

REFINITIV

DELTA REPORT

10-Q

CVRX - CVRX, INC.

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	431
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 CHANGES	264
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 DELETIONS	82
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 ADDITIONS	85
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended ~~June~~ September 30, 2024

or

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

For the transition period from _____ to _____

Commission File Number: 001-40545

CVRx, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

41-1983744
(I.R.S. Employer
Identification No.)

9201 West Broadway Avenue
Suite 650
Minneapolis, MN 55445
(Address of Principal Executive Offices)

(763) 416-2840
(Registrant's telephone number)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	CVRX	The Nasdaq Global Select Market

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

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

As of July 26, 2024 October 25, 2024, there were 21,785,714 24,263,663 shares of the registrant's common stock, par value \$0.01 per share outstanding.

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CVRx, Inc.
Quarterly Report on Form 10-Q
For the quarterly period ended **June 30, 2024 September 30, 2024**

Cautionary Note on Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E

of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q are forward-looking statements, including statements regarding our future results of operations and financial position, business strategy, clinical trial results, prospective products, product approvals, research and development costs, timing and likelihood of success, and the plans and objectives of management for future operations.

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 words. The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions and are based largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition, and results of operations. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are subject to a number of known and unknown risks, uncertainties and assumptions, including, but not limited to, the important factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, which are summarized below, as updated in Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Summary Risk Factors

Our business is subject to numerous risks and uncertainties, including those described in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, as updated in Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q. You should carefully consider these risks and uncertainties when investing in our common stock. The principal risks and uncertainties affecting our business include, but are not limited to, the following:

- we have a history of significant losses, which we expect to continue, and we may not be able to achieve or sustain profitability;
- our principal stockholders, management, and directors (two of whom are affiliated with our principal stockholders) own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval;
- we have a limited history operating as a commercial company and are highly dependent on a single product, Barostim, and the failure to increase market acceptance in the U.S. for Barostim would negatively impact our business, liquidity and results of operations;

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- we have limited commercial sales experience marketing and selling Barostim, and if we are unable to continue to maintain and grow sales and marketing capabilities, we will be unable to generate sustained and increasing product revenue;
- we must continue to demonstrate to physicians and patients the merits of Barostim;

- if third-party payers do not provide adequate coverage and reimbursement for the use of Barostim, our revenue will be negatively impacted;
- our industry is highly competitive; if our competitors, many of which are large, well-established companies with substantially greater resources than us and have a long history of competing in the heart failure market, are better able to develop and market products that are safer, more effective, less costly, easier to use or otherwise more attractive than Barostim, our business will be adversely impacted;
- if we fail to receive access to hospitals, our sales may decrease;
- we are dependent upon third-party manufacturers and suppliers, and in some cases a limited number of suppliers, making us vulnerable to supply shortages, loss or degradation in performance of the suppliers, price fluctuations and ongoing supply chain disruptions, which could harm our business;
- manufacturing risks may adversely affect our ability to manufacture our product and could reduce our gross margin and profitability;
- a pandemic, epidemic or outbreak of an infectious disease in the U.S. or worldwide could adversely affect our business;
- we may face product liability claims that could be costly, divert management's attention and harm our reputation;
- we may in the future become involved in lawsuits to protect or enforce our intellectual property or defend ourselves against intellectual property disputes, which could be expensive, time consuming and ultimately unsuccessful, and could result in the diversion of significant resources, thereby hindering our ability to effectively commercialize our existing or future products;
- if we fail to retain our key executives or recruit and hire new employees, our operations and financial results may be adversely affected while we attract other highly qualified personnel; and
- we will continue to obtain long-term clinical data regarding the safety and effectiveness of our products, which could impact future adoption and regulatory approvals.

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PART I —FINANCIAL INFORMATION

Item 1. Financial Statements

CVRx, INC.
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)
(Unaudited)

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Assets				
Current assets:				
Cash and cash equivalents	\$ 70,400	\$ 90,569	\$ 100,161	\$ 90,569

Accounts receivable, net of allowances of \$656 and \$508, respectively	8,606	7,551		
Accounts receivable, net of allowances of \$522 and \$508, respectively			9,033	7,551
Inventory	11,224	10,983	11,892	10,983
Prepaid expenses and other current assets	1,762	2,987	2,786	2,987
Total current assets	91,992	112,090	123,872	112,090
Property and equipment, net	2,763	1,763	2,631	1,763
Operating lease right-of-use asset	1,200	1,349	1,144	1,349
Other non-current assets	26	27	26	27
Total assets	<u>\$ 95,981</u>	<u>\$ 115,229</u>	<u>\$ 127,673</u>	<u>\$ 115,229</u>
Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable	\$ 3,516	\$ 1,884	\$ 3,276	\$ 1,884
Accrued expenses	5,610	5,980	7,671	5,980
Total current liabilities	9,126	7,864	10,947	7,864
Long-term debt	29,319	29,222	49,214	29,222
Operating lease liability, non-current portion	1,023	1,160	951	1,160
Other long-term liabilities	1,265	1,036	1,378	1,036
Total liabilities	<u>40,733</u>	<u>39,282</u>	<u>62,490</u>	<u>39,282</u>
Commitments and contingencies (Note 10)				
Stockholders' equity:				
Common stock, \$0.01 par value, 200,000,000 authorized as of June 30, 2024 and December 31, 2023; 21,712,357 and 20,879,199 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	217	209		
Common stock, \$0.01 par value, 200,000,000 authorized as of September 30, 2024 and December 31, 2023; 24,203,658 and 20,879,199 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively			242	209
Additional paid-in capital	568,837	553,326	591,844	553,326
Accumulated deficit	(513,596)	(477,381)	(526,695)	(477,381)
Accumulated other comprehensive loss	(210)	(207)	(208)	(207)
Total stockholders' equity	<u>55,248</u>	<u>75,947</u>	<u>65,183</u>	<u>75,947</u>
Total liabilities and stockholders' equity	<u>\$ 95,981</u>	<u>\$ 115,229</u>	<u>\$ 127,673</u>	<u>\$ 115,229</u>

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

Condensed Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share data)
(Unaudited)

	Three months ended		Six months ended		Three months ended		Nine months ended	
	June 30,		June 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	\$ 11,807	\$ 9,500	\$ 22,577	\$ 17,479	\$ 13,373	\$ 10,511	\$ 35,950	\$ 27,9
Cost of goods sold	1,900	1,517	3,515	2,845	2,248	1,691	5,763	4,5
Gross profit	9,907	7,983	19,062	14,634	11,125	8,820	30,187	23,4
Operating expenses:								
Research and development	2,765	3,280	5,822	6,696	2,504	2,696	8,326	9,5
Selling, general and administrative	21,115	16,455	49,445	31,852	21,632	15,652	71,077	47,5
Total operating expenses	23,880	19,735	55,267	38,548	24,136	18,348	79,403	56,8
Loss from operations	(13,973)	(11,752)	(36,205)	(23,914)	(13,011)	(9,528)	(49,216)	(33,4
Interest expense	(959)	(481)	(1,919)	(721)	(958)	(499)	(2,877)	(1,7
Other income, net	944	616	1,988	1,678	917	1,056	2,905	2,7
Loss before income taxes	(13,988)	(11,617)	(36,136)	(22,957)	(13,052)	(8,971)	(49,188)	(31,5
Provision for income taxes	(41)	(34)	(79)	(68)	(47)	(40)	(126)	(6
Net loss	(14,029)	(11,651)	(36,215)	(23,025)	(13,099)	(9,011)	(49,314)	(32,0
Cumulative translation adjustment	—	17	(3)	20	2	(21)	(1)	
Comprehensive loss	\$ (14,029)	\$ (11,634)	\$ (36,218)	\$ (23,005)	\$ (13,097)	\$ (9,032)	\$ (49,315)	\$ (32,0
Net loss per share, basic and diluted	\$ (0.65)	\$ (0.56)	\$ (1.69)	\$ (1.11)	\$ (0.57)	\$ (0.43)	\$ (2.25)	\$ (1
Weighted-average common shares used to compute net loss per share, basic and diluted	21,628,542	20,711,850	21,430,276	20,702,589	22,783,337	20,801,350	21,884,588	20,730,0

