings. Because of your access to this inside information, you may be in a position to profit financially by buying or selling, or in some other way dealing, in the Company's stock, or stock of another publicly-traded company, or to disclose such information to a third party who does so profit (a "***tippee***").

Insider Trading Policy

Securities Transactions

Use of inside information by someone for personal gain, or to pass on, or "tip," the inside information to someone who uses it for personal gain, is illegal, regardless of the quantity of shares, and is therefore prohibited. You can be held liable both for your own transactions and for transactions effected by a tippee, or even a tippee of a tippee. Furthermore, it is important that the appearance of insider trading in securities be avoided. The only exception is that transactions directly with the Company, *e.g.,* option exercises for cash or purchases under the Company's employee stock purchase plan, are permitted. However, the subsequent sale (including the sale of shares in a cashless exercise program) or other disposition of such stock is fully subject to these restrictions.

Inside Information

As a practical matter, it is sometimes difficult to determine whether you possess inside information. The key to determining whether nonpublic information you possess about a public company is inside information is whether dissemination of the information would likely affect the market price of the company's stock or would likely be considered important, or "material," by investors who are considering trading in that company's stock. Certainly, if the information makes you want to trade, it would probably have the same effect on others. Remember, both positive and negative information can be material. If you possess inside information, you may not trade in a company's stock, advise anyone else to do so or communicate the information to anyone else until you know that the information has been publicly disseminated. This policy also applies to all family members and other household members of those covered by this policy and all companies controlled by those covered by this policy. You may never recommend to another person that he or she buy, hold or sell our stock. This means that in some circumstances, you may have to forego a proposed transaction in a company's securities even if you planned to execute the transaction prior to learning of the inside information and even though you believe you may suffer an economic loss or sacrifice an anticipated profit by waiting. "***Trading***" includes engaging in short sales, transactions in put or call options, hedging transactions and other inherently speculative transactions.

You may not participate in "chat rooms" or other electronic discussion groups or contribute to blogs, bulletin boards or social media forums on the Internet concerning the activities of SI-BONE or other companies with which SI-BONE does business, even if you do so anonymously, unless doing so is part of your job responsibilities and you have explicit authorization from the Company's Chief Financial Officer.

Although by no means an all-inclusive list, information about the following items may be considered to be inside information until it is publicly disseminated:

(a) financial results or forecasts;

(b) major new products or processes;

(c) acquisitions or dispositions of assets, divisions, companies, etc.;

(d) pending public or private sales of debt or equity securities;

(e) declaration of stock splits, dividends or changes in dividend policy;

(f) major contract awards or cancellations;

(g) scientific, clinical or regulatory results;

(h) top management or control changes;

(i) possible tender offers or proxy fights;

(j) significant writeoffs;

(k) significant litigation;

(l) impending bankruptcy;

(m) gain or loss of a significant license agreement or other contracts with customers or suppliers;

(n) pricing changes or discount policies;

(o) corporate partner relationships; and

(p) notice of issuance of patents.

For information to be considered publicly disseminated, it must be widely disclosed through a press release or SEC filing, and a sufficient amount of time must have passed to allow the information to be fully disclosed. Generally speaking, information will be considered publicly disseminated after one full trading day has elapsed since the date of public disclosure of the information. For example, if an announcement of inside information of which you were aware was made prior to trading on Wednesday, then you may execute a transaction in the Company's securities on Thursday.

Stock Trading by Employees, directors and Covered Consultants

We require that all directors and employees, as well as covered consultants, limit their transactions in the Company's stock to defined time periods following public dissemination of quarterly and annual financial results and notify, and receive approval from, the Company's Chief Financial Officer prior to engaging in transactions in the Company's stock and observe other restrictions designed to minimize the risk of apparent or actual insider trading.

Covered Insiders

The provisions outlined in this stock trading policy apply to all directors, employees and covered consultants of the Company. Generally, any entities or family members or others whose trading activities are controlled or influenced by any of such persons should be considered to be subject to the same restrictions.

