

Letter from the CEO

April 21, 2026

Dear Stockholders:

It is my pleasure to invite you to attend SI-BONE's Annual Meeting of Stockholders (the "**Annual Meeting**") on Thursday, June 4, 2026 at 8:00 a.m., Pacific Time.

We made significant and measurable progress during 2025, including the following:

- Achieved worldwide revenue of \$200.9 million, representing an annual increase of ~20%;
- Over 2,400 U.S. physicians performed nearly 22,000 procedures;
- Surpassed 140,000 procedures performed by physicians worldwide since inception;
- Net loss of \$18.9 million, representing an annual improvement of ~39%;
- Delivered positive Adjusted EBITDA¹ of \$8.9 million, as compared to a loss of \$5.1 million in 2024;
- Exited the year with a solid balance sheet with \$147.8 million in cash and equivalents;
- Launched iFuse TORQ across Europe; and
- Granted New Technology Add-On Payment effective October 1, 2025, providing incremental reimbursement to hospitals for eligible inpatient procedures using iFuse TORQ TNT.

We will hold our Annual Meeting virtually in an effort to make it convenient for our stockholders to attend. During our Annual Meeting, we will discuss each item of business described in the Notice of Annual Meeting and Proxy Statement enclosed with this letter, which we encourage you to read carefully. We will also address any questions submitted before or during the Annual Meeting.

Your vote is very important to us, and I urge you to vote your shares as promptly as possible. You may vote by Internet or by telephone. If you received a paper copy of the proxy card by mail, you may sign, date, and return the proxy card in the enclosed envelope.

Finally, I continue to be humbled by the exceptional performance of the entire SI-BONE team, working diligently to introduce new products and continuing to train and educate physicians to grow our core business. On behalf of the Board, management team and employees, thank you for your continued confidence and support as we advance our mission to help patients rise up and reach for the stars. We look forward to your participation in this year's Annual Meeting.

Sincerely yours,

/s/ Laura Francis

Laura Francis

Chief Executive Officer

¹ For a full reconciliation of Adjusted EBITDA to net loss, the most directly comparable financial measure calculated in accordance with generally accepted accounting principles, see Appendix A to this proxy statement.

**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, 2025

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

(State or other jurisdiction
of incorporation or organization)

26-2216351

(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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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, 2025, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$0.8 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 18, 2026 was 44,165,287 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, 2025, 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 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 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;
- 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;
- Healthcare reforms may have a material adverse effect on our operations;
- 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 sales of similar products focused on procedures, the goal of which is to stabilize and fuse the sacroiliac joint. Continued reliance on sales of similar products could negatively affect our results of operations and financial condition.;
- 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;
- We may not be able to demonstrate to 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 clinical experience with our implants or instruments does not result in positive outcomes for patients, or if clinical studies involving our implant systems fail to show meaningful patient benefit, sales of our products 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, or the inadvertent compromise of sensitive personal information held by us, 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 similar products addressing the sacrospinal anatomy;
- 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, including our third-party sales agents, 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 our clinical trials and other studies;

- 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 of our products to patients, providers, and payors;
- the impact of enacted or proposed tariffs on our business, including the impact on gross margins related to our international product sales and the impact of resulting economic uncertainty on demand for our products;
- factors impacting the supply chains we rely on, including tariffs and 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;
- our estimates regarding our costs and risks associated with our international operations and expansion;
- our ability to attract and retain key personnel and other 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 leader in developing innovative procedural solutions for compromised bone, grounded in expertise in biomechanical design and anatomy-specific innovation. As pioneers of minimally invasive treatment for sacroiliac joint dysfunction and degeneration, we have developed a deep competency in addressing the challenges of low-density bone in the sacrum. With our additive manufacturing, or 3D-printing, experience developed in sacroiliac fusion, we have established a technology platform that now extends to meet critical unmet needs in thoracolumbar fixation and fusion and pelvic trauma.

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, sales agents and resellers in other countries. As of December 31, 2025, over 140,000 procedures have been performed using our products since we introduced iFuse in 2009.

Product and Applications

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. In the European Economic Areas, iFuse, iFuse 3D and iFuse TORQ have been CE marked for applications in sacroiliac joint dysfunction, adult spinal deformity and pelvic fracture fixation.

Product	Description	Market Regulatory Authorization	Regulatory Authorization Date	Breakthrough Device Designation ("BDD")
iFuse	Machined triangular titanium implant with a triangular cross section and porous surface that stabilizes the joint and facilitates biologic fixation of the bone onto the implant to drive fusion.	United States (FDA)	November 2008	—
		European Union (CE-Marked)	November 2010	—
iFuse 3D	Second generation, additively-manufactured triangular titanium implant with a porous surface and fenestrated design to self-harvest bone.	United States (FDA)	March 2017	—
		European Union (CE-Marked)	May 2017	—
iFuse Bone ⁽¹⁾	Implant manufactured from sterilized recovered cadaveric bone tissue to support and augment the patient's own bone tissue in orthopedic procedures.	—	—	—
iFuse TORQ	Additively-manufactured threaded implants designed to allow for osteointegration, or incorporation of the bone in the implant's porous surface and structure.	United States (FDA)	February 2021	—
		European Union (CE-Marked)	March 2025	—
iFuse Bedrock Granite ⁽²⁾	Additively-manufactured implant with a machined titanium core and a tulip that attaches to the rod and provides fusion and fixation to the sacroiliac joint as foundational element for segmental spinal fusion.	United States (FDA)	May 2022	Yes
iFuse TORQ TNT ⁽³⁾	A porous threaded design with lengths capable of spanning the posterior pelvis, passing through the ipsilateral ilium, sacrum, and through the contralateral ilium.	United States (FDA)	August 2024	Yes

(1) In February 2024 we expanded the platform with the launch of iFuse INTRA / INTRA X, which we believe is the only percutaneous intra-articular implant available for physicians seeking solutions for stabilization and/or fusion.

(2) Based on the implant's ability to drive fusion and fixation, iFuse Bedrock Granite is designated by the FDA as a breakthrough device. The BDD 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. 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. This smaller diameter iFuse Bedrock Granite is also designated by the FDA as a breakthrough device.

(3) 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.

Market Opportunity

Our existing technology platform has current applications across sacroiliac joint dysfunction and degeneration, thoracolumbar fixation and fusion, and pelvic trauma. We estimate that our total addressable market in the United States exceeds \$3.5 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. 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. 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.

Thoracolumbar Fixation and Fusion

To strengthen the base of spinal constructs, spine surgeons have been using longer and larger diameter pedicle screws in iliac and sacro-alar iliac ("SAI") trajectories, in which these screws are placed into the pelvis and connect to the spinal fusion construct. 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. 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.

To explore this market opportunity, we expanded our existing products for those indications and developed new products specific for those indications. In November 2018, we introduced our iFuse Bedrock technique, in which spine surgeons place iFuse triangular implants across the sacroiliac joint adjacent to pelvic fixation screws used during a multilevel spine fusion. Use of iFuse 3D in the SAI trajectory was proposed to protect the pelvic fixation screw from breakage and reduce the rate of SI joint dysfunction, which is fairly common after multilevel lumbar spine fusion surgery. The FDA cleared this technique in November 2018 and allowed an expanded indication statement for iFuse 3D for this use in April 2019. Results from our SILVIA study show that placement of iFuse 3D in this configuration prevents postoperative SI joint pain and improves the stability of the pelvic construct in spine fusion surgery. In June 2022, we obtained FDA clearance for use of iFuse TORQ in the SAI trajectory during multilevel spine fusions. In May 2022 we obtained approval for iFuse Bedrock Granite, an implant that is placed similarly into the pelvis (typically via an SAI trajectory) and attaches to posterior rods of spine fixation systems used during lumbar fusion procedures. Results from post market surveillance, published in 2025, showed a low rate of technical issues and no spontaneous breakages in more than 6,900 cases.

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%. We estimate the pelvic trauma market 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. More than 180 publications discuss safety, effectiveness, cost effectiveness, or other uses of our implants. Our sponsored clinical studies include four prospective randomized controlled trials and several prospective multicenter studies. Independently reported data include 6-year follow-up.

Summary of SI-BONE sponsored trials

Table 1. Completed Studies

Study Name	Implant	Condition**	Design*	Status	Key finding
iMIA	iFuse	SIJD	MRCT	Complete	Large differences were observed between subjects undergoing sacroiliac joint fusion versus 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.
INSITE	iFuse	SIJD	MRCT	Complete	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.
SIFI	iFuse	SIJD	PMSA	Complete	Subjects undergoing sacroiliac joint fusion showed marked, immediate and sustained improvements in pain, disability and quality of life. Changes were very similar to randomized trials described above.
LOIS	iFuse	SIJD	PMSA	Complete	Participants from INSITE and SIFI agreed to undergo long-term follow-up. 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	iFuse 3D	SIJD	PMSA	Complete	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 after SI joint fusion with iFuse 3D 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.
SILVIA	iFuse 3D	ASD	MRCT	Complete; Primary endpoint manuscript under review.	The primary endpoints of the study are 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.
SAFFRON	iFuse TORQ	FFP	MRCT	Complete	Results from SAFFRON were published in May 2025 and showed a higher rate of recovery of mobility after surgical treatment using iFuse TORQ compared to non-surgical treatment.
STACI	iFuse TORQ	SIJD	PMSA	Enrollment completed; Primary endpoint manuscript in press.	Patient with sacroiliac joint pain underwent SI joint fusion using iFuse TORQ. The procedures were performed by physicians trained in interventional pain procedures (not surgery). Early results from STACI were published in June 2025 and showed that placement of iFuse TORQ by interventional pain management physician was associated with a low adverse event rate and early improvement in pain and function. At 6 months, the improvement in the study's primary endpoint, the reduction in sacroiliac joint pain scores at six months, was statistically non-inferior to prior studies. positive, meeting the study's non-inferiority hypothesis. Improvement was seen in both pain scores and Oswestry Disability Index. Change scores were very similar to prior studies.

Table 2. Ongoing Study

Study Name	Implant	Condition**	Design*	Status	Description
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PAULA	iFuse Bedrock Granite	ASD	PMSA	Complete; Primary endpoint manuscript under review.	An ongoing multi-center, single-arm study of iFuse Bedrock Granite in patients undergoing spinopelvic fixation for adult spinal deformity or degenerative spine conditions. The study evaluates the performance of the iFuse Bedrock Granite implant in various configurations. This study has a prospective and retrospective arms. Enrollment was stopped at 162 patients. A manuscript describing 12-month outcomes when iFuse Bedrock Granite was used for multilevel spine fusion of four or more lumbar levels is currently under review at a journal.
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*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

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 products vary by site of care, payer type, and geographic region. Outside the United States, reimbursement levels differ significantly by country and, in some cases, by region within a country.

Third-party payers in the U.S. regularly update coverage policies, reimbursement rates, and payment methodologies, including periodic adjustments to payments made to physicians, hospitals, and ambulatory surgical centers (“ASCs”). Government payers including the Centers for Medicare and Medicaid Services (“CMS”) establish Medicare Severity Diagnosis-Related Groups (“MS-DRGs”) to reimburse hospitals for inpatient-based procedures, based on historical facility-level cost reports. While we believe hospitals supporting procedures involving the iFuse Bedrock Granite are paid adequately, we have requested that CMS reassign the MS-DRG of certain high-cost cases using Granite, which is currently under review for implementation in the FY 2027 rule making cycle.