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

CVRx, INC.
Condensed Consolidated Statements of Stockholders' Equity
(In thousands, except share data)
(Unaudited)

	Accumulated						Accumulated					
	Common stock		Additional	Accumulated	other	Total	Common stock		Additional	Accumulated	other	Total
	Shares	Amount	paid-in capital	deficit	comprehensive loss	stockholders' equity	Shares	Amount	paid-in capital	deficit	comprehensive loss	stockholders' equity
Balances as of March 31, 2024	21,593,173	\$ 216	\$ 565,822	\$ (499,567)	\$ (210)	\$ 66,261						
Balances as of June 30, 2024							21,712,357	\$ 217	\$ 568,837	\$ (513,596)	\$ (210)	\$ 55,248
Exercise of stock options	79,377	1	66	—	—	67	132,526	1	727	—	—	728
Proceeds from Employee Stock Purchase Plan	39,807	—	406	—	—	406						
Employee stock compensation	—	—	2,544	—	—	2,544	—	—	2,680	—	—	2,680
Issuance of common stock	—	—	(1)	—	—	(1)	2,358,775	24	19,600	—	—	19,624
Net loss for the three months ended June 30, 2024	—	—	—	(14,029)	—	(14,029)						
Balances as of June 30, 2024	21,712,357	\$ 217	\$ 568,837	\$ (513,596)	\$ (210)	\$ 55,248						
Net loss for the three months ended September 30, 2024							—	—	—	(13,099)	—	(13,099)
Cumulative translation adjustment							—	—	—	—	2	2

Balances as of September 30, 2024							24,203,658	\$ 242	\$ 591,844	\$ (526,695)	\$ (208)	\$ 65,183
Balances as of March 31, 2023	20,708,940	\$ 207	\$ 547,195	\$ (447,556)	\$ (204)	\$ 99,642						
Balances as of June 30, 2023							20,750,910	\$ 208	\$ 549,150	\$ (459,207)	\$ (187)	\$ 89,964
Exercise of stock options	7,549	1	27	—	—	28	62,702	—	363	—	—	363
Proceeds from Employee Stock Purchase Plan	34,421	—	452	—		452						
Employee stock compensation	—	—	1,476	—	—	1,476	—	—	1,532	—	—	1,532
Net loss for the three months ended June 30, 2023	—	—	—	(11,651)	—	(11,651)						
Net loss for the three months ended September 30, 2023							—	—	—	(9,011)	—	(9,011)
Cumulative translation adjustment	—	—	—	—	17	17	—	—	—	—	(21)	(21)
Balances as of June 30, 2023	20,750,910	\$ 208	\$ 549,150	\$ (459,207)	\$ (187)	\$ 89,964						
Balances as of September 30, 2023							20,813,612	\$ 208	\$ 551,045	\$ (468,218)	\$ (208)	\$ 82,827

Accumulated						Accumulated				
Common stock	Additional paid-in	Accumulated	other comprehensive	Total	stockholders'	Common stock	Additional paid-in	Accumulated	other comprehensive	Total

	Shares	Amount	capital	deficit	loss	equity	Shares	Amount	capital	deficit	loss	equity
Balances as of December 31, 2023	20,879,199	\$ 209	\$ 553,326	\$ (477,381)	\$ (207)	\$ 75,947	20,879,199	\$ 209	\$ 553,326	\$ (477,381)	\$ (207)	\$ 75,947
Exercise of stock options	165,987	2	880	—	—	882	298,513	3	1,607	—	—	1,610
Proceeds from Employee Stock Purchase Plan	39,807	—	406	—	—	406	39,807	—	406	—	—	406
Employee stock compensation	—	—	13,685	—	—	13,685	—	—	16,365	—	—	16,365
Issuance of common stock	23,364	—	546	—	—	546	2,382,139	24	20,146	—	—	20,170
Issuance of common stock upon net exercise of common warrants	604,000	6	(6)	—	—	—	604,000	6	(6)	—	—	—
Net loss for the six months ended June 30, 2024	—	—	—	(36,215)	—	(36,215)						
Net loss for the nine months ended September 30, 2024							—	—	—	(49,314)	—	(49,314)
Cumulative translation adjustment	—	—	—	—	(3)	(3)	—	—	—	—	(1)	(1)
Balances as of June 30, 2024	21,712,357	\$ 217	\$ 568,837	\$ (513,596)	\$ (210)	\$ 55,248						
Balances as of September 30, 2024							24,203,658	\$ 242	\$ 591,844	\$ (526,695)	\$ (208)	\$ 65,183
Balances as of December 31, 2022	20,663,736	\$ 207	\$ 545,362	\$ (436,182)	\$ (207)	\$ 109,180	20,663,736	\$ 207	\$ 545,362	\$ (436,182)	\$ (207)	\$ 109,180

Exercise of												
stock options	52,753	1	155	—	—	156	115,455	1	518	—	—	519
Proceeds												
from												
Employee												
Stock												
Purchase												
Plan	34,421	—	452	—	—	452	34,421	—	452	—	—	452
Employee												
stock												
compensation	—	—	3,181	—	—	3,181	—	—	4,713	—	—	4,713
Net loss for												
the six												
months												
ended June												
30, 2023	—	—	—	(23,025)	—	(23,025)						
Net loss for												
the nine												
months												
ended												
September												
30, 2023							—	—	—	(32,036)	—	(32,036)
Cumulative												
translation												
adjustment	—	—	—	—	20	20	—	—	—	—	(1)	(1)
Balances as												
of June 30,												
2023	20,750,910	\$ 208	\$ 549,150	\$ (459,207)	\$ (187)	\$ 89,964						
Balances as												
of												
September												
30, 2023							20,813,612	\$ 208	\$ 551,045	\$ (468,218)	\$ (208)	\$ 82,827

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

(Unaudited)

	Six months ended		Nine months ended	
	June 30,		September 30,	
	2024	2023	2024	2023
Cash flows from operating activities:				
Net loss	\$ (36,215)	\$ (23,025)	\$ (49,314)	\$ (32,036)
Adjustments to reconcile net loss to net cash used in operating activities:				
Stock-based compensation	13,685	3,181	16,365	4,713
Depreciation of property and equipment	272	256	441	393
Loss on disposal of equipment	—	4	—	4
Amortization of deferred financing costs and loan discount	97	73	142	114
Changes in operating assets and liabilities:				
Accounts receivable	(1,055)	(1,222)	(1,482)	(868)
Inventory	(241)	(3,971)	(909)	(3,930)
Prepaid expenses and other current assets	1,253	689	242	902
Accounts payable	1,632	1,214	1,392	(586)
Accrued expenses	(154)	(256)	1,987	112
Net cash used in operating activities	(20,726)	(23,057)	(31,136)	(31,182)
Cash flows from investing activities:				
Purchase of property and equipment	(1,272)	(383)	(1,309)	(422)
Net cash used in investing activities	(1,272)	(383)	(1,309)	(422)
Cash flows from financing activities:				
Proceeds from the exercise of common stock options	882	156	1,610	519
Proceeds from Employee Stock Purchase Plan	406	452	406	452
Proceeds from the issuance of common stock	546	—	20,170	—
Proceeds from debt financing	—	7,500	20,000	7,500
Debt financing costs	—	(67)	(150)	(67)
Net cash provided by financing activities	1,834	8,041	42,036	8,404
Effect of currency exchange on cash and cash equivalents	(5)	20	1	(1)
Net change in cash and cash equivalents	(20,169)	(15,379)	9,592	(23,201)
Cash and cash equivalents at beginning of period	90,569	106,194	90,569	106,194
Cash and cash equivalents at end of period	\$ 70,400	\$ 90,815	\$100,161	\$ 82,993
Supplemental Information:				
Cash paid for interest	\$ 1,613	\$ 563	\$ 2,456	\$ 979
Cash paid for income taxes	\$ —	\$ 4	\$ —	\$ 4

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

CVRx, INC.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Business organization

CVRx, Inc. (the "Company") was incorporated in Delaware and is headquartered in Minneapolis, Minnesota. The Company has developed and is marketing a medical device, Barostim, for heart failure ("HF") and resistant hypertension. The Company is focused on the sale of its product in the U.S. and Europe.