Window Period

Generally, except as set forth in this policy, all directors, employees and covered consultants may buy or sell securities of the Company only during a "window period" that opens after one full trading day has elapsed after the public dissemination of the Company's annual or quarterly financial results and closes two weeks before the end of the next quarter. This window period may be closed early or may not open if, in the judgment of the Company's Chief Executive Officer and/or Chief Financial Officer, there exists undisclosed information that would make trades by the Company's directors, employees and covered consultants inappropriate. It is important to note that the fact that the window period has closed early or has not opened should be considered inside information. A director, employee or covered consultant who believes that special circumstances require him or her to trade outside the window period should consult with the Company's Chief Financial Officer who will consult with the Company's outside counsel. Permission to trade outside the window period will be granted only where the circumstances are extenuating and there appears to be no significant risk that the trade may subsequently be questioned.

Exceptions to Window Period

1. *ESPP/Option Exercises.* Employees who are eligible to do so may purchase stock under the Company's Employee Stock Purchase Plan ("***ESPP***") on periodic designated dates in accordance with the ESPP without restriction to any particular period. Directors, employees and covered consultants may exercise options for cash granted under the Company's stock option plans without restriction to any particular period. However, the subsequent sale of the stock (including sales of stock in a cashless exercise) acquired upon the exercise of options or pursuant to the ESPP is subject to all provisions of this policy.

2. *10b5-1 Automatic Trading Programs.* In addition, purchases or sales of the Company's securities made pursuant to, and in compliance with, a written plan established by a director, employee or covered consultant that meets the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***") (a "***Trading Plan***") may be made without restriction to any particular period provided that (i) the Trading Plan was established in good faith, in compliance with the requirements of Rule 10b5-1, at the time when such individual was not in possession of inside information about the Company and the Company had not imposed any trading blackout period,
(ii) the Trading Plan was reviewed by the Company prior to establishment, solely to confirm compliance with this policy, its Guidelines for Rule 10b5-1 Plans and applicable securities laws. The Company must review the plan prior to the establishment of any such Trading Plan or any amendments to such Trading Plan, and be notified of the termination of such Trading Plan.

Pre-Clearance and Advance Notice of Transactions

In addition to the requirements of paragraph B above, directors, employees and covered consultants may not engage in any transaction in the Company's securities, including any purchase or sale in the open market, loan, pledge, hedge or other transfer of beneficial ownership without first obtaining pre-clearance of the transaction from the Company's Chief Financial Officer (the "***Clearing Officer***") at least two business days in advance of the proposed transaction. The Clearing Officer will then determine whether the transaction may proceed and, if so, will direct the Compliance Coordinator (as identified in the Company's Section 16 Compliance Program) to assist in complying with the reporting requirements under Section 16(a) of the Exchange Act, if any. Pre-cleared transactions not completed within five business days shall require new pre-clearance under the provisions of this paragraph. The Company may, at its discretion, shorten such period of time.

Advance notice of gifts or an intent to exercise an outstanding stock option shall be given to a Clearing Officer. To the extent possible, advance notice of upcoming transactions to be effected pursuant to an established Trading Plan shall also be given to a Clearing Officer. Upon completion of any transaction, the director, employee or covered consultant must immediately notify the Compliance Coordinator and any other individuals identified in Section 3 of the Company's Section 16 Compliance Program so that the Company may assist in any Section 16 reporting obligations.

Prohibition of Speculative or Short-term Trading

No director, employee or covered consultant to SI-BONE may engage in short sales, transactions in put or call options, hedging transactions, margin accounts, pledges, or other inherently speculative transactions with respect to the Company's stock at any time.

Short-Swing Trading/Control Stock/Section 16 Reports

Officers and directors subject to the reporting obligations under Section 16 of the Exchange Act should take care not to violate the prohibition on short-swing trading (Section 16(b) of the Exchange Act) and the restrictions on sales by control persons (Rule 144 under the Securities Act of 1933, as amended), and should file all appropriate Section 16(a) reports (Forms 3, 4 and 5), which are enumerated and described in the Company's Section 16 Compliance Program, and any notices of sale required by Rule 144.

Duration of Policy's Applicability

This policy continues to apply until you cease to be an employee, director or covered consultant of the Company. However, applicable securities laws, including the prohibition on trading when in possession of material nonpublic information, will continue to apply to your transactions in the Company's stock or the stock of other public companies engaged in business transactions with the Company even after your employment, directorship or consultancy with the Company has terminated. If you are in possession of inside information when your relationship with the Company concludes, you may not trade in the Company's stock or the stock of such other company until the information has been publicly disseminated or is no longer material.