CMS has also established programs intended to promote innovation and facilitate patient access to new technologies we develop, which may provide incremental reimbursement or coverage for qualifying procedures performed in specified sites of care, for specific patient types. These programs are generally time-limited and used for future rate-setting, and are subject to periodic review, public notification, and renewal processes. On October 1, 2025, CMS awarded the iFuse TORQ TNT implant a New Technology Add-on Payment (“NTAP”). NTAP provides incremental reimbursement to hospitals supporting eligible, inpatient procedures using iFuse TORQ TNT technology, up to \$4,136 in addition to the typical reimbursement they receive based on the relevant MS-DRGs. NTAP will likely expire on September 30, 2028. Effective January 1, 2025, hospital outpatient departments and ASCs are also eligible to receive Transitional Pass-Through (“TPT”) payment 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.

In the United States, a majority of payers provide coverage for minimally invasive or open sacropelvic procedures, when performed using established techniques to fixate the pelvis or to promote fusion of the sacroiliac joint, for common patient indications and diagnoses. Certain payers have also issued favorable coverage policies for specific implant designs supported by clinical evidence, such as the iFuse Titanium Triangular Implants. We believe reimbursement for these procedures is generally adequate relative to the time, skill, and complexity involved.

Procedures using our products are reported using established Current Procedural Terminology (“CPT”) codes, Healthcare Common Procedure Coding System (“HCPCS”) codes, and International Classification of Diseases, 10th Revision (“ICD-10”) procedure and diagnosis codes. We expect coding guidance will continue to evolve to describe new techniques and approaches as they are introduced. Updates to procedural codes and descriptors may affect how sacropelvic procedures we support are reported and reimbursed over time.

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 our platform technologies. We utilize simulators and our existing programs to provide training and increase the knowledge and proficiency of physicians in connection with our products.

Sales and Marketing

We market and sell our implants primarily through a direct sales force and third-party sales agents. As of December 31, 2025, our target customer base includes over 12,000 U.S. physicians, including nearly 7,500 orthopedic and neurological surgeons and approximately 4,500 interventional spine physicians, who perform advanced spinal procedures.

Our direct sales organization in the United States covered 16 sales regions as of December 31, 2025. 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, 2025, our U.S. sales force consisted of 89 territory sales managers and 83 clinical specialists directly employed by us, and 320 third-party sales agents. As of December 31, 2025, our international sales force consisted of 11 sales representatives directly employed by us and 28 third-party sales agents, which together had sales in 38 countries through December 31, 2025. 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 believe we are the industry leader in pioneering anatomy-specific solutions that are grounded in our biomechanical design expertise and backed by strong clinical evidence. Our focus on innovation has resulted in three of our platform technologies being designated as breakthrough devices by the FDA. We remain focused on the development of products and techniques to help physicians improve the treatment of their patients with compromised bone. 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

Over the past several years, other companies have recognized the multi-billion dollar addressable market opportunity. We believe that some of our primary competitors include Alphatec Holding Inc., Aurora Spine Corporation, Globus Medical, Inc., Medtronic plc., and Tenon Medical, Inc. amongst others. 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. On the other hand, given the 510(k) pathway and available predicate devices for sacroiliac fusion, several smaller companies have been able to enter the market with less differentiated screw systems for sacroiliac fixation. These competitors have entered the market with more limited solutions for sacroiliac dysfunction, including allograft bone implants marketed as human tissue products and intended for sacroiliac stabilization and/or fusion. Many of these competitors are smaller private companies. With respect to sacroiliac fusion and sacropelvic fixation, our competitors generally 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, 2025, we owned 49 issued U.S. patents and had 24 pending U.S. patent applications, and we owned 23 issued foreign patents and had 23 pending foreign patent applications. We have focused the majority of our foreign patent efforts in Australia, Europe, and Japan. Our U.S. patents on iFuse, including the triangular shape, are expected to expire by August 2028. Our current U.S. patents on iFuse 3D, including the fenestrated design, are expected to expire in September 2035. Our current U.S. patents on the triangular cutting tool used to place our implants are expected to expire in February 2034. Our current U.S. patents on iFuse Bedrock Granite are expected to expire in February 2039. Our current U.S. patents on iFuse TORQ are expected to expire in February 2041. Our current foreign patents are expected to expire by September 2035.

We protect our intellectual property through our trademarks. As of December 31, 2025, we have 24 registered trademarks in the United States and have three pending trademark applications in the United States. We have registrations for 24 of these trademarks in 58 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 our products, 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 our products, 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 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 a 510(k) clearance (i.e., a premarket notification and clearance) or 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 QMSR, 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 review and 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 process, though certain Class II devices are exempt from this process. When a 510(k) clearance is required, the manufacturer must submit to the FDA a premarket notification 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 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/INTRA X 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, 2025, 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 QMSR 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 advertising and promotion of medical devices in the EEA is subject to EU laws and the national laws of the individual EEA countries, including the MDR, 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. Many EU member states have adopted specific anti-gift statutes that further limit commercial practices for medical devices, in particular vis-à-vis healthcare professionals and organizations. In recent years, there has also been a trend toward increased regulation of payments and transfers of value provided to healthcare professionals or entities. Certain EU Member States have adopted national "Sunshine Acts", which impose reporting and transparency requirements on medical device manufacturers. In addition, some countries require implementation of commercial compliance programs.

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.

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, among other things, 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; and
- 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.

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 annually to our Nominating and Corporate Governance Committee on compliance. We have established clear expectations for our employees and take corrective action if a compliance issue arises. 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, including physicians and health system administrators in many countries, for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti-bribery laws.

Healthcare Reform

Additionally, in the United States and some foreign jurisdictions there have been, and continue to be, several legislative and regulatory changes and proposed reforms of the healthcare system in an effort to contain costs, improve quality, and expand access to care. These reform initiatives may, among other things, result in modifications to healthcare fraud and abuse laws and/or the implementation of new laws affecting the healthcare industry. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (collectively, the "ACA") became law. This law substantially changed the way health care is financed by both commercial payors and government payors and significantly impacted our industry. Since its enactment, there have been efforts to repeal, replace, and amend all or part of the ACA. For example, on July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA"), was signed into law, which narrowed access to ACA marketplace exchange enrollment and declined to extend the ACA enhanced advanced premium tax credits that expired at the end of 2025, which, among other provisions in the law, are anticipated to reduce the number of Americans with health insurance. The OBBBA also is expected to reduce Medicaid spending and enrollment by implementing work requirements for some beneficiaries, capping state-directed payments, reducing federal funding, and limiting provider taxes used to fund the program. Congress is considering proposed legislation intended to further reduce healthcare costs with alternatives to replace the expired ACA subsidies. Additionally, the current administration is pursuing policies to reduce regulations and expenditures across government agencies including at the U.S. Department of Health and Human Services ("HHS"), the FDA, CMS and related agencies. These actions, presently directed by executive orders or memoranda from the Office of Management and Budget, may propose policy changes that create additional uncertainty for our business. Recent actions, for example, include directing agencies to reduce agency workforce and cut programs. Further, the current administration recently called on Congress to enact "The Great Healthcare Plan," to lower government subsidies to private insurance companies and increase healthcare price transparency, among other things. In June 2024, in *Loper Bright Enterprises v. Raimondo*, the U.S. Supreme Court greatly reduced judicial deference to regulatory agencies, which could increase successful legal challenges to federal regulations affecting our operations.

Further, 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 and procedures in which such devices are used, which may further exacerbate industry-wide pressure to reduce the prices charged for medical devices. We expect that additional state, federal, and foreign healthcare reform measures will be adopted in the future.

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") (collectively, "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 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 GDPR) impose significant and complex compliance

obligations on entities that are subject to those laws. 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 such patient health information. For example, we may obtain health information from third parties that are subject to 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 certain obligations, including mandatory contractual terms, with respect to safeguarding the privacy and security of individually identifiable health information of covered entities subject to the rule, including health plans, healthcare clearinghouses and certain healthcare providers, and their business associates, independent contractors of a covered entity that perform certain services involving the use or disclosure of individually identifiable health information for or on their behalf, as well as their covered subcontractors. Depending on the facts and circumstances, we could be subject to penalties and fines if we violate HIPAA.

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"). 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 regularly performs both internal audits and audits of key suppliers. Based on these audits, as well as overall history of working with suppliers, 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 worldwide 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 Management 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. We meet the requirements of QMSR. 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 our Notified Body ("DEKRA").

We obtain and maintain appropriate CE Certificates of Conformity delivered by our Notified Body, where required, 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 policies 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 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, 2025, we had 376 employees, including sales and marketing, product development, general administrative and accounting, both domestically and internationally. As of December 31, 2025, we had a direct field sales organization of 172 in the United States and 11 in Europe. During 2025, our attrition rate was approximately 8%.

Company History

SI-BONE was founded in 2008 by orthopedic surgeon Mark A. Reiley, M.D. (the principal inventor of the iFuse triangle), 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.

Available Information

Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (investor.si-bone.com), our filings with the SEC, webcasts, press releases, and conference calls. We use these mediums, including our website, as well as social media, including certain X (formerly Twitter) and LinkedIn accounts held and/or managed by us or our executive officers, to communicate with investors and the general public about our company, our products, and other issues. It is possible that the information we make available on our website or social media may be deemed to be material information. We therefore encourage investors and others interested in our company to review the information we make available on our website and social media.

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 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 develop 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 Alphatec Holding Inc., Aurora Spine Corporation, Globus Medical, Inc., Medtronic plc., and Tenon Medical, Inc. 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 European Economic Area ("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 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, 2025, 2024, and 2023 we had net losses of \$18.9 million, \$30.9 million, and \$43.3 million, respectively. As of December 31, 2025, we had an accumulated deficit of \$450.3 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 physicians 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. Equity and debt capital have become substantially more expensive, unpredictable, 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.

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 payers, including government programs such as Medicare and Medicaid, Veterans Administration benefits, private insurance plans, and managed care programs. Hospitals, physicians, and other healthcare providers that purchase or use medical devices generally rely on third-party payers 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 payer. When the procedure is performed in an office-based lab, a single claim covers both physician services and overhead costs including supplies and implants.

The AMA develops and maintains CPT codes that are used by third-party payers to determine the amount of reimbursement that a healthcare provider and facility will receive for a particular service. The AMA CPT Editorial Panel introduced a new permanent Category 1 CPT Code, 27278, to describe minimally invasive sacroiliac fixation or fusion achieved with placement of an intra-articular implant without piercing the cortices of both the ilium and sacrum bones on either side of it. Effective January 1, 2026, the CPT Editorial Panel revised the description of CPT Code 27279, to describe both transarticular and intra-articular implants placed across or within the SI joint, which provide fixation by piercing the cortices of both the ilium and sacrum bones. While we offer products that can be used in procedures described by both CPT Codes 27278 and 27279, our newer implant types and procedures may require ongoing code interpretation by the AMA and its CPT Advisors. If more physicians elect to offer, or more patients elect to undergo, procedures described by codes that are the subject of ongoing interpretation, or if we are unable to demonstrate to physicians

the comparative benefits of our products that are intended for use in those procedures, sales of our implants could decline or fail to grow, which could adversely affect our business, results of operations and financial condition.