Management expects that operating losses and negative cash flows from operations could continue in the foreseeable future. There is no assurance that the Company will generate sufficient product sales to produce positive earnings or cash flows.

2. Summary of significant accounting policies

Statement presentation and basis of consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") applicable to interim financial statements. In the Company's opinion, the accompanying unaudited condensed consolidated financial statements reflect all adjustments necessary for a fair presentation of the Company's statements of financial position, results of operations, and cash flows for the periods presented. The results of operations for the interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole or any other future period.

The condensed consolidated financial statements include the accounts of CVRx, Inc., its wholly owned subsidiary, CVRx Switzerland LLC, and its sales branch in Italy, which was closed during 2023. All intercompany balances and transactions have been eliminated in consolidation.

JOBS Act accounting election

We are an emerging growth company under the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As a result, we have elected to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies.

Use of estimates

Preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and the accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, cash equivalents consisted of money market funds, which are stated at cost and approximate fair value. Additionally, as of **June 30, 2024** **September 30, 2024** and December 31, 2023, a majority of our cash and cash equivalents were maintained with two financial institutions in the U.S., and our current deposits are likely in excess of insured limits.

Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Customer credit terms are established prior to shipment with the standard generally being net 30 days. We evaluate the collectability of our accounts receivable based on known collection risks and historical experience. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, we record a specific allowance for bad debts against amounts due to reduce the carrying amount of accounts receivable to the amount we reasonably believe will be collected.

Inventory

Inventory is stated at the lower of cost or net realizable value, with cost determined on a first-in, first-out basis. We regularly review inventory quantities in consideration of actual loss experiences, projected future demand and remaining shelf life to record a provision for excess and obsolete inventory when appropriate.

Leases

Operating leases are included in operating lease right-of-use ("ROU") asset, accrued expenses, and operating lease liability – non-current portion in our balance sheets. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. We used the incremental borrowing rate based on information readily available at the time of recognition to determine the present value of the lease payments. The determination of our incremental borrowing rate requires management judgement based on information available at lease commencement.

Revenue recognition

We sell our products primarily through a direct sales force and to a lesser extent through a combination of sales agents and independent distributors. Our revenue consists primarily of the sale of our Barostim, which consists of two implantable components: a pulse generator and a stimulation lead.

Under Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606"), revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, we perform the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. We only apply the five-step model to contracts when it is probable that we will collect the consideration we are entitled to in exchange for the goods or services it transfers to the customer. We recognize net revenue on product sales, adjusted for any applicable estimates of variable consideration, when the customer obtains control of our product, which generally occurs at a point in time upon delivery based on the contractual shipping terms of a contract. Our contracts have a single performance obligation, and our payment terms with customers are generally between 30 and 90 days. Variable consideration related to certain customer rebates is estimated based on the amounts expected to be paid under the agreement with the customer.

Stock-Based Compensation

We recognize equity-based compensation expense for awards of equity instruments to employees and non-employees based on the grant date fair value of those awards in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 718, *Compensation—Stock Compensation* ("ASC 718"). ASC 718 requires all equity-based compensation awards to employees and non-employee directors, including grants of restricted shares and stock options, to be recognized as expense in the statements of operations and comprehensive loss based on their grant date fair values. We estimate the grant date fair value of stock options using the Black-Scholes option pricing model. We account for forfeitures as they occur. We expense the fair value of our equity-based compensation awards granted to employees on a straight-line basis over the associated service period, which is generally the period in which the related services are received.

Recent accounting pronouncements

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, *Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which requires public companies to disclose for each reportable segment the significant expense categories and amounts for such expenses. ASU 2023-07 is effective for annual periods beginning **after** December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. This ASU will be effective for our annual period ended December 31, 2024. We are currently evaluating the effect of this new guidance on our condensed consolidated financial statements and disclosures.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures* ("ASU 2023-09"), which requires public business entities to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 is effective for annual periods beginning after December 15, 2023. This ASU will be effective for our annual period ended December 31, 2024. We are evaluating the impact of this new guidance on our income tax disclosures.

3. Selected balance sheet information

Inventory consists of the following at:

(in thousands)	June 30,	December 31,	September 30,	December 31,
	2024	2023	2024	2023
Raw material	\$ 4,511	\$ 4,714	\$ 6,531	\$ 4,714
Work-in-process	1,369	654	280	654
Finished goods	5,344	5,615	5,081	5,615
	<u>\$ 11,224</u>	<u>\$ 10,983</u>	<u>\$ 11,892</u>	<u>\$ 10,983</u>

Property and equipment, net consists of the following at:

(in thousands)	June 30,	December 31,	September 30,	December 31,
	2024	2023	2024	2023
Office furniture and equipment	\$ 491	\$ 402	\$ 489	\$ 402
Lab equipment	2,800	2,721	2,835	2,721
Computer equipment and software	955	776	972	776
Leasehold improvements	543	98	543	98

Capital equipment in process	1,034	554	1,021	554
	5,823	4,551	5,860	4,551
Less: Accumulated depreciation and amortization	3,060	2,788	3,229	2,788
	<u>\$ 2,763</u>	<u>\$ 1,763</u>	<u>\$ 2,631</u>	<u>\$ 1,763</u>

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Depreciation is determined using the straight-line method over the estimated useful lives of the respective assets, generally three to five years. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the term of the lease. Depreciation expense was \$141,000 \$169,000 and \$127,000 \$137,000 for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, and \$272,000 \$441,000 and \$256,000 \$393,000 for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively.

Accrued expenses consist of the following at:

(in thousands)	June 30,	December 31,	September 30,	December 31,
	2024	2023	2024	2023
Bonuses	\$ 1,821	\$ 3,335	\$ 2,982	\$ 3,335
Paid time off	1,009	770	931	770
401(k) match	560	—	876	—
Customer rebates	450	411	633	411
Accrued interest payable	275	220	276	220
Operating lease liability, current portion	247	231	275	231
Employee stock purchase plan			274	—
Clinical trial and other professional fees	216	277	205	277
Taxes	81	125	167	125
Other	951	611	1,052	611
	<u>\$ 5,610</u>	<u>\$ 5,980</u>	<u>\$ 7,671</u>	<u>\$ 5,980</u>

4. Debt

Innovatus Loan Agreement

On October 31, 2022, we entered into a Loan and Security Agreement (the "Loan Agreement") with Innovatus Life Sciences Fund I, LP, as the collateral agent and a lender, under which we may allowing us to borrow, subject to our achievement of certain milestones, up to a total of \$50.0 million in a series of term loans. On the closing date, we borrowed the minimum amount of \$7.5 million under the Loan Agreement. On March 10, 2023, we borrowed the \$7.5 million remaining under the first tranche of the Loan Agreement. On December 15, 2023, we borrowed an additional \$15.0 million under the second tranche of the Loan Agreement. On September 30, 2024, we borrowed the remaining \$20.0 million under the third and final tranche of the

Loan Agreement. The Loan Agreement initially requires interest only payments through November 2027, followed by three monthly principal and interest payments. A final payment of **\$1.4 million** **\$2.3 million**, equal to 4.5% of the original borrowed principal, is due in January 2028. The term loans advanced pursuant to the Loan Agreement (collectively, the "Term Loans") bear interest at a floating rate per annum equal to the sum of (a) the greater of (i) the prime rate and (ii) 5.50% plus (b) 2.65%. The Term Loans are secured by substantially all of our personal property. **We have the option to draw down up to \$20.0 million between September 1, 2024 and December 15, 2024 if we achieve trailing three months revenue of \$9.0 million prior to June 30, 2024, which was achieved.** A performance covenant **takes****took** effect **at the earlier of September 30, 2025, or upon** the third tranche funding, requiring that we achieve 50% of the trailing twelve months revenue target set in the Board-approved revenue plan in effect for such period. The Loan Agreement requires the payment of certain penalties if the Term Loans are paid off prior to maturity for any reason, including pursuant to an acceleration clause, and includes various restrictive covenants, including a restriction on the payment of dividends or making other distributions or payments on our capital stock, subject to limited exceptions. We were in compliance with these covenants as of **June 30, 2024** **September 30, 2024**.

In connection with the Loan Agreement, we recorded **\$1.0 million** **\$1.1 million** of debt issuance costs and discounts as a reduction of long-term debt.

