SI-BONE, Inc. Closes $16.0 Million Financing Led By Montreux Equity Partners

/PRNewswire/ -- SI-BONE, Inc. (San Jose, California), a medical device company that is pioneering the use of a minimally invasive surgical (MIS) device to treat the sacroiliac (SI) joint today announced that it has closed $16.0 million in financing for expansion of clinical and commercial operations. A new investor, Montreux Equity Partners, of Menlo Park, California, led the round and Skyline Ventures also significantly supported this round of financing.

The financing objectives are to dramatically increase investment in: 1) worldwide sales and marketing operations, 2) expansion of the company's clinical efforts through a retrospective minimally invasive surgical (MIS) SI joint treatment study, a prospective, multicenter study (MISSION), additional post-market case studies and an animal study validating fusion with the iFuse implant to further establish clinical efficacy, and 3) continue to educate spine surgeons and referring specialists on SI joint diagnosis as part of the diagnosis of lower back pain in the US and Europe.

John Savarese, M.D., Managing Director at Montreux, will join the SI-BONE Board of Directors. Dr. Savarese is actively involved in Montreux's investment decisions in several medical device companies. Dr. Savarese currently is a board director or observer for several Montreux portfolio companies, including MAKO Surgical and Pivot Medical (Chairman). Prior to joining Montreux, Dr. Savarese was Director of Business Development and Marketing at NeurogesX, a Montreux portfolio company focused on treatment of neuropathic pain. Earlier, he worked the Investment Banking divisions at Credit Suisse and Merrill Lynch. Dr. Savarese was trained in General and Orthopedic Surgery at the Hospital for Special Surgery/Cornell University Medical College in New York City. Dr. Savarese received an M.D. from Duke University and M.B.A. from Stanford University.

Dr. Savarese noted, "We invested in SI-BONE because we believe that the number of low back pain (LBP) patients with SI joint dysfunction is a significantly underserved clinical need and that the iFuse technology and procedure invented by Dr. Mark Reiley has strong potential based on early patient results. We are very confident in Jeff Dunn, CEO, and his management team and anticipate helping them accomplish their mission of helping SI joint patients worldwide."

Jeff Dunn, CEO of SI-BONE, said, "We are pleased that Montreux Equity Partners agreed to bring their significant medical device experience to our clinical and commercial efforts. It is a major advantage to have access to their expertise through John's board participation. This financing will help strengthen the position of iFuse as the definitive MIS therapy for LBP patients with SI joint dysfunction, who are unresponsive to conservative therapy."

SI-BONE received clearance in November 2008 from the Food and Drug Administration (FDA) to market its iFuse Implant System. The CE mark for European commercialization was obtained in November 2010. The iFuse is designed to provide immediate post-operative stabilization and accomplishes the goal of traditional SI joint fusion through an MIS approach. Clinical publications have identified the SI joint as a pain generator for up to 22 percent of low back pain patients. In addition, DePalma, Pain Medicine 2011, identified the SI joint as a pain generator in low back pain in 43 to 61% of post-lumbar fusion patients, so-called 'failed back surgery' patients. Effective treatment of the SI joint is a significant unmet clinical need and, when conservative therapy fails, iFuse may provide an option.

In response to increasing awareness of SI joint disruption and dysfunction as debilitating symptom generators, SI-BONE, Inc. developed an innovative, patented implant to treat the SI joint. The company is also embarking on a prospective multicenter study to document acute and long-term clinical outcomes in patients who are proven to be refractory to prior therapies.

The iFuse Implant System is a commercially available device in the U.S. intended for treatment of conditions including sacroiliac joint disruptions and degenerative sacroiliitis. The iFuse procedure uses a minimal incision for delivery and implantation of small, titanium implants. The implants are coated with a porous plasma spray that acts as an interference surface, designed to help decrease implant motion. These implants have substantial thickness and sophisticated metallurgy and are able to produce a much stronger construct than that of conventional pins or screws used to surgically fix boney structures. This implant technology from SI-BONE has been previously used successfully in well over 1,500 cases of dysfunctional foot joints.

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