As of January 1, 2026, the Medicare physician fee reimbursement for minimally invasive sacroiliac joint fixation or fusion with our laterally placed transarticular iFuse implants, described as CPT Code 27279, is \$762. As of January 1, 2026, Medicare physician fee for procedures using intra-articular, non-piercing implants, including our iFuse INTRA X bone allograft products, is \$441 when performed in the facility setting, and \$13,834 when performed in the physician office (e.g., office-based lab) setting. Minimally invasive surgical sacroiliac joint fixation or fusion performed with a transarticular or intra-articular piercing device is currently 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 payers, adverse changes in coding, 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 ("MAC") and a predominant number of private payers are regularly reimbursing for minimally invasive surgical sacroiliac joint fixation or fusion reported under CPT Code 27279, a small number of private payers still have policies that treat the procedure as experimental or investigational and do not regularly reimburse for the procedure. We expect at least some of these payers to also cover newer sacroiliac joint procedures utilizing intra-articular devices that pierce cortical walls of the ilium and sacrum bones, and are reported under CPT Code 27279.

In contrast, the reimbursement environment for the procedure described by CPT Code 27278 (placement of intra-articular, non-piercing device or allograft implant) 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 X products.

Commercial payers 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 payers 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 Medicare and Medicaid Services ("CMS"), its MACs, or commercial third-party payers 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. CMS policies on incremental or differentiated reimbursement for eligible products and procedures may also change. Our request that CMS consider MS-DRG reassignment for FY 2027 of certain inpatient hospital-based procedures involving the iFuse Bedrock Granite are paid adequately may affect hospitals' future willingness to continue adopting high-cost implants in favor of less expensive alternatives. In addition, our reliance on incremental reimbursement eligibility-based programs for high-cost, innovative technologies, such as NTAP and TPT, may come under added scrutiny during review, or may be subject to future changes in policy as between the FDA and CMS.

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 devices placed either via transarticular or intra-articular approach fixate within the joint by means of “piercing” the dense outer cortical walls of the ilium and sacrum bones, and those procedures where devices or allograft implants use only an intra-articular approach and do not pierce cortical walls of both the ilium and sacrum bones. The cortical piercing transarticular and intra-articular procedures are described by CPT Code 27279, which was updated by the AMA CPT Editorial Panel effective for procedures as of January 1, 2026. The non-piercing intra-articular procedures are described by CPT Code 27278, which was adopted by the AMA CPT Editorial Panel effective for procedures as of 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. Additionally, recent clarity by the AMA CPT Editorial Panel regarding 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 will support payers’ review and consideration of sacroiliac joint procedures.

If procedures supported by lower-quality clinical evidence, and/or having less favorable patient outcomes, are reported via CPT Code 27279 with greater frequency as a result of 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 (collectively the “ACA”), 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. Since its enactment, there have been amendments and judicial, Congressional and executive branch challenges to certain aspects of the ACA. For example, on July 4, 2025, the One Big Beautiful Bill Act (the “OBBBA”), was signed into law, which narrowed access to ACA marketplace exchange enrollment and declined to extend the ACA enhanced advanced premium tax credits that expired at the end of 2025, which, among other provisions in the law, are anticipated to reduce the number of Americans with health insurance. The OBBBA also is expected to reduce Medicaid spending and enrollment by implementing work requirements for some beneficiaries, capping state-directed payments, reducing federal funding, and limiting provider taxes used to fund the program. Congress is considering proposed legislation intended to further reduce healthcare costs with alternatives to replace the expired ACA subsidies. We expect that additional U.S. federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that the U.S. federal government will pay for healthcare products and services, which could result in reduced demand for our products or additional pricing pressures. 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 or procedures in which medical devices are used. This could harm our ability to market our products and generate sales, which could adversely affect our business, results of operations and financial condition.

The current administration is pursuing policies to reduce regulations and expenditures across government agencies including at HHS, the FDA, CMS and related agencies. These actions, presently directed by executive orders or memoranda from the Office of Management and Budget, may propose policy changes that create additional uncertainty for our business. Recent actions, for example, include directing agencies to reduce agency workforce and cut programs. Additionally, the current administration recently called on Congress to enact “The Great Healthcare Plan,” to lower government subsidies to private insurance companies and increase healthcare price transparency, among other things. In June 2024, in *Loper Bright Enterprises v. Raimondo*, the U.S. Supreme Court greatly reduced judicial deference to regulatory agencies, which could increase successful legal challenges to federal regulations affecting our operations. We expect that additional state, federal, and foreign healthcare reform measures will be adopted in the future, any of which could adversely affect our business, results of operations, and financial condition.

In the EEA, some countries may, after a medical device is CE marked, require the completion of additional studies that compare the cost-effectiveness of a particular medical device candidate to currently available therapies. This Health Technology Assessment (HTA) process is the procedure according to which the assessment of the public health impact, therapeutic impact and the economic and societal impact of use of a given medical device in the national healthcare systems of the individual country is conducted. The outcome of HTA regarding specific medical devices will often influence the pricing and reimbursement status granted to these products by the competent authorities of individual EEA countries. On January 12, 2025, Regulation No 2021/2282 on Health Technology Assessment (HTA Regulation), entered into application through a phased implementation. Select high-risk medical devices came into scope in 2026. The HTA Regulation is intended to boost cooperation among EEA countries in assessing health technologies, including new medical devices. The Regulation establishes a framework for EU-level joint clinical assessments and increased cooperation among Member States on clinical aspects of health technology evaluation. Individual EEA countries will continue to be responsible for assessing non-clinical (e.g., economic, social, ethical) aspects of health technologies, and making decisions on pricing and reimbursement. If the conclusions of these assessments are negative, or compare our products unfavorably with competing products, this may impact our pricing and reimbursement status.

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 outright. 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 per case 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/or the number of implants we are able to sell, 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 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 sales of similar products focused on procedures, the goal of which is to stabilize and fuse the sacroiliac joint. Continued reliance on sales of similar products 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 our 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 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 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 operations.

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 tariffs and retaliatory countermeasures, inflation or interest rates fluctuations, 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. The imposition of tariffs on titanium sourced from Canada or elsewhere could further exacerbate these challenges and increase the cost of our implants.

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, where applicable, and have been CE marked. 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, iFuse TORQ TNT, and iFuse INTRA/INTRA X, 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.

We may not be able to demonstrate to 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 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 products 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, 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 caused by its dysfunction. Our professional education program seeks to teach these physicians, and other health care providers, about the benefits of our iFuse products. Health care 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 clinical experience with our implants or instruments does not result in positive outcomes for patients, or if clinical studies involving our implant systems fail to show meaningful patient benefit, sales of our products could be adversely impacted.

As a medical device manufacturer, we collect clinical information in two settings: post market surveillance and clinical studies. We have sponsored, and may continue to sponsor, clinical studies to answer questions about safety and effectiveness of our products. Our studies have included those targeting 1) chronic SI joint dysfunction, 2) sacral fractures (i.e., fragility fractures of the pelvis), 3) SI joint pain in the setting of multilevel spine fusion, and 4) pelvic fixation during multilevel spine fusion. If surgeons' clinical experience with our implants in standard commercial cases or clinical studies is not positive, or if our clinical studies do not show meaningful benefits to the patients undergoing the procedures using our implants for these indications, sale of our implants could be adversely impacted, which could negatively affect our operations and financial condition.

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, 2025, our U.S. sales force consisted of 89 territory sales managers and 83 clinical support specialists directly employed by us and 320 third-party sales agents. As of December 31, 2025, our international sales force consisted of 11 sales representatives directly employed by us and a total of 28 third-party sales agents and resellers, which together have had sales in 38 countries through December 31, 2025. 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 third-party sales agents adequately, or if we experience high turnover in our sales force in the future, we cannot be certain that new sales representatives and third-party sales 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 operations. Sustained pressure in these labor markets could also cause prevailing wages to rise, which could adversely impact our business, results of operations 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.

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, tariffs and retaliatory countermeasures, 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.

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.

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 the products we market.

iFuse INTRA/INTRA X 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/INTRA X.

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.

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. 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. Threat actors may also gain access to other networks and systems after a compromise of our networks and systems. For example, threat actors may use an initial compromise of one part of our environment to gain access to other parts of our environment, or leverage a compromise of our networks or systems to gain access to the networks or systems of third parties with whom we work, such as through phishing or supply chain attacks.

Furthermore, our employees, third-party service providers, strategic partners, contractors or consultants, or other third parties with whom we work 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.

We and the third parties with whom we work are subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks, credential stuffing attacks, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, attacks enhanced or facilitated by artificial intelligence ("AI"), and other similar threats. 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.

We may expend significant resources or modify our business activities (including our clinical trial activities) to try to protect against security incidents. Certain data privacy and security obligations have required us to implement and maintain specific security measures or industry-standard or reasonable security measures to protect our information technology systems and sensitive information. In addition, future or past business transactions (such as acquisitions or integrations) could expose us to additional

cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

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 will not 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 (collectively, "AI" technologies) in certain of our internal operations. Further, certain of third-parties with whom we work with 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.

Any sensitive information (including confidential, competitive, proprietary, or personal information) that we input into a third-party generative AI technology could be leaked or disclosed to others, including if sensitive information is used to train the third parties' AI technologies. Additionally, where an AI technology ingests personal information and makes connections using such data, those technologies may reveal other personal or sensitive information generated by the model. 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 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, ASCs and OBLs. 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;
- pre-market 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 that are subject to strict conditions. 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 as 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. In addition, in July 2024, Regulation (EU) 2024/1860 entered into application. The Regulation imposes new manufacturer obligations, including mandatory pre-notification of supply interruptions starting January 10, 2025, and introduces the

gradual rollout of EUDAMED, the EU's central database for medical devices and diagnostics. Starting from May 28, 2026, the use of the first four modules will become mandatory - actor registration, UDI/Devices registration, notified bodies and certificates, and Market Surveillance. Compliance with these new and expanded EU regulatory requirements may require investment in additional personnel, systems, and processes, including modifications to our supply-chain monitoring, quality-management systems, and regulatory-IT infrastructure to ensure timely and accurate EUDAMED reporting. Moreover, the evolving nature of the EU regulatory environment creates uncertainty, and additional amendments or guidance could further increase compliance burden or disrupt market access for certain products.

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, deplete our cash 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, or the inadvertent compromise of sensitive personal information held by us, 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.

Certain states have also enacted consumer health data privacy laws or medical information privacy laws, or amended existing consumer protection laws, to further regulate the collection, use, and sharing of consumer health data and medical information. These laws further complicate compliance, and many provide a private right of action through which individuals can seek statutory damages for actual or perceived violations. We may be subject to laws governing the privacy of consumer health data, including reproductive, sexual orientation, and gender identity privacy rights. For example, Washington's My Health My Data Act ("MHMD") broadly defines consumer health data, places restrictions on processing consumer health data (including imposing stringent requirements for consents), provides consumers certain rights with respect to their health data, and creates a private right of action to allow individuals to sue for violations of the law. Other states have passed, are considering, and may adopt similar laws.