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The annual principal maturities of debt under the Loan Agreement are as follows:

(in thousands)	June 30,	September 30,
	2024	2024
2024	\$ —	\$ —
2025	—	—
2026	—	—
2027	20,000	33,333
2028	10,000	16,667
	30,000	50,000
Less: Unamortized debt costs and discounts	(681)	(786)
Long-term debt	\$ 29,319	\$ 49,214

5. Leases

We lease 31,505 square feet of office space in Minneapolis, Minnesota, which houses our principal executive offices and our manufacturing facility. We lease this space under an operating lease agreement that commenced December 1, 2008, and was scheduled to expire August 31, 2024. On April 21, 2023, we extended the operating lease for our office space in Minneapolis, Minnesota for an additional 49 consecutive months through August 31, 2028. On November 7, 2023, we expanded our existing office space with the addition of 7,615 square feet of property adjacent to our principal executive offices and our manufacturing

facility. The term on this expanded property is for 57 consecutive months that will run concurrently with the term on the existing lease. We intend to add new facilities as we grow, and we believe that suitable additional or substitute space will be available as needed to accommodate any such expansion of our operations. Our operating lease agreement includes an option to renew for one additional period of three years. The exercise of the lease renewal option is at our sole discretion and was not included in the lease term for the calculation of the ROU asset and lease liability, as it is not reasonably certain of exercise.

In addition to base rent, we also pay our proportionate share of operating expenses, as defined in the lease. These payments are made monthly and are adjusted annually to reflect actual charges incurred for operating expenses, such as common area maintenance, taxes and insurance.

The following table presents the lease balances within the condensed consolidated balance sheets:

(in thousands)	June 30, 2024	December 31, 2023	September 30, December 31, 2024 2023	
Right-of-use assets:				
Operating lease right-of-use asset	\$ 1,200	\$ 1,349	\$ 1,144	\$ 1,349
Operating lease liabilities:				
Accrued expenses	247	231	275	231
Operating lease liability, non-current portion	1,023	1,160	951	1,160
Total operating lease liabilities	\$ 1,270	\$ 1,391	\$ 1,226	\$ 1,391

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Maturities of our lease liability for our operating lease are as follows as of **June 30, 2024** **September 30, 2024**:

(in thousands)	June 30, 2024	September 30, 2024
2024	\$ 151	\$ 86
2025	350	350
2026	362	362
2027	374	374
2028	223	223
Total undiscounted lease payments	1,460	1,395
Less: imputed interest	(190)	(169)
Present value of lease liability	\$ 1,270	\$ 1,226

As of **June 30, 2024** **September 30, 2024**, the remaining lease term was **4.2** **3.9** years and the weighted average discount rate was 6.7%. The operating cash outflows from our operating lease were **\$0.3 million** **\$0.4 million** and **\$0.2 million** **\$0.3 million** for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, respectively.

6. Stockholders' equity

Common Stock Warrants

We have had common stock warrants exercisable for 108,406 103,349 shares of common stock upon conversion at a weighted average exercise price of \$14.92 \$12.92 per share and 716,131 shares of common stock upon conversion at a weighted average exercise price of \$2.39 per share outstanding at June 30, 2024. September 30, 2024 and December 31, 2023, respectively. Johnson & Johnson Innovation – JJDC, Inc. had common stock warrants exercisable for 607,725 shares of our common stock with an exercise price of \$0.16 per share that were all exercised through a net exercise transaction for 604,000 shares of common stock during the six nine months ended June 30, 2024 September 30, 2024.

At-the-Market (“ATM”) Offering

In January 2024, we commenced an ATM offering, which allows us to issue and sell shares of our common stock having an aggregate offering price of up to \$50.0 million. We issued 23,364 2,382,139 shares of common stock for gross proceeds of \$0.6 million \$21.0 million under the ATM offering during the six nine months ended June 30, 2024 September 30, 2024. We have remaining capacity to issue and sell up to approximately \$49.4 \$29.0 million of additional shares of common stock under this ATM offering.

7. Stock-based compensation

Summary of plans and activity

In June 2001, our Board of Directors and stockholders established the 2001 Stock Incentive Award Plan (“2001 Plan”). Under the 2001 Plan, as amended, 2,674,749 shares of common stock had been reserved for the issuance of incentive stock options granted to employees, non-employee directors, consultants, or independent contractors. Options granted under the 2001 Plan have vesting terms that range from the date of grant to four years and expire within a maximum term of 10 years from the grant date.

In 2021, our Board of Directors and stockholders established the 2021 Equity Incentive Plan (“2021 Plan”). The number of shares of common stock initially reserved for issuance under the 2021 Plan was 1,854,490 newly reserved shares in addition to the 600,737 shares that remained available for issuance under the 2001 Plan. The shares available for issuance under the 2021 Plan automatically increase on the first day of each year, commencing January 1, 2022, and ending on (and including) January 1, 2031, in an amount equal to 5% of the total number of shares of the Company's common stock outstanding on the last day of the calendar month before the date of each automatic increase, or such lesser number of shares as determined by the Board of Directors. The annual increase resulted in an additional 1,043,959 shares being reserved for

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issuance under the 2021 Plan as of January 1, 2024. The 2021 Plan provides for the issuance of stock options, stock appreciation rights, restricted stock awards, stock unit awards and other stock-based awards

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and cash incentive awards to employees, consultants and non-employee directors of the Company and its subsidiaries. Awards granted under the 2021 Plan will have such vesting schedules and other terms as determined by the Compensation Committee and stock options and stock appreciation rights have a maximum term of 10 years from the grant date. No further awards can be made under the 2001 Plan following the adoption of the 2021 Plan. As of **June 30, 2024** **September 30, 2024**, there were **1,289,889** **1,059,116** shares available for future issuance under the 2021 Plan.

Options are granted at exercise prices not less than the fair market value (as determined by the Board of Directors) of our common stock on the date of grant.

During the years 2008 through the initial public offering (the "IPO"), the Board of Directors authorized the grant of stock options for the purchase of shares of common stock to the employers of certain non-employee directors. The options were not granted under the 2001 Plan or the 2021 Plan, but terms are substantially the same as our standard form of option agreement for non-employee directors as they have an exercise price not less than the fair market value on the grant date and vest over 48 months from the date of grant.

The following is a summary of stock option activity:

	Weighted			Weighted		
	Number of Options	Average Exercise Price	Aggregate Intrinsic Value	Number of Options	Average Exercise Price	Aggregate Intrinsic Value
			(in thousands)			(in thousands)
Balance as of December 31, 2023	4,488,845	\$ 9.77	\$ 97,266	4,488,845	\$ 9.77	\$ 97,266
Granted	2,732,672	13.36		3,170,198	12.75	
Cancelled / Forfeited	(1,307,400)	8.97		(1,514,153)	9.57	
Exercised	(165,987)	5.31		(298,513)	5.39	
Balance as of June 30, 2024	<u>5,748,130</u>	\$ 11.79	<u>\$ 17,988</u>			
Options exercisable as of June 30, 2024	<u>2,906,595</u>	\$ 8.52	<u>\$ 13,739</u>			
Balance as of September 30, 2024				<u>5,846,377</u>	\$ 11.66	<u>\$ 7,857</u>
Options exercisable as of September 30, 2024				<u>2,947,395</u>	\$ 8.90	<u>\$ 6,927</u>

As of **June 30, 2024** **September 30, 2024**, stock options outstanding included 4,520 options that were not granted under the 2001 Plan or the 2021 Plan. For options outstanding as of **June 30, 2024** **September 30, 2024**, the weighted average remaining contractual life was **7.1** **6.9** years. For options exercisable as of **June 30, 2024** **September 30, 2024**, the weighted average remaining contractual life was **5.6** **5.2** years.