Penalties

Anyone who effects transactions in the Company's stock or the stock of other public companies engaged in business transactions with the Company (or provides information to enable others to do so) on the basis of inside information is subject to both civil liability and criminal penalties, as well as disciplinary action by the Company. An employee, director or covered consultant who has questions about this policy should contact his or her own attorney or the Company's Chief Financial Officer. Please also see Frequently Asked Questions attached hereto as **Exhibit A**.

Exhibit A Frequently Asked Questions

1. ***What is insider trading?***

A: Insider trading is the buying or selling of stocks, bonds, futures, or other securities by someone in possession of material, nonpublic information. Insider trading also includes trading in options (puts and calls) the price of which is linked to the underlying price of a company's stock. It does not matter how many shares you buy or sell, or whether it has an effect on the stock price – if you have material, nonpublic information and you trade, you have broken the law.

2. ***Why is insider trading illegal?***

A: If company insiders are able to use their confidential knowledge to their financial advantage, other investors would not have confidence in the fairness and integrity of the marketplace. Requiring those who have such information to disclose (the information to the public) or abstain (from trading) ensures an even playing field.

3. ***What is material, nonpublic information?***

A: Information is material if it would influence a reasonable investor to buy or sell a stock, bond or other security. This could mean many things – financial results, potential mergers, major contracts, etc. Information is nonpublic if it has not yet been released and disseminated to the public.

4. ***Who can be guilty of insider trading?***

A: Anyone who buys or sells a security while in possession of material, nonpublic information. It does not matter if you are not an executive officer or director, or even if you do not work at SI-BONE– if you know something material about the value of a security that not everyone else does, regardless of who you are, you can be found guilty of insider trading.

5. ***Does SI-BONE have an insider trading policy?***

A: Yes.

6. ***What if I work in a foreign office?***

A: There is no difference. The policy and law applies to you. Because our common stock trades on a United States securities exchange, the insider trading laws of the U.S. apply. The U.S. Securities and Exchange Commission (the SEC) (a U.S. government agency in charge of investor protection) and the Financial Industry Regulatory Authority (FINRA) (a private regulator that oversees U.S. exchanges) routinely investigate trading in a company's securities conducted by internationally-based individuals and firms. In addition, as an SI-BONE employee, our policies apply to you no matter where in the world you work.

7. ***What if I don't buy or sell anything, but I tell someone else the information and they buy or sell?***

A: That is called “tipping.” You are the “tipper” and the other person is called the “tippee”. If the tippee buys or sells based on that material, nonpublic information, you might still be guilty of insider trading. In fact, if you tell family members who tell others and those people then trade on the information, those family members might be guilty of insider trading too. As a result, you may not discuss material, non-public information about SI-BONE with anyone outside SI-BONE, including spouses, family members, friends, or business associates. This includes anonymous discussion on the Internet about SI- BONE or companies with which SI-BONE does business.

8. ***What if I don't tell them the information itself, I just tell them whether they should buy or sell?***

A: That is still tipping, and you can still be found guilty of insider trading. According to our policies, you may never recommend to another person that they buy, hold or sell our common stock or any derivative security related to our common stock.

9. ***What are the penalties if I trade on inside information, or tip off someone else?***

A: Anyone found liable in a civil case for trading on inside information may need to pay the U.S. government an amount equal to any profit made or any loss avoided and may also face a penalty of up to three times this amount. Persons found liable for tipping inside information, even if they did not trade themselves, may face a penalty of up to three times the amount of any profit gained or loss avoided by everyone in the chain of tippees. In addition, anyone convicted of criminal insider trading can face prison terms and additional fines.

10. ***What is "loss avoided"?***

A: If you sell a common stock or a related derivative security before the negative news is publicly announced, and as a result of the announcement the stock price declines, you have avoided the loss caused by the negative news.