The U.S. Department of Justice issued a rule entitled the Preventing Access to U.S. Sensitive Personal Data and Government-Related Data by Countries of Concern or Covered Persons, which places additional restriction on certain data transactions involving countries of concern (e.g., China, Russia, Iran) and covered persons (i.e., individuals and entities who are designated as such by the U.S. Attorney General or considered "foreign persons" and are majority owned by, organized under the laws of, a primary resident in, or a contractor of, a covered person or country of concern, as applicable) that may impact certain business activities such as vendor engagements, sale or sharing of data, employment of certain individuals, and investor agreements. Violations of the rule could lead to significant civil and criminal fines and penalties. The rule applies regardless of whether data is anonymized, key-coded, pseudonymized, de-identified or encrypted, which presents particular challenges for companies like ours and may impact our ability to enter into certain transactions or agreements.

Outside the United States, an increasing number of laws, regulations, and industry standards govern data privacy and security. For example, the GDPR impose strict requirements for processing personal data. 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 data 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. Under the GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros under the EU GDPR, 17.5 million pounds sterling under the UK GDPR or, in each case, 4% of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests

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 EEA and the 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 ("Data Privacy Framework") (which allows for transfers to relevant U.S.-based organizations who self-certify compliance and participate in the Data Privacy 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 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.

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, or which we CE mark, 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 Management System Regulations ("QMSR") 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 CE mark.

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 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, the EUDAMED module on vigilance and post-market surveillance is not available yet. Until this module is available, 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.

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 and affixing the CE mark. 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 and affixing the CE mark 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, disruptions or diminishment of the workforces of these 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 in October 2025 and December 2018, the U.S. government has shut down, and during such shutdowns, certain regulatory agencies, such as the FDA, have in the past furloughed, and may in the future furlough critical employees and stop critical activities. Average review times at FDA have fluctuated in recent years as a result. In addition, funding of other government agencies on which our operations may rely is subject to the political process, which is inherently fluid and unpredictable. More recently, the FDA and other governmental agencies in the United States have been subject to sudden and dramatic reductions in the workforces due to termination of probationary employees, broad-based offers of early retirement to government employees and other efforts led by the current presidential administration. The impact of these reductions to the federal workforce on our business remains to be seen.

If a prolonged government shutdown or continued reductions in the U.S. governmental workforces occur, 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 the products we market are derived from human tissue and are or could be subject to additional regulations and requirements.

Our iFuse INTRA/INTRA X 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/INTRA X implants are manufactured and distributed by a third-party as HCT/P products, and are regulated under Section 361 of the Public Health Service Act; as such, neither we nor the tissue bank from which we obtain these products have been required to file a 510(k) with respect to these products. However, the FDA could require the tissue bank from which we obtain these products 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.

Additionally, as of December 31, 2025, we are licensed or have permits for tissue banking in California and Maryland, and to the extent that we conduct any tissue banking activities, we may be subject to ongoing compliance requirements in connection with such approvals. If we (to the extent that we conduct any tissue banking activities) or the tissue bank from which we obtain these products fail to comply with such state licensure requirements, or any others that may apply to us, we could be subject to significant penalties, including the revocation or suspension of the licenses or subject us to plans of correction, monitoring, or other restrictions that may curtail our business.

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, 2025, we owned 49 issued U.S. patents and had 24 pending U.S. patent applications, and we owned 23 issued foreign patents and had 23 pending foreign patent applications. We have focused the majority of our foreign patent efforts in Australia, Europe, and Japan. Our U.S. patents on iFuse, including the triangular shape, are expected to expire by August 2028. Our current U.S. patents on iFuse 3D, including the fenestrated design, are expected to expire in September 2035. Our current U.S. patents on the triangular cutting tool used to place our implants are expected to expire in February 2034. Our current U.S. patents on iFuse Bedrock Granite are expected to expire in February 2039. Our current U.S. patents on iFuse TORQ are expected to expire in February 2041. Our current foreign patents are expected to expire by September 2035. Competitors may be able to market similar products upon the expiration of relevant patents.

As of December 31, 2025, we have 24 registered trademarks in the United States and have three pending trademark applications in the United States. We have registrations for 24 of these trademarks in 58 countries including the 27 European Union member countries.

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, tariff policy, investor risk appetite and other macroeconomic factors impacting the market for securities issued by medical device companies;
- the risk of inflation, interest rate increases, economic downturn or instability 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, 2025, we had net operating loss (“NOL”) carryforwards of \$357.0 million and \$274.4 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 NOL carryforwards begin to expire in 2029. Our state NOL began to expire in 2025. 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, tariff policy and potential trade wars, 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 August 12, 2021, we entered into a Loan and Security Agreement with Silicon Valley Bank ("SVB"), a division of First-Citizens Bank & Trust Company ("First-Citizens") (the "Original Loan Agreement"). On January 6, 2023, we entered into a First Amendment to the Loan and Security Agreement with SVB (the "First Amendment Loan Agreement"). On January 25, 2024, we entered into a Second Amendment to the Loan and Security Agreement with SVB (the "Second Amendment Loan Agreement"). On November 8, 2024, we entered into a Third Amendment to the Loan and Security Agreement with SVB (the "Third Amendment Loan Agreement"). On September 25, 2025, we entered into a Fourth Amendment to Loan and Security Agreement (the "Fourth Amendment Loan Agreement") with SVB, which amends our Original Loan Agreement, as amended by the First Amendment Loan Agreement, Second Amendment Loan Agreement and Third Amendment Loan Agreement. The Third Amendment Term Loan extended by First-Citizens to us pursuant to the 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. The Fourth Amendment Loan Agreement revised the periods in which the financial covenants applied. 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; and
- 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 Chief Operating Officer and 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 will expire in July 2026. 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. In February 2026, we entered into a lease agreement for approximately 50,485 square feet of office and warehouse space in San Jose, California, which is expected to commence in October 2026. We intend to use the space for our new corporate headquarters, research and development, and warehouse space, after the current two leases in Santa Clara expire.

We also lease office spaces in Gallarate, Italy which will expire 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 18, 2026, we had 99 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.

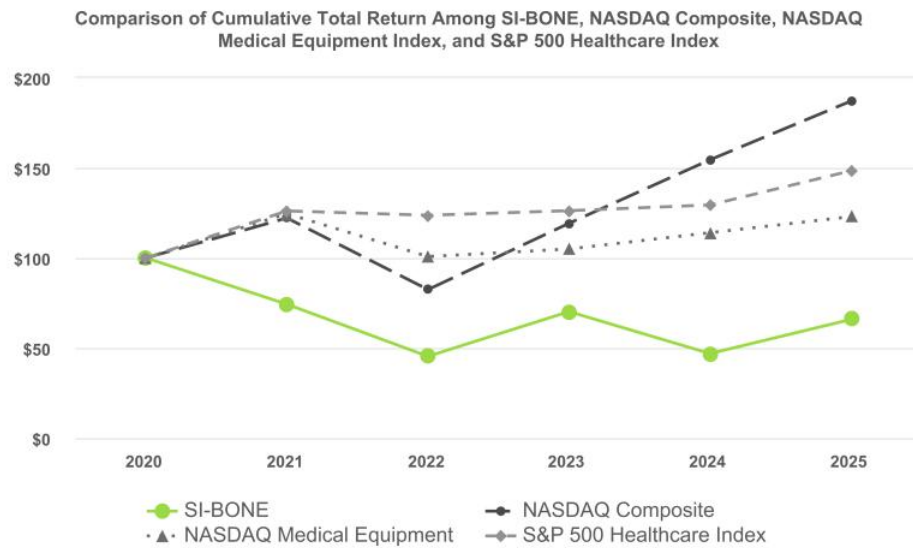
Dividend Policy

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.

Stock Performance Graph

The following graph compares the cumulative total stockholder return data on our common stock with the cumulative return of three indices: (i) The Nasdaq Stock Market Composite Index, (ii) The Nasdaq Medical Equipment Index, and (iii) The S&P 500 Healthcare Index over the five-year period ending December 31, 2025. The graph assumes that \$100 was invested on December 31, 2020 in our common stock and in each of the comparative indices, and the reinvestment of any dividends. The stock performance on the following graph is not necessarily indicative of future stock price performance.

The following graph and related information shall not be deemed "soliciting material" or deemed to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing, except to the extent that we specifically incorporate it by reference into such filing.



	December 31,						
	2020	2021	2022	2023	2024	2025	
SI-BONE, Inc.	\$ 100.00	\$ 74.28	\$ 45.48	\$ 70.20	\$ 46.89	\$ 65.95	
NASDAQ Composite Index	\$ 100.00	\$ 122.18	\$ 82.43	\$ 119.22	\$ 154.48	\$ 187.14	
NASDAQ Medical Equipment Index	\$ 100.00	\$ 124.56	\$ 100.85	\$ 105.01	\$ 114.00	\$ 122.96	
S&P 500 Healthcare Index	\$ 100.00	\$ 126.13	\$ 123.67	\$ 126.21	\$ 129.46	\$ 148.36	

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.

The following generally compares our results of operations for the years ended December 31, 2025 and 2024. A detailed discussion comparing our results of operations for the years ended December 31, 2024 and 2023 can be found in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on February 25, 2025.

Overview

We are a leader in developing innovative procedural solutions for compromised bone, grounded in expertise in biomechanical design and anatomy-specific innovation. As pioneers of minimally invasive treatment for sacroiliac joint dysfunction and degeneration, we developed a deep competency in addressing the challenges of low-density bone in the sacrum. With our additive manufacturing, or 3D-printing, experience developed in sacroiliac fusion, we have established a technology platform that now extends to meet critical unmet needs in thoracolumbar fixation and fusion and pelvic trauma.

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, 2025, more than 140,000 procedures have been performed 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.

Introduce Solutions Addressing New Markets

We believe we are the industry leader in pioneering anatomy-specific solutions that are grounded in our biomechanical design expertise and backed by strong clinical evidence. As pioneers of minimally invasive treatment for sacroiliac joint dysfunction and degeneration, we developed a deep competency in addressing the challenges of low-density bone in the sacrum. Over the years, we have expanded our platform of solutions to address spinopelvic fixation and pelvic trauma. Our focus on innovation has resulted in three of our platform technologies being designated as breakthrough devices by the FDA.

We continue to focus on the development of products and techniques to help physicians improve the treatment of their patients with compromised bone. 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 new 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 2025, we spent \$17.4 million on research and development, equating to 9% of our 2025 revenue.

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, 2025, our U.S. sales force consisted of 89 territory sales managers and 83 clinical support specialists directly employed by us and 320 third-party sales agents, compared to 87 territory sales managers and 71 clinical support specialists directly employed by us and 252 third-party sales agents as of December 31, 2024. As of December 31, 2025, our international sales force consisted of 11 sales representatives directly employed by us and 28 third-party sales agents and resellers, compared to 9 sales representatives directly employed by us and 31 third-party sales agents and resellers as of December 31, 2024.