Our Board of Directors and stockholders also established an Employee Stock Purchase Plan (the "ESPP"). The number of shares of common stock initially reserved for issuance under the ESPP was 278,170. The shares available for issuance under the ESPP automatically increase on the first day of each year, commencing January 1, 2022, and ending on (and including) January 1, 2031, in an amount equal to 1% of the total number of shares of our common stock outstanding on the last day of the calendar month before the date of each automatic increase, or such lesser number of shares as determined by the Board of Directors. The annual increase resulted in an additional 208,791 shares being reserved for issuance under the ESPP as of January 1, 2024. The ESPP permits certain of our U.S. employees to purchase shares of our common stock at a price per share not less

than 85% of the lower of (i) the closing market price per share of our common stock on the first day of the applicable purchase period or (ii) the closing market price per share of our common stock on the purchase date at the end of the applicable six-month purchase period. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, 39,807 shares of common stock were purchased under the ESPP for \$0.4 million of employee contributions. As of **June 30, 2024** **September 30, 2024**, there were 672,618 shares available for issuance under the ESPP.

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Stock-based compensation expense

We use the Black-Scholes option pricing model to determine the fair value of stock options and ESPP purchase rights on the grant date. We measure stock-based compensation expense based on the grant date fair value of the award and recognize compensation expense over the requisite service period, which is

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generally the vesting period for stock options and the offering period for ESPP purchase rights. The amount of stock-based compensation expense recognized for stock option awards during a period is based on the portion of the awards that are ultimately expected to vest. The amount of stock-based compensation expense recognized for ESPP purchase rights during a period is based on the estimated purchase rights as of the grant date. We account for forfeitures as they occur.

The following table provides the weighted average fair value of options granted to employees and the related assumptions used in the Black-Scholes option pricing model for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023:

	June 30,		September 30,	
	2024	2023	2024	2023
Weighted average fair value of options granted	\$ 10.81	\$ 10.42	\$ 10.31	\$ 10.59
Expected term (in years) — non-officer employees	5.0 to 6.1	5.5 to 6.1	5.0 to 6.1	5.5 to 6.1

Expected term (in years) — officer employees	2.5 to 6.1	2.5 to 6.1	2.5 to 6.1	2.5 to 6.1
Expected volatility	87.7% to 94.6 %	77.2% to 79.2 %	87.7% to 98.9 %	77.2% to 79.6 %
Expected dividend yield	— %	— %	— %	— %
Risk-free interest rate	3.95% to 4.71 %	3.40% to 4.18 %	3.67% to 4.71 %	3.40% to 4.61 %

The following table provides the weighted average fair value of ESPP purchase rights and the related assumptions used in the Black-Scholes option pricing model for the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023:

	June 30,		September 30,	
	2024	2023	2024	2023
Weighted average fair value per ESPP purchase right	\$ 4.31	\$ 5.71	\$ 7.60	\$ 9.01
Expected term (in years)	0.5	0.5	0.5	0.5
Expected volatility	74.0 %	84.6 %	74.0% to 96.9 %	76.2% to 84.6 %
Expected dividend yield	— %	— %	— %	— %
Risk-free interest rate	5.24 %	4.77 %	5.24% to 5.37 %	4.77% to 5.53 %

We review these assumptions on a periodic basis and adjust them, as necessary. We utilize the simplified method to develop the estimate of the expected term for stock option awards and ESPP purchase rights. The expected volatility is based upon observed volatility of comparable public companies. The expected dividend yield is assumed to be zero, as we have never paid dividends and have no current plans to do so. The risk-free interest rate is based on the yield on U.S. Treasury securities for a period approximating the expected term of the options being valued.

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The following table presents the components and classification of stock-based compensation expense for the periods indicated:

(in thousands)	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Stock options	\$ 2,485	\$ 1,401	\$ 13,513	\$ 2,984
Employee Stock Purchase Plan	59	75	172	197
Total stock-based compensation expense	<u>\$ 2,544</u>	<u>\$ 1,476</u>	<u>\$ 13,685</u>	<u>\$ 3,181</u>
Selling, general & administrative	\$ 2,208	\$ 1,258	\$ 13,033	\$ 2,438
Research & development	303	198	588	705

Cost of goods sold	33	20	64	38
	\$ 2,544	\$ 1,476	\$ 13,685	\$ 3,181

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(in thousands)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Stock options	\$ 2,550	\$ 1,419	\$16,063	\$ 4,403
Employee Stock Purchase Plan	130	113	302	310
Total stock-based compensation expense	\$ 2,680	\$ 1,532	\$16,365	\$ 4,713
Selling, general & administrative	\$ 2,379	\$ 1,290	\$15,412	\$ 3,728
Research & development	267	221	855	927
Cost of goods sold	34	21	98	58
	\$ 2,680	\$ 1,532	\$16,365	\$ 4,713

As of **June 30, 2024** **September 30, 2024**, unrecognized compensation expense related to unvested stock-based compensation arrangements was **\$24.9 million** **\$24.1 million**. As of **June 30, 2024** **September 30, 2024**, the related weighted average period over which the expense is expected to be recognized is approximately 2.8 years.

On January 30, 2024, we amended the terms and conditions of certain stock option award agreements granted under the 2001 Plan and 2021 Plan between us and our former CEO in connection with his retirement, which occurred on February 11, 2024. The option agreements were amended to provide that, if not already vested at the time of termination of his employment due to retirement, the options will continue to vest on the previously scheduled vesting dates following his retirement, subject to his compliance with certain covenants. Additionally, the option agreements were modified so that the options may be exercised, to the extent vested, by our former CEO until the earlier of (a) five years following his retirement date, or (b) the applicable option expiration date. The modification of these option awards resulted in an additional \$8.4 million of non-cash stock-based compensation expense recognized during the **six** **nine** months ended **June 30, 2024** **September 30, 2024**.

8. Income taxes

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, a valuation allowance was recorded against all deferred tax assets due to our cumulative net loss position. Provision for income taxes for the three months ended **June 30, 2024** **September 30, 2024** and 2023 was **\$41,000** **\$47,000** and **\$34,000** **\$40,000**, respectively. Provision for income taxes for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 was **\$79,000** **\$126,000** and **\$68,000** **\$108,000**, respectively.

As of December 31, 2023, we had federal and state net operating loss carryforwards ("NOLs") of approximately \$389.9 million and \$7.3 million, respectively. The federal NOLs began expiring in 2021 and the state NOLs began expiring in 2020. As of December 31, 2023, we had federal and state tax credit carryforwards of approximately \$9.8 million and \$2.0 million, respectively. The federal tax credit carryforwards began expiring in 2021 and the state tax credit carryforwards will begin expiring in 2028.

Utilization of NOLs may be subject to an annual limitation due to the ownership change limitations provided by Section 382 of the Internal Revenue Code of 1986, as amended, and similar state provisions. We have not performed a detailed analysis to determine whether an ownership change has occurred. Such a change of ownership would limit our utilization of the NOLs and could be triggered by subsequent sales of securities by us or our stockholders.

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9. Loss Per Share

Basic and diluted net loss per share attributable to common stockholders was calculated for the periods indicated (in thousands, except share and per share data):

	Three months ended		Six months ended		Three months ended		Nine months ended	
	June 30,		June 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Numerator:								
Net loss	\$ (14,029)	\$ (11,651)	\$ (36,215)	\$ (23,025)	\$ (13,099)	\$ (9,011)	\$ (49,314)	\$ (32,036)
Denominator:								
Weighted average common shares outstanding — basic and diluted	21,628,542	20,711,850	21,430,276	20,702,589	22,783,337	20,801,350	21,884,588	20,730,024
Net loss per share attributable to common stockholders — basic and diluted	\$ (0.65)	\$ (0.56)	\$ (1.69)	\$ (1.11)	\$ (0.57)	\$ (0.43)	\$ (2.25)	\$ (1.55)

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Our potentially dilutive securities, which include stock options and warrants to purchase shares of common stock, have been excluded from the computation of diluted net loss per share attributable to common stockholders, as the effect would be to reduce the net loss per share attributable to common stockholders. Therefore, the weighted average number of common shares outstanding used to calculate both basic and diluted net loss per share attributable to common stockholders is the same. We excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to common stockholders for the periods indicated because including them would have had an anti-dilutive effect:

	Six months ended		Nine months ended	
	June 30,		September 30,	
	2024	2023	2024	2023
Options to purchase common stock	5,748,130	4,509,586	5,846,377	4,464,096
Warrants to purchase common stock	108,406	716,131	103,349	716,131
	<u>5,856,536</u>	<u>5,225,717</u>	<u>5,949,726</u>	<u>5,180,227</u>

10. Commitments and contingencies

From time to time, we may have certain contingent liabilities that arise in the ordinary course of business. We accrue a liability for such matters when it is probable that future expenditures will be made, and such expenditures can be reasonably estimated. There have been no contingent liabilities requiring accrual or disclosure as of **June 30, 2024** **September 30, 2024** or December 31, 2023.

