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Contact:
For SI-BONE, Inc.:
Joe Powers
Vice President of Marketing
408-207-0700, ext. 3209
jpowers@si-bone.com

SI-BONE, Inc. Closes $33 Million Growth Capital Financing

Orbimed and Novo A/S Invest

San Jose, California, April 28th, 2014 / PRNewswire / -- SI-BONE, Inc. (San Jose, California), a medical device company that has pioneered the use of the iFuse Implant System®, a minimally invasive surgical (MIS) device used to fuse the sacroiliac (SI) joint, announced today the completion of a $33 million growth capital round of financing.

Orbimed and Novo A/S invested in the round along with current investors Skyline Ventures and Montreux Equity Partners. Proceeds from the investment will be used to fund expansion of the U.S. sales organization and add additional resources in R&D, medical affairs, regulatory, compliance and reimbursement. In addition, the company will further expand operations outside the U.S. by pursuing regulatory approvals in over a dozen countries in Asia, the Middle East and South America and initiating commercialization in Australia, New Zealand and Hong Kong. The investment will also be used to continue funding the company's three ongoing prospective clinical studies including SIFI (Sacroiliac Joint Fusion with iFuse Implant System), a U.S. multicenter single arm study, INSITE (Investigation of Sacroiliac Fusion Treatment), a U.S. multicenter randomized study and iMIA (iFuse Implant System Minimally Invasive Arthrodesis), a European multicenter randomized study.

David Bonita MD, Private Equity Partner at Orbimed will be joining the Board of Directors and commented, "we believe SI-BONE is an exciting company in today's orthopedics space with an innovative solution that addresses the most underserved area in spine and we look forward to working with their team to help further accelerate growth and increase availability of iFuse to patients around the world."

Heath Lukatch Ph.D., partner at Novo A/S Ventures, who also invested in the round said: "We are excited to support SI-BONE's expansion of minimally invasive solutions for patients with SI-joint disorders. We believe that the iFuse Implant System has the potential to materially improve these patients' quality of life."

"This is an incredibly exciting time for our company as we anticipate significant

growth in the coming years" said Jeffrey Dunn, President and CEO. "The strong clinical evidence supporting MIS SI joint fusion, the AMA's decision in March to establish a Category 1 CPT code for the procedure, along with the increasing adoption and demand for iFuse by surgeons in the U.S. and around the world further validates our belief that minimally invasive fusion of the SI joint is being recognized as the standard surgical treatment option. With the support of our new and current investors, we are committed to ensuring that the iFuse Implant System is made available to appropriately selected patients suffering from debilitating SI joint pain due to sacroiliac joint disruptions and degenerative sacroiliitis."

SI-BONE, Inc. received original 510(k) clearance in November 2008 from the Food and Drug Administration (FDA) to market its iFuse Implant System (then called the "SI Joint Fusion System") for fracture fixation of long bones and large bone fragments of the pelvis for conditions including sacroiliac joint disruptions and degenerative sacroiliitis, and an additional clearance in April 2011 for sacroiliac joint fusion for conditions including sacroiliac joint disruptions and degenerative sacroiliitis. The CE mark for European commercialization was obtained in November 2010.

Clinical publications have identified the SI joint as a pain generator for up to 22% of low back pain patients.[1] In addition, DePalma *et al*, *Pain Medicine* 2011, identified the SI joint as a low back pain generator in 43% to 61% of post-lumbar fusion, so-called "failed back surgery," patients.[2] Initial treatment options for patients with SI joint disorders typically involve non-surgical management and, when non-surgical treatment of the SI joint fails, surgical treatments such as the iFuse may provide an option.

The iFuse Implant System is a commercially available device in the U.S. and Europe. The iFuse procedure uses a small incision for delivery and implantation of titanium implants. The implants are coated with a porous, titanium plasma spray that acts as an interference surface, designed to help decrease implant motion and provide immediate fixation and allow for biological fixation to support long term fusion. These implants have substantial thickness and sophisticated metallurgy and are able to produce a much stronger construct than that of conventional screws used to surgically fix bony structures. The iFuse System is intended for sacroiliac joint fusion for conditions including sacroiliac joint disruptions and degenerative sacroiliitis. As with all surgical procedures and permanent implants, there are risks and considerations associated with surgery and use of the iFuse Implant.

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About SI-BONE, Inc.

SI-BONE, Inc. (San Jose, California) is the leading sacroiliac joint medical device company dedicated to the development of tools and products for diagnosing and treating patients with low back issues related to SI joint disorders. The company has developed, and is manufacturing and marketing, less invasive approaches using implants for the treatment of certain SI joint pathology. SI-BONE has an experienced management team with extensive experience in orthopedic and spine medical devices. *SI-BONE* and *iFuse Implant System* are registered trademarks of SI-BONE, Inc. 8570.112113

[1] Bernard TN, Kirkaldy-Willis WH. Recognizing specific characteristics of nonspecific low back pain. *Clinical Orthopedics and Related Research.* 1987;217:266–80.

[2]DePalma M, Ketchum JM, Saullo TR. Etiology of chronic LBP patients having undergone lumbar fusion. *Pain Medicine.* 2011;12:732-9. Dr. DePalma currently participates in clinical research sponsored by SI-BONE, Inc.