For fiscal year ended December 31, 2025, over 33% 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.

Engage and Educate Physicians

Engaging and educating physician and other healthcare professionals about the clinical merits and patient benefits of our solutions is important to growing physician adoption and utilization of our solutions. 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 and working with our existing physician customers to grow their use of our products, 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.

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 2025, 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 \$2.1 million in fiscal year 2025, from \$1.8 million in fiscal year 2024.

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 fluctuates 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 Fourth 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

Comparison of the years ended December 31, 2025 and 2024

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

	Year Ended December 31,			
	2025	2024	\$ Change	% Change
	(in thousands, except for percentages)			
Revenue	\$ 200,925	\$ 167,178	\$ 33,747	20.2 %
Cost of goods sold	41,046	35,057	5,989	17.1 %
Gross profit	\$ 159,879	\$ 132,121	\$ 27,758	21.0 %
Gross margin	79.6 %	79.0 %		

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,					
	2025		2024		\$ Change	% Change
	Amount	%	Amount	%		
	(in thousands, except for percentages)					
United States	\$ 191,079	95 %	\$ 158,416	95 %	\$ 32,663	20.6 %
International	9,846	5 %	8,762	5 %	1,084	12.4 %
	\$ 200,925	100 %	\$ 167,178	100 %	\$ 33,747	20.2 %

Revenue. The increase in revenue for the year ended December 31, 2025 compared to the year ended December 31, 2024 comprised a \$32.7 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 \$1.1 million in our international revenue due to the increase in case volumes.

Gross Profit and Gross Margin. Gross profit increased \$27.8 million for the year ended December 31, 2025 compared to the year ended December 31, 2024 driven by higher revenue. Gross margin was 79.6% and 79.0% for the years ended December 31, 2025 and December 31, 2024 respectively. Gross margin increased from the prior year due to changes in product mix, partially offset by higher royalties and inventory reserves.

Operating Expenses:

	Year Ended December 31,			
	2025	2024	\$ Change	% Change
	(in thousands, except for percentages)			
Sales and marketing	\$ 124,224	\$ 117,054	\$ 7,170	6.1 %
Research and development	17,448	16,560	888	5.4 %
General and administrative	40,537	33,755	6,782	20.1 %
Total operating expenses	\$ 182,209	\$ 167,369	\$ 14,840	8.9 %

Sales and Marketing Expenses. The increase in sales and marketing expenses for the year ended December 31, 2025 as compared to the year ended December 31, 2024 was primarily due to a \$10.0 million increase in commissions and employee related costs driven by higher revenues, partially offset by a \$3.1 million decrease in travel, training and stock-based compensation.

Research and Development Expenses. The increase in research and development expenses for the year ended December 31, 2025 as compared to the year ended December 31, 2024 was primarily due to a \$0.4 million increase in employee related costs and stock-based compensation, and a \$0.4 million increase in product development costs.

General and Administrative Expenses. The increase in general and administrative expenses for the year ended December 31, 2025 as compared to the year ended December 31, 2024 was primarily due to a \$6.5 million increase in employee related costs, stock-based compensation, consulting, and legal expenses.

Interest and Other Income (Expense), Net:

	Year Ended December 31,			
	2025	2024	\$ Change	% Change
	(in thousands, except for percentages)			
Interest income	\$ 6,074	\$ 7,848	\$ (1,774)	(22.6)%
Interest expense	(2,628)	(3,440)	812	(23.6)%
Other income (expense), net	(20)	(73)	53	(72.6)%
Total interest and other income (expense), net	\$ 3,426	\$ 4,335	\$ (909)	(21.0)%

Interest Income. The decrease in interest income for the year ended December 31, 2025 as compared to the year ended December 31, 2024 was mainly due to lower interest earned on our investments in marketable securities, primarily as a result of lower interest rates.

Interest Expense. The decrease in interest expense for the year ended December 31, 2025 as compared to the year ended December 31, 2024 was primarily due to lower interest rates associated with the First-Citizens Fourth Amended Loan Agreement.

Other Income (Expense), Net. Other income (expense), net changed from income to expense for the year ended December 31, 2025 as compared to the year ended December 31, 2024 due to foreign currency fluctuations.

Liquidity and Capital Resources

As of December 31, 2025, we had cash and marketable securities of \$147.8 million compared to \$150.0 million as of December 31, 2024. We have financed our operations primarily through our public offerings and debt financing arrangements. As of December 31, 2025 and 2024 we had \$35.6 million and \$35.5 million outstanding debt, respectively.

As of December 31, 2025, we had an accumulated deficit of \$450.3 million. During the years ended December 31, 2025 and 2024, we incurred a net loss of \$18.9 million and \$30.9 million, respectively, and expect to incur additional losses in the future. We have not achieved positive cash flow from operations to date.

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, we borrowed 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 to amend our Original Loan Agreement (the “First Amendment”, and together with the Original Loan Agreement, collectively the “Amended Loan Agreement”). Upon entry into the Amended Loan Agreement, we borrowed a new term loan in the aggregate principal amount of \$36.0 million (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 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, 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") to further amend 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 to further amend our Second Amended Loan Agreement (the "Third Amendment" and together with the Second Amended Loan Agreement, collectively, the "Third Amended Loan Agreement"). Upon entry into the Third Amended Loan Agreement, we borrowed a new term loan in the aggregate principal amount of \$36.0 million (the "Third Amendment Term Loan"), which was substantially used to refinance and repay in full the then-outstanding \$36.0 million First Amendment Term Loan. We also paid a certain final payment fee due related 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 for the Third Amendment Term Loan to October 1, 2027, which date will, upon the achievement of the Performance Milestone (as defined in the Third Amendment), be 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 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.

On September 25, 2025, we entered into a Fourth Amendment to Loan and Security Agreement with First-Citizens to further amend our Third Amended Loan Agreement (the "Fourth Amendment" and together with the Third Amended Loan Agreement, collectively, the "Fourth Amended Loan Agreement"). The Fourth Amendment revised the periods in which the financial covenants applied.

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:

	Total	Payments Due By Period			
		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	\$ —	\$ 24,000	\$ 12,000	\$ —
Interest obligations (2)	6,178	2,281	3,614	283	—
Operating leases obligations	1,161	977	184	—	—
Purchase obligations	4,319	4,319	—	—	—
Total	<u>\$ 47,658</u>	<u>\$ 7,577</u>	<u>\$ 27,798</u>	<u>\$ 12,283</u>	<u>\$ —</u>

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

(2) Represents the future interest obligations on our First-Citizens Fourth Amended Loan Agreement estimated using an interest rate of 6.25% as of December 31, 2025.

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,		
	2025	2024	\$ Change
Net cash provided by (used in):	(in thousands)		
Operating activities	\$ (675)	\$ (12,425)	\$ 11,750
Investing activities	4,160	12,623	(8,463)
Financing activities	3,376	1,958	1,418
Effects of exchange rate changes on cash and cash equivalents	431	(479)	910
Net increase in cash and cash equivalents	<u>\$ 7,292</u>	<u>\$ 1,677</u>	<u>\$ 5,615</u>

Cash Used in Operating Activities

Net cash used in operating activities for the year ended December 31, 2025 of \$0.7 million resulted from cash outflows due to net loss of \$18.9 million, adjusted for \$32.6 million of non-cash items and cash outflows from changes in operating assets and liabilities of \$14.3 million. Net cash used in operation 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. The decrease in net loss, net of non-cash items for the year ended December 31, 2025 compared to the year ended December 31, 2024 was mainly due to increased revenues. Net cash outflows from changes in operating assets and liabilities for year ended December 31, 2025 were primarily due to higher accounts receivable due to timing of collections and the increase in revenue in the fourth quarter of 2025, higher inventory due to build-up related to our newly introduced products, an increase in account prepaid and other assets and a decrease in 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, 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 build-up related to our implants, partially offset by a higher accounts payable and accrued liabilities attributable to the normal course timing of expenses.

Cash Used In and Provided by Investing Activities

Net cash provided by investing activities in the year ended December 31, 2025 was \$4.2 million compared to net cash used in investing activities of \$12.6 million in the year ended December 31, 2024. Net cash provided by investing activities for the year ended December 31, 2025 consisted of purchases of property and equipment of \$8.4 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 \$12.6 million. Net cash used in 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 capitalized costs related to the lease in Santa Clara and equipment and purchases of our marketable securities, net of maturities, of \$23.1 million.

Cash Provided by Financing Activities

Cash provided by financing activities in the year ended December 31, 2025 was \$3.4 million resulting from proceeds of the issuance of common stock under our stock-based incentive compensation plans. Cash provided by financing activities for 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, 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 Accounting 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 2025, 2024 and 2023 were not material. A hypothetical 100 basis point increase or decrease 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, and 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. A hypothetical increase or decrease in interest rates by 100 basis points would not have resulted in a material impact in the fair value of our net investment position as of December 31, 2025. We do not utilize derivative financial instruments to manage our interest rate risks.

With the execution of the Fourth Amendment with First-Citizens relative to the Fourth Amendment Loan Agreement, 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. A hypothetical increase or decrease in interest rate by 100 basis point would not have had a material increase or decrease in interest payment during any of the periods presented.

Item 8. Financial Statements and Supplementary Data

SI-BONE, INC.

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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, 2025 and 2024, 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, 2025, 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, 2025, 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, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 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, 2025, 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. 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 \$200.9 million for the year ended December 31, 2025, of which \$191.1 million related to the U.S. product sales.

The principal consideration for our determination that performing procedures relating to revenue recognition for U.S. 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. 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. These procedures also included, among others, (i) testing the completeness and accuracy of data provided by management; (ii) evaluating revenue transactions by testing the issuance and settlement of invoices and credit memos and tracing transactions not settled to a detailed listing of accounts receivable; and (iii) confirming a sample of outstanding customer invoice balances at December 31, 2025 and, for confirmations not returned, obtaining and inspecting source documents, such as invoices, sales contracts, and proof of implantation or shipment for unpaid invoices, and obtaining invoices and subsequent cash receipts for paid invoices.