11. Employee benefit plans

We sponsor a voluntary defined-contribution employee retirement plan (the “401(k) plan”) for our U.S. employees. The 401(k) plan provides that each participant may contribute pre-tax or post-tax compensation up to the statutory limit allowable. Under the 401(k) plan, each participant is fully vested in his or her deferred salary contributions when contributed. Beginning January 1, 2024, we adopted a policy to match a portion of employee contributions for all qualified employees participating in the 401(k) plan. We recorded an expense for matching contributions of \$0.3 million and \$0 for the three months ended **June 30, 2024** **September 30, 2024** and 2023, respectively. We recorded an expense for matching contributions of **\$0.6 million** **\$0.9 million** and \$0 for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, respectively.

12. Segment, geographic information, and revenue disaggregation

The chief operating decision maker for the Company is the Chief Executive Officer. The Chief Executive Officer reviews financial information presented on a consolidated basis, accompanied by information about

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revenue by geographic region, for purposes of allocating resources and evaluating financial performance. We have one business activity and there are no segment managers who are held accountable for operations, operating results or plans for levels or components below the consolidated unit level. Accordingly, we have determined that we have a single reportable and operating segment structure. We and our Chief Executive Officer evaluate performance based primarily on revenue in the geographic locations in which the Company operates.

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We derive all our revenues from sales to customers in Europe and the U.S. The following table provides revenue by country for each location accounting for more than 10% of the total revenue for the periods indicated (in thousands):

	Three months ended		Six months ended		Three months ended		Nine months ended	
	June 30,		June 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
U.S.	\$10,673	\$ 8,297	\$20,508	\$15,239	\$12,300	\$ 9,579	\$32,808	\$24,818
Germany	802	1,126	1,679	2,017	807	802	2,486	2,819
Other countries	332	77	390	223	266	130	656	353
	<u>\$11,807</u>	<u>\$ 9,500</u>	<u>\$22,577</u>	<u>\$17,479</u>	<u>\$13,373</u>	<u>\$10,511</u>	<u>\$35,950</u>	<u>\$27,990</u>

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, long-lived assets were located primarily in the U.S.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a commercial-stage medical device company focused on developing, manufacturing, and commercializing innovative and minimally invasive neuromodulation solutions for patients with cardiovascular disease. Our proprietary platform technology, Barostim, is designed to leverage the power of the brain and nervous system to address the imbalance of the Autonomic Nervous System, which causes HF with reduced Ejection Fraction ("HFrEF") and other cardiovascular diseases. Our second-generation product, Barostim, is the first and only commercially available neuromodulation device indicated to improve symptoms for patients with HFrEF. Barostim provides Baroreflex Activation Therapy by sending imperceptible and persistent electrical pulses to baroreceptors located in the wall of the carotid artery to signal the brain to modulate cardiovascular function. Barostim is currently indicated by the U.S. Food and Drug Administration ("FDA") for patients who are NYHA Class III or II (who had a recent history of Class III) despite treatment with guideline-directed medical therapies (medications and devices), have a LVEF $\leq 35\%$ and a NT-proBNP < 1600 pg/ml and is CE Marked for HFrEF and resistant hypertension.

Since our inception, our activities have consisted primarily of developing Barostim Therapy, conducting our BeAT-HF pre-market and post-market pivotal studies in the U.S., and filing for regulatory approvals. Our ability to generate significant revenue from product sales and become profitable will depend on our ability to continue to successfully commercialize Barostim and any product enhancements we may advance in the future. We expect to derive future revenue by continuing to both expand our own dedicated salesforce and increase awareness of Barostim among payers, physicians, and patients.

Our sales and marketing efforts are directed at electrophysiologists, HF specialists, interventional and general cardiologists, and vascular surgeons because they are the primary users of our technology. However, we consider hospitals, where the procedures are performed primarily in an outpatient setting, to be our customers, as they are the purchasing entities of Barostim in the U.S. We intend to continue making significant investments building our U.S. commercial infrastructure by expanding and training our U.S. sales force. We have dedicated significant resources to educate physicians who treat HFrEF about the advantages of Barostim and train them on the implant procedure.

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The costs for the device and implantation procedure are reimbursed through various third-party payers, such as government agencies and commercial payers. In the U.S., we estimate that 67% of our target patient population is Medicare-eligible based on the age demographic of the HFrEF patient population indicated for Barostim. As a result, we have prioritized coverage by the Centers for Medicare and Medicaid Services while simultaneously developing processes to engage commercial payers. All Medicare Administrative Contractors have retired their official automatic coverage denial policies for our Current Procedural Terminology codes, thereby allowing hospitals to submit payment requests for the Barostim procedure to be adjudicated on a claim-by-claim basis. Our reimbursement strategy involves continuing to broaden our current coverage and

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build our in-house market access team to obtain appropriate prior authorization approvals in advance of treatment on a case-by-case basis where positive coverage policies currently do not exist. Outside the U.S., reimbursement levels vary by country and within some countries by region. Barostim is eligible for reimbursement in certain countries in the European Economic Area, such as Germany, where annual healthcare budgets for the hospital generally determine the number of patients to be treated and the prices to be paid for the related devices that may be purchased.

We manage all aspects of manufacturing operations and product supply of Barostim, which include final assembly, testing and packaging of our implantable pulse generator (“IPG”) and stimulation lead, at our headquarters in Minneapolis, Minnesota. We utilize components or various subassemblies manufactured by third-party suppliers, some of which have significant lead times. Many of these components are from a limited number of suppliers. We believe that our component manufacturers are recognized in their field for their competency to manufacture the respective portions of Barostim and have quality systems established that meet FDA requirements. We seek to maintain higher levels of inventory to protect ourselves from supply interruptions and continue to seek to broaden and strengthen our supply chain through additional sourcing channels.

From our inception until the IPO, we financed our operations primarily through preferred stock financings, and additionally, from sales of our Barostim products and amounts borrowed under our credit facilities. We then devoted substantially all of our resources to research and development activities related to Barostim Therapy, including clinical and regulatory initiatives to obtain marketing approval and sales and marketing activities.

We used a portion of the IPO proceeds to continue funding the expansion of our direct sales force and commercial organization related to Barostim in the U.S. We have continued investing in research and development to improve clinical outcomes, optimize patient adoption and comfort, increase patient access, and enhance the physician and patient experience. Longer term, we plan to explore Barostim’s potential to expand its indications for use to other cardiovascular diseases.

On October 31, 2022, we entered into the Loan Agreement under which we may borrow, subject to our achievement of certain milestones, up to a total of \$50.0 million in a series of Term Loans described in Note 4 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, and we borrowed \$7.5 million of such total on that date to fund our commercial and investment efforts. On March 10, 2023, we borrowed the \$7.5 million remaining under the first tranche of the Loan Agreement. On December 15, 2023, we borrowed \$15.0 million under the second tranche of the Loan Agreement. On September 30, 2024, we borrowed the remaining \$20.0 million under the third and final tranche of the Loan Agreement. We had \$30.0 million \$50.0 million in outstanding Term Loans under the Loan Agreement as of June 30, 2024 September 30, 2024. The Loan Agreement provides for an additional tranche of up to \$20.0 million, based on the timing and other conditions set forth in the Loan Agreement. As a result of these investments and our commercialization efforts, we expect to continue to incur net losses for the next several years, which may require additional funding and could include future equity and debt financing.

Recent developments

In the 2024 final outpatient rules ("OPPS") issued in November 2023, Barostim was reassigned to New Technology APC 1580, which carries an average payment amount of \$45,000. The new payment took effect January 1, 2024. In July 2024, the Centers for Medicare and Medicaid Services ("CMS") proposed OPPS rules for 2025, including moving Barostim procedures back to APC 5465, which would reduce the average payment amount for Barostim to \$31,000. We believe the data supports creation of a Level 6 Neurostimulator

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APC and will work with CMS with the goal of achieving this, or alternatively, leaving Barostim in New Technology APC 1580 for another year.