11. ***Am I restricted from trading securities of any companies except SI-BONE (for example a customer or competitor of SI-BONE)?***

A: Yes. U.S. insider trading laws restrict everyone from trading in a company's securities based on material nonpublic information about that company, regardless of whether the person is directly connected with that company. Therefore, if you obtain material nonpublic information about another company, you should not trade in that company's securities. You should be particularly conscious of this restriction if, through your position at SI-BONE, you sometimes obtain sensitive, material information about other companies and their business dealings with SI-BONE.

12. ***So if I do not trade SI-BONE securities when I have material nonpublic information, and I don't "tip" other people, I am in the clear, right?***

A: Not necessarily. Even if you do not violate U.S. law, you may still violate our policies. Our policies are stricter than the law requires, so that we and our employees can avoid even the appearance of wrongdoing. Therefore, please review the entire policy carefully.

13. ***If I am aware of new product or service developments that have not been announced to the public, do I possess material non-public information?***

A: In most circumstances, SI-BONE does not consider new product and service developments to be material information that would require the closing of the trading window with respect to those individuals that are aware of these developments. However, there are circumstances where a new product or service in development or issues with respect to current or past products or services could be so significant that it constitutes material non-public information. In these circumstances, you will be notified by email if the trading window is closed for you.

14. ***So when can I buy or sell my SI-BONE securities?***

A: According to our policies, if you have material, nonpublic information, you may not buy or sell our common stock until a full trading day after that information is released or announced to the public has elapsed. At that point, the information is considered public. **Even if you do not have material, nonpublic information, you may not trade in our common stock during any trading "blackout" period**. (A list of current blackout periods can be obtained from the Company's Chief Financial Officer and additional trading blackout periods may be announced by email.)

15. ***If I have an open order to buy or sell SI-BONE securities on the date the trading window closes, my broker will cancel the open order and won't execute the trade, right?***

A: No. If you have any open orders at the time the trading window closes, it is your responsibility to cancel these orders with your broker. If you have an open order and it executes after the trading window closes, it is a violation of our insider trading policy and may also be a violation of the insider trading laws.

16. ***Am I allowed to trade derivative securities of SI-BONE? Or, short SI-BONE common stock?***

A: No. Under our policies, you may not trade in derivative securities related to our common stock, which includes, but is not limited to publicly-traded call and put options. In addition, under our policies, you may not engage in short selling of our common stock at any time.

"Derivative securities" are securities other than common stock that are speculative in nature because they permit a person to leverage his or her investment using a relatively small amount of money. Examples of derivative securities include (but are not limited to) "put options" and "call options". These are different from employee stock options, which are not derivative securities**.**

"Short selling" is profiting when you expect the price of the stock to decline, and includes transactions in which you borrow stock from a broker, sell it, and eventually buy it back on the market to return the borrowed shares to the broker. Profit is made through the expectation that the stock price will decrease during the period of borrowing.

17. ***Why does SI-BONE prohibit trading in derivative securities and short selling?***

A: Many companies with volatile stock prices have adopted such policies because of the temptation it represents to try to benefit from a relatively low cost method of trading on short-term swings in stock prices (without actually holding the underlying common stock) and encourages speculative trading. For this reason, we have decided to prohibit employees from such trading. As we are dedicated to building stockholder value, short selling our common stock is adverse to our stated values and would not be received well by our stockholders.

18. ***Can I purchase SI-BONE securities on margin or hold them in a margin account?***

A: Under our policies, you may not purchase our common stock on margin or hold it in a margin account at any time. "Purchasing on margin" is the use of borrowed money from a brokerage firm to purchase our securities. Holding our securities in a margin account includes holding the securities in a account in which the shares can be sold to pay a loan to the brokerage firm.

19. ***Why does SI-BONE prohibit me from purchasing SI-BONE securities on margin or holding them in a margin account?***

A: Margin loans are subject to a margin call whether or not you possess insider information at the time of the call. If your margin call were called at a time when you had insider information and you could not or did not supply other collateral, you and SI-BONE could be subject to litigation based on your insider trading activities: the sale of the stock (through the margin call) when you possessed material nonpublic information. The sale would be attributed to you even though the lender made the ultimate determination to sell. The U.S. Securities and Exchange Commission takes the view that you made the determination to not supply the additional collateral and you are therefore responsible for the sale.