/s/PricewaterhouseCoopers LLP
San Jose, California
February 24, 2026

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, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 42,240	\$ 34,948
Short-term investments	105,583	115,094
Accounts receivable, net of allowance for credit losses of \$1,013 and \$588,	29,915	27,459
Inventory	33,897	27,074
Prepaid expenses and other current assets	4,480	3,204
Total current assets	216,115	207,779
Property and equipment, net	21,298	20,374
Operating lease right-of-use assets	1,087	1,984
Other non-current assets	55	300
TOTAL ASSETS	\$ 238,555	\$ 230,437
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 4,631	\$ 6,488
Accrued liabilities and other	19,704	19,492
Operating lease liabilities, current portion	944	1,152
Total current liabilities	25,279	27,132
Long-term borrowings	35,569	35,452
Operating lease liabilities, net of current portion	175	879
Other long-term liabilities	—	10
TOTAL LIABILITIES	61,023	63,473
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; 43,647,131 and 42,086,477 shares issued and outstanding, respectively	4	4
Additional paid-in capital	626,970	598,070
Accumulated other comprehensive income	816	244
Accumulated deficit	(450,258)	(431,354)
TOTAL STOCKHOLDERS' EQUITY	177,532	166,964
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 238,555	\$ 230,437

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,		
	2025	2024	2023
Revenue	\$ 200,925	\$ 167,178	\$ 138,886
Cost of goods sold	41,046	35,057	29,466
Gross profit	159,879	132,121	109,420
Operating expenses:			
Sales and marketing	124,224	117,054	110,254
Research and development	17,448	16,560	15,028
General and administrative	40,537	33,755	31,069
Total operating expenses	182,209	167,369	156,351
Loss from operations	(22,330)	(35,248)	(46,931)
Interest and other income (expense), net:			
Interest income	6,074	7,848	6,916
Interest expense	(2,628)	(3,440)	(3,462)
Other income (expense), net	(20)	(73)	141
Net loss	(18,904)	(30,913)	(43,336)
Other comprehensive income (loss):			
Unrealized gain (loss) of marketable securities	13	26	166
Changes in foreign currency translation	559	(117)	(63)
Comprehensive loss	<u>\$ (18,332)</u>	<u>\$ (31,004)</u>	<u>\$ (43,233)</u>
Net loss per share, basic and diluted	<u>\$ (0.44)</u>	<u>\$ (0.75)</u>	<u>\$ (1.13)</u>
Weighted-average number of common shares used to compute basic and diluted net loss per share	<u>42,959,856</u>	<u>41,466,564</u>	<u>38,427,419</u>

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, 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
Issuance of common stock upon exercise of stock options, net of shares withheld	205,722	—	1,169	—	—	1,169
Issuance of common stock related to employee stock purchase plan	192,350	—	2,207	—	—	2,207
Issuance of common stock upon vesting of restricted stock units	1,161,888	—	—	—	—	—
Issuance of common stock upon exercise of warrant, net of shares withheld	694	—	—	—	—	—
Stock-based compensation	—	—	25,524	—	—	25,524
Foreign currency translation	—	—	—	559	—	559
Net unrealized gain on marketable securities	—	—	—	13	—	13
Net loss	—	—	—	—	(18,904)	(18,904)
Balances as of December 31, 2025	43,647,131	\$ 4	\$ 626,970	\$ 816	\$ (450,258)	\$ 177,532

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,		
	2025	2024	2023
Cash flows from operating activities			
Net loss	\$ (18,904)	\$ (30,913)	\$ (43,336)
Adjustments to reconcile net loss to net cash used in operating activities			
Stock-based compensation	25,524	25,869	24,057
Depreciation and amortization	5,770	4,379	5,428
Accounts receivable credit losses	570	470	761
Inventory reserve	1,997	1,300	1,709
Amortization of discount and premium on marketable securities	(3,051)	(5,440)	(4,009)
Amortization of debt issuance costs	117	153	208
Loss on disposal of property and equipment	1,627	1,877	1,302
Changes in operating assets and liabilities			
Accounts receivable	(3,027)	(5,840)	(2,122)
Inventory	(8,684)	(8,047)	(4,719)
Prepaid expenses and other assets	(1,030)	(2)	(762)
Accounts payable	(1,763)	1,861	(1,118)
Accrued liabilities and other	179	1,908	3,888
Net cash used in operating activities	(675)	(12,425)	(18,713)
Cash flows from investing activities			
Maturities of marketable securities	205,100	228,500	137,500
Purchases of marketable securities	(192,526)	(205,380)	(189,499)
Purchases of property and equipment	(8,414)	(10,497)	(7,799)
Net cash provided by (used in) investing activities	4,160	12,623	(59,798)
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, net of debt issuance cost	—	35,954	35,960
Repayments of debt financing	—	(36,000)	(35,275)
Final payment fee related to debt	—	(720)	—
Proceeds from the exercise of common stock options	1,169	570	4,386
Proceeds from issuance of common stock under employee stock purchase plan	2,207	2,154	2,191
Net cash provided by financing activities	3,376	1,958	90,933
Effect of exchange rate changes on cash and cash equivalents	431	(479)	132
Net increase in cash and cash equivalents	7,292	1,677	12,554
Cash and cash equivalents at			
Beginning of year	34,948	33,271	20,717
End of year	<u>\$ 42,240</u>	<u>\$ 34,948</u>	<u>\$ 33,271</u>
Supplemental disclosure of cash flow information			
Cash paid for interest	\$ 2,533	\$ 3,346	\$ 3,263
Noncash investing and financing activities			
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	\$ 251	\$ 449	\$ 143
Supplemental disclosure of non-cash information			
Unpaid purchases of property and equipment	\$ 495	\$ 588	\$ 501

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

SI-BONE, INC.
NOTES TO 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 leader in developing innovative procedural solutions for compromised bone, grounded in expertise in biomechanical design and anatomy-specific innovation. As pioneers of minimally invasive treatment for sacroiliac joint dysfunction and degeneration, the Company has developed a deep competency in addressing the challenges of low-density bone in the sacrum. With its additive manufacturing, or 3D-printing, experience developed in sacroiliac fusion, the Company has established a technology platform that now extends to meet critical unmet needs in thoracolumbar fixation and fusion and pelvic trauma.

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 Europe, iFuse, iFuse 3D and iFuse TORQ are approved for applications in sacroiliac fusion, adult spinal deformity and pelvic fracture fixation.

Risks and Uncertainties

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.

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

SI-BONE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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,		
	2025	2024	2023
	(in thousands)		
United States	\$ 191,079	\$ 158,416	\$ 130,621
International	9,846	8,762	8,265
	<u>\$ 200,925</u>	<u>\$ 167,178</u>	<u>\$ 138,886</u>

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

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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 elects the practical expedient that permits an entity to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. 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,		
	2025	2024	2023
	(in thousands)		
Balance at beginning of year	\$ 588	\$ 1,118	\$ 400
Provision	570	470	761
Write-offs	(145)	(1,000)	(43)
Balance at end of year	<u>\$ 1,013</u>	<u>\$ 588</u>	<u>\$ 1,118</u>

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

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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, 2025, 2024, and 2023 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").

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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, 2025 and 2024.

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, \$0.5 million and \$1.1 million for the years ended December 31, 2025, 2024, and 2023 respectively.

SI-BONE, INC.
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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

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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.

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Recently Issued Accounting Standards Not Yet Adopted

In December 2025, the FASB issued ASU 2025-12, Codification Improvements (“ASU 2025-12”). ASU 2025-12 provides updates for a broad range of Accounting Topics arising from technical corrections, unintended application of the Codification, clarifications, and other minor improvements. ASU 2025-12 is effective for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of ASU 2025-12 on its disclosures.

In November 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270) (“ASU 2025-11”). ASU 2025-11 provides additional guidance on interim disclosure requirements and improves the navigability of the requirements. ASU 2025-11 is effective for fiscal years beginning after December 15, 2028 and for interim periods within fiscal years beginning after December 15, 2029. The Company is currently evaluating the impact of ASU 2025-11 on its disclosures.

In September 2025, the FASB issued ASU 2025-06, Goodwill and Other-Internal-Use Software (Subtopic 350-40) - Targeted Improvements to the Accounting for Internal-Use Software (“ASU 2025-06”). ASU 2025-06 makes targeted improvements to the accounting for internal-use software. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027 and for interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of ASU 2025-06 on its accounting for internal developed software and related 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.

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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, 2025				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
	(in thousands)			
Money market funds	\$ 28,524	\$ —	\$ —	\$ 28,524
U.S. treasury securities	4,999	1	—	5,000
Cash equivalents	33,523	1	—	33,524
U.S. treasury securities	101,371	100	—	101,471
U.S. agency bonds	4,109	3	—	4,112
Short-term investments	105,480	103	—	105,583
Total marketable securities	<u>\$ 139,003</u>	<u>\$ 104</u>	<u>\$ —</u>	<u>\$ 139,107</u>

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	<u>\$ 142,330</u>	<u>\$ 92</u>	<u>\$ (2)</u>	<u>\$ 142,420</u>

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, 2025 and 2024, 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, 2025 and 2024.

The Company elected to present accrued interest receivable separately from short-term investments on its consolidated balance sheets. Accrued interest receivables were \$0.5 million and \$0.3 million as of December 31, 2025 and 2024, 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, 2025, 2024, and 2023.

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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, 2025				
	Level 1	Level 2	Level 3	Total
(in thousands)				
Marketable securities				
Money market funds	\$ 28,524	\$ —	\$ —	\$ 28,524
U.S. treasury securities	106,471	—	—	106,471
U.S. agency bonds	—	4,112	—	4,112
Total marketable securities	<u>\$ 134,995</u>	<u>\$ 4,112</u>	<u>\$ —</u>	<u>\$ 139,107</u>

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	<u>\$ 140,064</u>	<u>\$ 2,356</u>	<u>\$ —</u>	<u>\$ 142,420</u>

5. Balance Sheet Components

Inventory

As of December 31, 2025, inventory consisted of finished goods of \$29.9 million and work-in-progress and components of \$4.0 million. As of December 31, 2024, inventory consisted of finished goods of \$24.0 million and work-in-progress and components of \$3.1 million.

Property and Equipment, net:

	December 31, 2025	December 31, 2024
	(in thousands)	
Instrument trays	\$ 25,733	\$ 23,158
Machinery and equipment	3,242	3,188
Construction in progress	5,901	6,212
Computer and office equipment	4,710	3,098
Leasehold improvements	3,873	3,873
Furniture and fixtures	386	386
	<u>43,845</u>	<u>39,915</u>
Less: Accumulated depreciation and amortization	(22,547)	(19,541)
	<u>\$ 21,298</u>	<u>\$ 20,374</u>

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As of December 31, 2025, 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 \$5.8 million and software costs of \$0.1 million. 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 \$5.8 million, \$4.4 million and \$5.4 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Accrued Liabilities and Other:

	December 31, 2025	December 31, 2024
	(in thousands)	
Accrued compensation and related expenses	\$ 13,902	\$ 13,914
Accrued royalty	2,448	2,054
Accrued professional services	1,196	1,202
Accrued rebates	1,279	1,384
Others	879	938
	<u>\$ 19,704</u>	<u>\$ 19,492</u>

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 in July, 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 2026 to 2028.