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In April/August 2024, we announced that we were suspending enrollment in CMS has reassigned the BATwire clinical trial due to slow enrollment, given that many patient candidates elected Barostim implant procedure for the commercially approved procedure, inpatient setting as opposed to participating in the trial. We intend to continue following the patients enrolled in the BATwire trial until the study is completed.

Since the beginning part of the second quarter Medicare Hospital Inpatient Prospective Payment System ("IPPS") final rule for CMS' Fiscal Year 2025, which began on October 1, 2024. On that date, Barostim was reassigned to MS-DRG 276, which carries a national average payment of fiscal 2024, we have hired approximately \$43,000, a significant increase from the previous payment range of \$17,000-\$23,000, which is expected to facilitate increased access to the therapy for patients with heart failure.

The American Medical Association's CPT Editorial Panel approved new leaders Category I codes for sales, medical affairs, Barostim therapy, effective January 1, 2026. Led by the Society for Vascular Surgery with support from the American College of Cardiology, this advancement from Category III to Category I status reflects Barostim's growing adoption and established clinical evidence in treating heart failure symptoms. The new designation is expected to streamline reimbursement processes

and human resources, completing the expansion of the executive team, expand access to this important therapy for heart failure patients.

Factors affecting our performance

We believe there are several important factors that have impacted and that we expect will continue to impact our business and results of operations. These factors include:

- Growing and supporting our U.S. commercial organization;
- Seeking expanded labeling for Barostim and promoting awareness among physicians, hospitals and patients to accelerate adoption of Barostim;
- Raising awareness among payers to build upon reimbursement for Barostim;
- Investing in research and development to foster innovation; and
- Leveraging our manufacturing capacity to further improve our gross margins.

Components of results of operations

Revenue

Our U.S. sales have steadily increased since the pre-market approval of Barostim by the FDA in August 2019, and the subsequent reimbursement changes. We expect to continue to drive increases in revenue through our efforts to increase awareness of Barostim among physicians, patients and payers, and by the expansion of our U.S. sales force, as well as by seeking expanded labeling for Barostim. As a result, we expect that U.S. sales will continue to account for the majority of our revenue going forward.

We derive a portion of our revenue from the sale of Barostim to hospitals in Germany and other select countries in Europe. Revenue from sales of Barostim in Europe fluctuates based on the average selling price of Barostim as determined by location of sale and channel mix, each of which may vary significantly from country to country. Our revenue from international sales can also be significantly impacted by fluctuations in foreign currency exchange rates.

Cost of goods sold and gross margin

Cost of goods sold consists primarily of acquisition costs of the components and subassemblies of Barostim, allocated manufacturing overhead and scrap and inventory obsolescence, as well as distribution-related expenses such as logistics and shipping costs. We expect cost of goods sold to increase in absolute dollars

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primarily as, and to the extent, our revenue grows. Gross margin may also vary based on regional differences in rebates and incentives negotiated with certain customers.

We calculate gross margin as revenue less cost of goods sold divided by revenue. Our gross margin has been and will continue to be affected by a variety of factors, but is primarily driven by the average sale price of our product, the percentage of products sold that include a full system (i.e., an IPG and a stimulation lead), as compared to individual IPG sales, and the allocated manufacturing overhead. Although we sell the majority of our devices directly to hospitals, the impact of the average selling price on gross margin is driven by

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the percentage of products we sold to distributors as compared to those sold directly to hospitals, as our average selling price is typically higher on products we sell directly. The full system sales typically have a lower gross margin as they include the cost of an IPG and a stimulation lead whereas individual IPG sales only include the cost of an IPG. The manufacturing overhead costs of Barostim are directly aligned to our production volume and therefore the cost per product is reduced if production levels increase. While we expect our gross margin to be positively affected over time to the extent we are successful in selling more product through our direct sales force and by increasing our production volumes, it will likely fluctuate from period to period as we continue to introduce new products and adopt new manufacturing processes and technologies.

Research and development expenses

Research and development (“R&D”) expenses consist primarily of personnel costs, including salaries, bonuses, employee benefits and stock-based compensation expenses for our R&D employees. R&D expenses also include costs associated with product design efforts, development prototypes, testing, clinical trial programs and regulatory activities, contractors and consultants, equipment and software to support our development, facilities, and information technology. We expense R&D costs as they are incurred. We expect R&D expenses to increase in absolute dollars as we continue to develop enhancements to Barostim. Our R&D expenses may fluctuate from period to period due to the timing and extent of our product development and clinical trial expenses.

Selling, general and administrative expenses

Selling, general and administrative (“SG&A”) expenses consist primarily of personnel costs, including base salaries, bonuses, employee benefits and stock-based compensation expense for our sales and marketing personnel, including sales commissions, and for administrative personnel that support our general operations such as executive management, financial accounting, information technology and human resources personnel. SG&A expenses also include costs attributable to marketing, as well as travel, legal fees, financial audit fees, insurance, fees for other consulting services, depreciation and facilities. We expense commissions at the time of the sale.

We expect SG&A expenses to increase in absolute dollars as we continue to expand our direct sales force and commercial organization in the U.S. In addition, we will continue to increase our international presence and to develop and assist our channel partners. However, we expect our SG&A expenses to decrease as a percentage of revenue as our revenue grows.

Interest expense

Interest expense consists of interest on our debt and amortization of associated financing costs.

Other income, net

Other income, net consists primarily of interest income on our interest-bearing accounts, partially offset by the effect of exchange rates on our foreign currency-denominated asset and liability balances.

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Provision for income taxes

Provision for income taxes consists primarily of income taxes in foreign jurisdictions in which we conduct business. We maintain a full valuation allowance for deferred tax assets including NOL carryforwards, R&D credits and other tax credits.

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Results of operations

Consolidated results of operations for the three months ended **June 30, 2024** **September 30, 2024**, compared to the three months ended **June 30, 2023** **September 30, 2023**

	Three months ended				Three months ended			
	June 30,		Change		September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
(unaudited and in thousands)								
Revenue	\$ 11,807	\$ 9,500	\$ 2,307	24 %	\$ 13,373	\$10,511	\$ 2,862	27 %
Cost of goods sold	1,900	1,517	383	25 %	2,248	1,691	557	33 %
Gross profit	9,907	7,983	1,924	24 %	11,125	8,820	2,305	26 %
Gross margin	84 %	84 %			83 %	84 %		
Operating expenses:								
Research and development	2,765	3,280	(515)	(16)%	2,504	2,696	(192)	(7)%

Selling, general and administrative	21,115	16,455	4,660	28 %	21,632	15,652	5,980	38 %
Total operating expenses	23,880	19,735	4,145	21 %	24,136	18,348	5,788	32 %
Loss from operations	(13,973)	(11,752)	(2,221)	19 %	(13,011)	(9,528)	(3,483)	37 %
Interest expense	(959)	(481)	(478)	99 %	(958)	(499)	(459)	92 %
Other income, net	944	616	328	53 %	917	1,056	(139)	(13)%
Loss before income taxes	(13,988)	(11,617)	(2,371)	20 %	(13,052)	(8,971)	(4,081)	45 %
Provision for income taxes	(41)	(34)	(7)	21 %	(47)	(40)	(7)	18 %
Net loss	<u>\$ (14,029)</u>	<u>\$ (11,651)</u>	<u>\$ (2,378)</u>	<u>20 %</u>	<u>\$ (13,099)</u>	<u>\$ (9,011)</u>	<u>\$ (4,088)</u>	<u>45 %</u>

The following table provides revenue by geography:

(unaudited and in thousands)	Three months ended				Three months ended			
	June 30,		Change		September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
United States	\$10,673	\$8,297	\$2,376	29 %	\$12,300	\$ 9,579	\$2,721	28 %
Europe	1,134	1,203	(69)	(6)%	1,073	932	141	15 %
Total Revenue	<u>\$11,807</u>	<u>\$9,500</u>	<u>\$2,307</u>	<u>24 %</u>	<u>\$13,373</u>	<u>\$10,511</u>	<u>\$2,862</u>	<u>27 %</u>

Revenue was \$11.8 million \$13.4 million for the three months ended June 30, 2024 September 30, 2024, an increase of \$2.3 million \$2.9 million, or 24% 27%, over the three months ended June 30, 2023 September 30, 2023.