20. ***Can I exercise stock options during a trading blackout period or when I possess material nonpublic information?***

A: Yes. You may exercise the option and receive shares, but you may not sell the shares (even to pay the exercise price or any taxes due) or otherwise settle the option during a trading blackout period or any time that you have material, nonpublic information. Also note that if you choose to exercise and hold the shares, you will be responsible at that time for any taxes due.

21. ***Am I subject to the trading blackout period if I am no longer an employee of SI-BONE?***

A: It depends. If your employment with SI-BONE ends on a day that the trading window is closed, you will be subject to the trading blackout period then in effect. If your employment with SI- BONE ends on a day that the trading window is open, you will not be subject to the next trading blackout period. However, even if you are not subject to our trading blackout period after you leave SI-BONE, you should not trade in SI-BONE securities if you possess material non-public information. That restriction stays with you as long as the information you possess is material and not released by SI-BONE.

22. ***Can I gift stock while I possess material nonpublic information or during a trading blackout period?***

A: Because of the potential for the appearance of impropriety, you may not make gifts, whether to charities, to a trust or otherwise, of our common stock when you possess material nonpublic information or during a trading blackout period.

23. ***What if I purchased publicly-traded options or other derivative securities before I became a SI- BONE employee (or contractor or consultant)?***

A: The same rules apply as for employee stock options. You may exercise the publicly-traded options at any time, but you may not sell such securities during a trading blackout period or at any time that you have material, nonpublic information. When you become an SI-BONE employee, you must report to our Chief Financial Officer that you hold such publicly traded options or other derivative securities.

24. ***May I own shares of a mutual fund that invests in SI-BONE?***

A: Yes.

25. ***Are mutual fund shares holding SI-BONE subject to the trading blackout periods?***

A: No. You may trade in mutual funds holding our common stock at any time.

26. ***May I use a "routine trading program" or "10b5-1 plan"?***

A: Yes, subject to the requirements discussed in our Insider Trading and Trading Window Policy. A routine trading program, also known as a 10b5-1 plan, allows you to set up a highly structured program with your stock broker through which you specify ahead of time the date, price, and amount of securities to be traded. If you wish to create a 10b5-1 plan, you must contact our Chief Financial Officer for approval.

27. ***What happens if I violate our insider trading policy?***

A: Violation of our policies may result in severe personnel action, including a memo to your personnel file and up to and including termination of your employment or other relationship with SI- BONE. In addition, you may be subject to criminal and civil enforcement actions by the government.

28. ***Who should I contact if I have questions about our insider trading policy?***

A: You should contact our Chief Financial Officer.

Exhibit 21.1

List of subsidiaries of the Registrant

Subsidiary	Jurisdiction
SI-BONE S.R.L.	Italy
SI-BONE Deutschland GmbH	Germany
SI-BONE UK LTD	United Kingdom

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-271635) and Form S-8 (Nos. 333-227907, 333-230473, 333-237091, 333-254086, 333-263189, 333-270230, and 333-277402) of SI-BONE, Inc. of our report dated February 25, 2025, relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
San Jose, California
February 25, 2025

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Laura A. Francis, certify that:

1. I have reviewed this Form 10-K of SI-BONE, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    1) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    2) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    3) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    4) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    1) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2025

/s/ Laura A. Francis
Laura A. Francis
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Anshul Maheshwari, certify that:

1. I have reviewed this Form 10-K of SI-BONE, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    1) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    2) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    3) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    4) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    1) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2025

/s/ Anshul Maheshwari
Anshul Maheshwari
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Laura A. Francis, Chief Executive Officer of SI-BONE, Inc. (the "Company"), and Anshul Maheshwari, Chief Financial Officer of the Company, each hereby certifies that, to the best of his or her knowledge:

1. The Company's Annual Report on Form 10-K for the period ended December 31, 2024, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2025

/s/ Laura A. Francis
Laura A. Francis
Chief Executive Officer
(Principal Executive Officer)

Date: February 25, 2025

/s/ Anshul Maheshwari
Anshul Maheshwari
Chief Financial Officer
(Principal Financial and Accounting Officer)

This certification is being furnished to the Securities and Exchange Commission as an exhibit to the Annual Report and shall not be deemed filed by the Company for purposes of §18 of the Exchange Act, as amended, and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.