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

	December 31, 2025	December 31, 2024
	(in thousands)	
Operating lease expense	\$ 1,264	\$ 1,379
Variable lease expense	531	667
Total lease expense	<u>\$ 1,795</u>	<u>\$ 2,046</u>
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 1,281	\$ 1,558
Leased assets obtained in exchange for new operating lease liabilities	\$ 251	\$ 449
Weighted average remaining lease term (in years)	1.20	1.76
Weighted average discount rate	6.95%	7.15%

Future minimum lease payments under non-cancelable operating leases as of December 31, 2025 was as follows:

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Year Ending December 31,	(in thousands)
2026	\$ 977
2027	116
2028	68
2029	—
2030	—
Thereafter	—
Total operating lease payments	\$ 1,161
Less: imputed interest	(42)
Total operating lease liabilities	\$ 1,119

As of December 31, 2025, 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 \$4.3 million and \$0.4 million as of December 31, 2025 and 2024, 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

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

	December 31, 2025	December 31, 2024
	(in thousands)	
Principal outstanding	\$ 36,000	\$ 36,000
Less: Unamortized debt issuance costs and lender fees	(431)	(548)
Outstanding debt, net of debt issuance costs and unaccrued value of final fee	<u>\$ 35,569</u>	<u>\$ 35,452</u>
Classified as:		
Long-term borrowings	<u>\$ 35,569</u>	<u>\$ 35,452</u>

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, we borrowed 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 to amend our Original Loan Agreement (the "First Amendment" and with the Original Loan Agreement, collectively the "Amended Loan Agreement"). Upon entry into the Amended Loan Agreement, the Company borrowed a new term loan in the aggregate principal amount of \$36.0 million (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 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") to further amend 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, the Company entered into a Third Amendment to the Loan and Security Agreement with First-Citizens to further amend our Second Amended Loan Agreement (the "Third Amendment" and together with the Second Amended Loan Agreement, collectively, the "Third Amended Loan Agreement"). Upon entry into the Third Amended Loan Agreement, we borrowed a new term loan in the aggregate principal amount of \$36.0 million (the "Third Amendment Term Loan"), which was substantially used to refinance and repay in full the then-outstanding \$36.0 million First Amendment Term Loan. The Company also paid a final payment fee of \$0.7 million due related 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 for the Third Amendment Term Loan to October 1, 2027; which date will, upon the achievement of the Performance Milestone (as defined in the Third Amendment), become 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 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.

On September 25, 2025, the Company entered into a Fourth Amendment to Loan and Security Agreement with First-Citizens to further amend our Third Amended Loan Agreement (the "Fourth Amendment" and together with the Third Amended Loan Agreement, collectively, the "Fourth Amended Loan Agreement"). The Fourth Amendment revised the periods in which the financial covenants applied.

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The effective interest rates were 7.2%, 9.1% and 9.0% for the years ended December 31, 2025, 2024, and 2023 respectively.

The table below summarizes the future principal payments under the Fourth Amendment Loan Agreement as of December 31, 2025:

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

The Fourth 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, 2025, the Company was in compliance with all debt covenants.

8. Warrants

In 2025, a warrant holder exercised warrants, and the Company issued 694 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, 2025:

Date		Outstanding Balance at December 31, 2024	Price per Share	Warrants Issued	Warrant Exercised	Warrant Expired	Outstanding Balance at December 31, 2025
Issuance	Expiration						
3/1/2017	3/1/2027	1,388	\$5.94	—	—	—	1,388
10/20/2015	10/20/2025	41,650	\$16.47	—	(27,767)	(13,883)	—
11/09/2015	11/09/2025	25,709	\$16.47	—	(17,140)	(8,569)	—
12/22/2016	12/22/2026	9,712	\$10.03	—	—	—	9,712
		<u>78,459</u>		<u>—</u>	<u>(44,907)</u>	<u>(22,452)</u>	<u>11,100</u>

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, 2025 and 2024 were 43,647,131 shares and 42,086,477 shares, respectively. As of December 31, 2025 and 2024, 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.

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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, 2025, a total of 5,956,022 shares of common stock are available for future grants under the 2018 EIP. On January 1, 2026, the total number of shares of common stock reserved for issuance under the 2018 EIP automatically increased by 2,182,356 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, 2025 and 2024:

	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, 2024	1,041,131	\$10.98		
Exercised	(205,722)	\$5.68		
Canceled and forfeited	(32,237)	\$19.87		
Outstanding as of December 31, 2025	<u>803,172</u>	<u>\$11.99</u>	2.04	\$ 6,826
Options vested and exercisable as of December 31, 2025	<u>803,172</u>	<u>\$11.99</u>	2.04	\$ 6,826
Options vested and expected to vest as of December 31, 2025	<u>803,172</u>	<u>\$11.99</u>	2.04	\$ 6,826

The aggregate intrinsic value of options exercised during the years ended December 31, 2025, 2024 and 2023 amounted to \$2.5 million, \$1.6 million and \$11.7 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, 2025 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, 2025 was as follows:

Exercise Price			Options Outstanding			Options Vested and Exercisable	
			Number of Shares	Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
\$4.32	-	\$4.59	126,587	0.57	\$4.33	126,587	\$4.33
\$4.60	-	\$5.31	245,992	1.30	\$4.68	245,992	\$4.68
\$5.32	-	\$18.10	147,172	2.59	\$11.81	147,172	\$11.81
\$18.11	-	\$20.51	14,427	3.12	\$18.78	14,427	\$18.78
\$20.52	-	\$22.00	268,994	3.04	\$22.00	268,994	\$22.00
			<u>803,172</u>	2.04	<u>\$11.99</u>	<u>803,172</u>	<u>\$11.99</u>

There were no stock options granted during the years ended December 31, 2025, 2024 and 2023.

As of December 31, 2025, there is no unrecognized compensation cost related to stock options.

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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,					
	2025		2024		2023	
Expected volatility of common stock	49.0%	to 57.0%	47.0%	to 59.0%	58.0%	to 73.0%
Expected volatility of peer companies	30.0%	to 126.0%	29.0%	to 97.0%	33.0%	to 141.0%
Correlation coefficient of peer companies	0.05	to 1.00	(0.01)	to 1.00	(0.15)	to 1.00
Risk-free interest rate	4.1%	to 4.2%	4.1%	to 4.7%	3.9%	to 5.0%
Dividend yield	—%	to 1.0%	0.6%	to 4.7%	—%	to 1.3%

The following table summarizes RSU and PSU activity for the years ended December 31, 2025 and 2024:

	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, 2024	1,884,640	\$18.47	610,541	\$16.47
Granted	1,359,244	\$16.77	337,110	\$15.89
Vested	(1,041,733)	\$18.59	(120,155)	\$15.75
Canceled and forfeited	(285,570)	\$17.86	(42,039)	\$19.50
Outstanding as of December 31, 2025	<u>1,916,581</u>	<u>\$17.30</u>	<u>785,457</u>	<u>\$16.17</u>

The total fair value of RSUs vested during the years ended December 31, 2025, 2024, and 2023 was \$19.4 million, \$20.5 million, and \$20.3 million, respectively. The total fair value of PSUs vested during the years ended December 31, 2025, 2024, and 2023 was \$1.9 million, \$1.5 million, and \$0.5 million, respectively. As of December 31, 2025, the unrecognized compensation cost related to the RSUs was \$24.9 million, which is expected to be recognized over a period of approximately 2.4 years. As of December 31, 2025, the unrecognized compensation cost related to the PSUs was \$3.8 million, which is expected to be recognized over a period of approximately 1.7 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, 2025, a total of 1,677,236 shares of common stock are available for future grants under the ESPP. On January 1, 2026, the total number of shares of common stock reserved for issuance under the ESPP Plan increased by 436,471 shares.

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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 192,350 shares, 176,787 shares, and 178,918 shares under the ESPP during the years ended December 31, 2025, 2024, and 2023, respectively, representing \$2.2 million in employee contributions for each year. For each of the years ended December 31, 2025 and 2024, total accumulated ESPP related employee payroll deductions amounted to \$0.3 million for each year, which were included within accrued compensation and related expenses in the consolidated balance sheets. For the years ended December 31, 2025, 2024, and 2023, the Company recognized \$0.9 million, \$0.9 million, and \$1.0 million, respectively, of stock-based compensation expense related to ESPP. As of December 31, 2025, the unrecognized compensation cost for the ESPP was \$0.4 million, which is expected to be recognized over a period of approximately 0.4 years.

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,		
	2025	2024	2023
Expected term (years)	0.5	0.5	0.5
Expected volatility	47.4% to 53.7%	41.9% to 57.9%	41.9% to 54.4%
Risk-free interest rate	3.81% to 4.30%	4.44% to 5.41%	5.26% to 5.38%
Dividend yield	—%	—%	—%

Stock-Based Compensation

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

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Cost of goods sold	\$ 610	\$ 932	\$ 672
Sales and marketing	\$ 9,260	10,654	10,931
Research and development	\$ 3,166	3,270	2,933
General and administrative	\$ 12,488	11,013	9,521
	<u>\$ 25,524</u>	<u>\$ 25,869</u>	<u>\$ 24,057</u>

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, 2025, 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 three thousand dollars per employee.

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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,		
	2025	2024	2023
	(in thousands, except share and per share data)		
Net loss	\$ (18,904)	\$ (30,913)	\$ (43,336)
Weighted-average shares used to compute basic and diluted net loss per share	42,959,856	41,466,564	38,427,419
Net loss per share, basic and diluted	\$ (0.44)	\$ (0.75)	\$ (1.13)

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,		
	2025	2024	2023
Stock options	803,172	1,041,131	1,188,708
Restricted stock units	2,702,038	2,495,181	2,284,912
ESPP purchase rights	82,805	145,509	102,172
Common stock warrants	11,100	78,459	85,139
	<u>3,599,115</u>	<u>3,760,280</u>	<u>3,660,931</u>

13. Income Taxes

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

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Domestic	\$ (19,093)	\$ (31,082)	\$ (43,491)
Foreign	189	169	155
Loss before income taxes	<u>\$ (18,904)</u>	<u>\$ (30,913)</u>	<u>\$ (43,336)</u>

There was no provision for income taxes recorded for the years ended December 31, 2025, 2024 and 2023. 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,	
	2025	2024
	(in thousands)	
Federal	\$ 1,587	\$ (5,080)
State	462	(1,002)
Foreign	17	70
Total deferred income taxes	2,066	(6,012)
Change in deferred tax valuation allowance	(2,066)	6,012
Net deferred income tax	<u>\$ —</u>	<u>\$ —</u>

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The Company has elected to prospectively adopt ASU 2023-09. The following table is a reconciliation of the total income tax expense computed at the U.S. federal statutory rate of 21% to the Company's total income tax expense for the year ended December 31, 2025, in accordance with ASU 2023-09:

	December 31, 2025	
	(in thousands)	
U.S. Federal Statutory Tax Rate	\$ (3,970)	21.0 %
Tax credits (research and development tax credits)	(540)	2.9 %
Changes in valuation allowances	(1,587)	8.4 %
Nontaxable or nondeductible items		
Share-based payment awards	5,867	(31.0)%
Meals and entertainment	244	(1.4)%
Other	(14)	0.1 %
Effective Tax Rate	\$ —	— %

The following table is a reconciliation of the statutory federal income tax rate to the Company's effective tax rate for the years ended December 31, 2024 and 2023 in accordance with the guidance prior to ASU 2023-09:

	December 31, 2024	December 31, 2023
Tax at statutory rate	21.0 %	21.0 %
State Tax, net of federal benefit	3.3 %	4.3 %
Tax credits	2.0 %	1.3 %
Change in deferred tax valuation allowance	(19.5)%	(28.7)%
Stock compensation	(2.9)%	3.0 %
Foreign rate differences	(0.2)%	2.1 %
Reversal of nontaxable or nondeductible items	(1.3)%	(2.1)%
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 deferred tax assets are as follows:

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	December 31, 2025	December 31, 2024
	(in thousands)	
Deferred tax assets:		
Net operating loss carryforwards	\$ 90,824	\$ 89,592
Research and development credits	7,124	6,279
Accruals and reserves	5,218	4,506
Stock compensation	1,668	3,693
Depreciation and amortization	(220)	144
Operating lease liabilities	273	511
Interest limitation	1,662	2,584
Capitalized research and development	4,872	6,413
Total deferred tax assets	111,421	113,722
Deferred tax liabilities:		
Operating lease right-of-use assets	(265)	(500)
Total deferred tax liabilities	(265)	(500)
Less: Valuation allowance	(111,156)	(113,222)
Total deferred tax assets, net of valuation allowance	\$ —	\$ —

The following table summarizes changes in the valuation allowance for the year ended December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024	December 31, 2023
	(in thousands)		
Beginning Balance	\$ 113,222	\$ 107,210	\$ 94,776
Change during the period	(2,066)	6,012	12,434
Ending Balance	111,156	113,222	107,210

As of December 31, 2025 the Company had net operating loss carryforwards for federal and state income tax purposes of approximately \$357.0 million and \$274.4 million, respectively. The federal net operating loss carryforwards will begin to expire in 2029, and the state operating loss carryforwards began to expire in 2025.

As of December 31, 2025 the Company also had federal and California tax credit carryforwards of approximately \$6.3 million and \$5.0 million, respectively. The federal tax credit carryforward will begin to expire in 2029, and the state credits carryforward indefinitely.

Utilization of the Company's net operating losses and credits may be subject to a substantial annual limitation due to the "change in ownership" provisions of the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of net operating losses and credits before utilization.

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

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be taken on an income tax return. The changes in the Company's uncertain income tax positions for the years ended December 31, 2025, 2024, and 2023 consisted of the following:

	Year ended December 31,		
	2025	2024	2023
	(in thousands)		
Balance at beginning of the year	\$ 3,024	\$ 2,629	\$ 2,944
Decrease related to tax positions taken prior to current year	(15)	(43)	(726)
Increase related to current year's tax positions	413	438	411
Balance at end of the year	<u>\$ 3,422</u>	<u>\$ 3,024</u>	<u>\$ 2,629</u>

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 at December 31, 2025 and 2024 for payment of interest related to unrecognized tax benefits. None of the Company's unrecognized tax benefits that, if recognized, would affect its effective tax rate for the years ended December 31, 2025, 2024, and 2023. The Company does not anticipate the total amounts of unrecognized tax benefits will significantly increase or decrease in the next 12 months.

The Company files U.S. and state income tax returns with varying statutes of limitations. The Company is currently under tax examination for tax year 2023. The Company has no state or foreign tax examinations in progress nor has it had any state examinations since inception. The tax years from 2024 forward remain open to examination due to the carryover of unused net operating losses and tax credits.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted into law, bringing significant amendments to the U.S. tax code. This legislation extends and modifies provisions from the 2017 Tax Cuts and Jobs Act and introduces new tax measures affecting both businesses and individuals. The enacted legislation had an immaterial impact on the Company's effective tax rate for the year ended December 31, 2025.

14. Subsequent Events

On February 20, 2026, the Company and Orchard Commons, LLC (“Landlord”) entered into a Lease Agreement (the “Lease”). The Lease is for 50,485 square feet of office space located at 88 West Plumeria Drive, San Jose, California, the Company’s corporate headquarters. Pursuant to the Lease, the base rent is \$128,737 per month subject to annual increases. The Company shall not be required to pay monthly base rent for the first six months. The term of the lease is for 102 months. The Company is required to pay its share of operating expenses and taxes.

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, 2025, 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, 2025, 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, 2025 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, 2025 based on those criteria. The effectiveness of our internal control over financial reporting as of December 31, 2025 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, 2025 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, 2025, the following officer (as defined in Rule 16a-1(f) under the Exchange Act) 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.

Name of Position	Action	Adoption/ Termination Date	Type of Trading Arrangement		Total Shares of Common Stock to be Sold	Total Shares of Common Stock to be Purchased	Expiration Date
			Rule 10b5-1*	Non-Rule 10b5-1**			
Anshul Maheshwari, Chief Operating Officer & Chief Financial Officer	Adoption	December 17, 2025	X		102,248 (1)		March 31, 2027
*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 31,645 shares of common stock held by Mr. Maheshwari; (b) up to 47,634 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, 2027 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 22,969 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, 2027 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 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, 2025.

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

Not applicable.

PART III**Item 10. Directors, Executive Officers and Corporate Governance.**

The information required by this item will be incorporated by reference to our definitive proxy statement for our 2026 Annual Meeting of Stockholders (the “2026 Proxy Statement”), which will be filed with the SEC not later than 120 days after the end of our fiscal year ended December 31, 2025.

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.

Item 11. Executive Compensation.

The information required by this item will be incorporated by reference to the 2026 Proxy Statement.

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

The information required by this item will be incorporated by reference to the 2026 Proxy Statement.

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

The information required by this item will be incorporated by reference to the 2026 Proxy Statement.

Item 14. Principal Accounting Fees and Services.

The information required by this item will be incorporated by reference to the 2026 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			
		Form	SEC File No.	Exhibit	Filing Date
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+	Consulting Agreement between the Registrant and Anthony J. Recupero, effective as of February 16, 2026	10-Q	001-38701	10.3	8/5/2025
10.10+	Anthony J. Recupero's retirement letter dated July 31, 2025	10-Q	001-38701	10.4	8/5/2025
10.11	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
10.12+	Amendment to Restricted Stock Units of Laura Francis	10-Q	001-38701	10.2	11/12/2019

10.13+	Amendment to Offer Letter with Jeffrey Dunn	8-K	001-38701	10.1	1/7/2021
10.14+	2025 Non-Employee Directors' Compensation Policy	10-Q	001-38701	10.2	8/05/2025
10.15+	SI-BONE, Inc. Severance Benefit Plan and Form of Participation Agreement	10-K	001-38701	10.24	3/10/2021
10.16+	Offer Letter Agreement, dated March 4, 2021, between the Registrant and Mika Nishimura	10-Q	001-38701	10.3	5/4/2021
10.17+	Consulting Agreement by and among the Registrant, Daniel Wolf and Convergence Bio Advisors LLC, dated November 6, 2025	10-Q	001-38701	10.5	11/10/2025
10.18	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
10.19*#	Office Lease Agreement, dated February 20, 2026, between the Registrant and Orchard Commons, LLC.				
10.20	Loan and Security Agreement, dated August 12, 2021, between the Registrant and Silicon Valley Bank	10-Q	001-38701	10.1	11/9/2021
10.21+	Second Amendment to the Offer Letter Agreement and Severance Plan Participation Agreement with Jeffrey Dunn	10-Q	001-38701	10.2	11/9/2021
10.22+	Offer Letter Agreement, dated April 20, 2021, between the Registrant and Anshul Maheshwari	8-K	001-38701	10.1	4/20/2021
10.23+	Second Amended and Restated Participation Agreement dated May 5, 2025, between the Registrant and Laura Francis	10-Q	001-38701	10.1	5/6/2025
10.24+	Form of Performance-Based Restricted Stock Unit Agreement	10-Q	001-38701	10.2	11/8/2022
10.25#	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
10.26	Letter Agreement, dated March 24, 2023 between the Registrant and Silicon Valley Bridge Bank	10-Q	001-38701	10.20	5/2/2023
10.27+	Performance Stock Unit Grants to Executive Officers or Key Executives	8-K	001-38701	Item 5.02	1/10/2022
10.28#	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
10.29#	Manufacture and Supply Agreement, dated February 23, 2024, between the Registrant and RMS Company	10-K	001-38701	10.27	2/27/2024
10.30	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
10.31#	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
10.32+	Offer Letter Agreement dated April 17, 2024, between the Registrant and Thomas A. West	10-K	001-38701	10.28	2/25/2025
10.33+	Form of Financial Performance-Based Restricted Stock Unit Agreement	10-K	001-38701	10.29	2/25/2025
10.34#	Amendment No. 1 to Manufacture and Supply Agreement, dated August 1, 2025, between the Registrant and RMS Company	10-Q	001-38701	10.5	8/5/2025
10.35#	Fourth Amendment to Loan and Security Agreement, dated September 25, 2025 between the Registrant and Silicon Valley Bank	10-Q	001-38701	10.4	11/10/2025
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 24, 2026

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

SI-BONE, Inc.

Date: February 24, 2026

By: /s/ Anshul Maheshwari
Anshul Maheshwari
Chief Operating Officer & 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
<u>/s/ Laura A. Francis</u> Laura A. Francis	Chief Executive Officer and Director <i>(Duly Authorized Officer and Principal Executive Officer)</i>	February 24, 2026
<u>/s/ Anshul Maheshwari</u> Anshul Maheshwari	Chief Operating Officer & Chief Financial Officer <i>(Principal Financial and Accounting Officer)</i>	February 24, 2026
<u>/s/ Timothy E. Davis, Jr.</u> Timothy E. Davis, Jr.	Director	February 24, 2026
<u>/s/ Jeffrey W. Dunn</u> Jeffrey W. Dunn	Chairman of the Board of Directors	February 24, 2026
<u>/s/ John G. Freund, M.D.</u> John G. Freund, M.D.	Director	February 24, 2026
<u>/s/ Jeryl L. Hilleman</u> Jeryl L. Hilleman	Director	February 24, 2026
<u>/s/ Gregory K. Hinckley</u> Gregory K. Hinckley	Director	February 24, 2026
<u>/s/ Mika Nishimura</u> Mika Nishimura	Director	February 24, 2026
<u>/s/ Thomas A. West</u> Thomas A. West	Director	February 24, 2026

APPENDIX A

Information regarding certain non-GAAP financial measures, including Adjusted EBITDA, which is not calculated in accordance with Generally Accepted Accounting Principles (“GAAP”). Adjusted EBITDA excludes from net loss the effects of interest income, interest expense, depreciation and amortization and stock-based compensation. We use non-GAAP financial measures internally in analyzing our financial results and believe that the use of non-GAAP financial measures, including Adjusted EBITDA, is useful as an additional tool to evaluate ongoing operating results and trends and in comparing our financial results with other companies in our industry, many of which present similar non-GAAP financial measures.

Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures. We encourage stockholders to carefully consider our GAAP results, as well as our supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand our business. A reconciliation of non-GAAP measures to the most directly comparable GAAP measure is provided below.

The following table presents a reconciliation of GAAP and non-GAAP results:

RECONCILIATION OF NET LOSS TO NON-GAAP ADJUSTED EBITDA (In thousands)

	Twelve Months Ended		
	December 31,		
	2025 (\$)	2024 (\$)	2023 (\$)
Net loss on a GAAP basis	(18,904)	(30,913)	(43,336)
Add (Subtract):			
Interest income	(6,074)	(7,848)	(6,916)
Interest expense	2,628	3,440	3,462
Depreciation and amortization	5,770	4,379	5,428
Stock-based compensation	25,524	25,868	24,057
Adjusted EBITDA on a non-GAAP basis	<u>8,944</u>	<u>(5,074)</u>	<u>(17,305)</u>