Revenue generated in the U.S. was \$10.7 million \$12.3 million for the three months ended June 30, 2024 September 30, 2024, an increase of \$2.4 million \$2.7 million, or 29% 28%, over the three months ended June 30, 2023 September 30, 2023. HF revenue units in the U.S. totaled 339 391 and 265 303 for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively. HF revenue in the U.S. totaled \$10.5 million \$12.2 million and \$8.3 million \$9.4 million for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively. The increases were primarily driven by continued growth in the U.S. HF business as a result of the expansion into new sales territories, new accounts, and increased physician and patient awareness of Barostim.

As of June 30, 2024 September 30, 2024, we had a total of 189 208 active implanting centers in the U.S., as compared to 140 159 as of June 30, 2023 September 30, 2023. Active implanting centers are customers that have completed at least one commercial HF implant in the last 12 months. As of June 30, 2024 September 30, 2024, we had a total of 42 45 sales territories in the U.S. as compared to 32 35 sales territories as of June 30, 2023 September 30, 2023.

Revenue generated in Europe was \$1.1 million for the three months ended June 30, 2024, a decrease of \$0.1 million, or 6%, over the three months ended June 30, 2023. Total revenue units in Europe increased to 63 for the three months ended June 30, 2024, as compared to 56 in the prior year period. As of both June 30, 2024 and 2023, we had six sales territories in Europe.

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Revenue generated in Europe was \$1.1 million for the three months ended September 30, 2024, a nominal increase compared to the three months ended September 30, 2023. Total revenue units in Europe increased to 56 for the three months ended September 30, 2024, as compared to 47 in the prior year period. As of both September 30, 2024 and 2023, we had six sales territories in Europe.

Cost of goods sold and gross margin

Cost of goods sold increased \$0.4 million \$0.6 million, or 25% 33%, to \$1.9 million \$2.2 million for the three months ended June 30, 2024 September 30, 2024, compared to the three months ended June 30, 2023 September 30, 2023. This increase was driven by higher sales of Barostim.

Gross profit was \$9.9 million \$11.1 million for the three months ended June 30, 2024 September 30, 2024, an increase of \$1.9 million \$2.3 million, or 24% 26%, over the three months ended June 30, 2023 September 30, 2023. Gross margin was 83% and 84% for each of the three months ended June 30, 2024 September 30, 2024 and June 30, 2023 September 30, 2023, respectively.

Research and development expenses

R&D expenses decreased \$0.5 million \$0.2 million, or 16% 7%, to \$2.8 million \$2.5 million for the three months ended June 30, 2024 September 30, 2024, compared to the three months ended June 30, 2023 September 30, 2023. This change was driven by a \$0.4 million \$0.2 million decrease in consulting expenses and a \$0.1 million decrease in compensation expenses.

Selling, general and administrative expenses

SG&A expenses increased \$4.7 million \$6.0 million, or 28% 38%, to \$21.1 million \$21.6 million for the three months ended June 30, 2024 September 30, 2024, compared to the three months ended June 30, 2023 September 30, 2023. This change was primarily driven by a \$2.6 million \$3.7 million increase in compensation expenses, mainly as a result of increased headcount, a \$1.0 million \$1.1 million increase in non-cash stock-based compensation expense, a \$0.4 million increase in advertising expenses, a \$0.2 million \$0.5 million increase in travel expenses, and a \$0.2 million \$0.4 million increase in consulting advertising expenses.

Interest expense

Interest expense increased \$0.5 million for the three months ended June 30, 2024 September 30, 2024, compared to the three months ended June 30, 2023 September 30, 2023. This increase was driven by the interest expense on higher levels of borrowings under the Loan Agreement entered into on October 31, 2022.

Other income, net

Other income, net **increased \$0.3 million** **decreased \$0.1 million** for the three months ended **June 30, 2024** **September 30, 2024**, compared to the three months ended **June 30, 2023** **September 30, 2023**. This **increase** **decrease** was primarily driven by **greater** **less** interest income on our interest-bearing accounts.

Provision for income taxes

Provision for income taxes was nominal for each of the three months ended **June 30, 2024** **September 30, 2024** and **June 30, 2023** **September 30, 2023**.

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Consolidated results of operations for the **six nine months ended June 30, 2024** **September 30, 2024**, compared to the **six nine months ended June 30, 2023** **September 30, 2023**

(unaudited and in thousands)	Six months ended				Nine months ended			
	June 30,		Change		September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
Revenue	\$ 22,577	\$ 17,479	\$ 5,098	29 %	\$ 35,950	\$ 27,990	\$ 7,960	28 %
Cost of goods sold	3,515	2,845	670	24 %	5,763	4,536	1,227	27 %
Gross profit	19,062	14,634	4,428	30 %	30,187	23,454	6,733	29 %
Gross margin	84 %	84 %			84 %	84 %		
Operating expenses:								
Research and development	5,822	6,696	(874)	(13)%	8,326	9,392	(1,066)	(11)%
Selling, general and administrative	49,445	31,852	17,593	55 %	71,077	47,504	23,573	50 %
Total operating expenses	55,267	38,548	16,719	43 %	79,403	56,896	22,507	40 %
Loss from operations	(36,205)	(23,914)	(12,291)	51 %	(49,216)	(33,442)	(15,774)	47 %
Interest expense	(1,919)	(721)	(1,198)	166 %	(2,877)	(1,220)	(1,657)	136 %
Other income, net	1,988	1,678	310	18 %	2,905	2,734	171	6 %
Loss before income taxes	(36,136)	(22,957)	(13,179)	57 %	(49,188)	(31,928)	(17,260)	54 %
Provision for income taxes	(79)	(68)	(11)	16 %	(126)	(108)	(18)	17 %
Net loss	\$ (36,215)	\$ (23,025)	\$ (13,190)	57 %	\$ (49,314)	\$ (32,036)	\$ (17,278)	54 %

The following table provides revenue by geography:

(unaudited and in thousands)	Six months ended				Nine months ended			
	June 30,		Change		September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
United States	\$ 20,508	\$ 15,239	\$ 5,269	35 %	\$32,808	\$24,818	\$7,990	32 %
Europe	2,069	2,240	(171)	(8)%	3,142	3,172	(30)	(1)%
Total Revenue	\$ 22,577	\$ 17,479	\$ 5,098	29 %	\$35,950	\$27,990	\$7,960	28 %

Revenue was \$22.6 million \$36.0 million for the six nine months ended June 30, 2024 September 30, 2024, an increase of \$5.1 million \$8.0 million, or 29% 28%, over the six nine months ended June 30, 2023 September 30, 2023.

Revenue generated in the U.S. was \$20.5 million \$32.8 million for the six nine months ended June 30, 2024 September 30, 2024, an increase of \$5.3 million \$8.0 million, or 35% 32%, over the six nine months ended June 30, 2023 September 30, 2023. HF revenue units in the U.S. totaled 658 1,049 and 490 793 for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively. HF revenue in the U.S. totaled \$20.3 million \$32.5 million and \$15.1 million \$24.5 million for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively. The increases were primarily driven by continued growth in the U.S. HF business as a result of the expansion into new sales territories, new accounts, and increased physician and patient awareness of Barostim.

Revenue generated in Europe was \$2.1 million \$3.1 million for the six nine months ended June 30, 2024 September 30, 2024, a nominal decrease of \$0.2 million, or 8%, over compared to the six nine months ended June 30, 2023 September 30, 2023. Total revenue units in Europe decreased increased to 107 163 for the six nine months ended June 30, 2024 September 30, 2024, as compared to 108 155 in the prior year period.

Cost of goods sold and gross margin

Cost of goods sold increased \$0.7 million \$1.2 million, or 24% 27%, to \$3.5 million \$5.8 million for the six nine months ended June 30, 2024 September 30, 2024, compared to the six nine months ended June 30, 2023 September 30, 2023. This increase was driven by higher sales of Barostim.

Gross profit was \$19.1 million \$30.2 million for the six nine months ended June 30, 2024 September 30, 2024, an increase of \$4.4 million \$6.7 million, or 30% 29%, over the six nine months ended June 30, 2023 September 30, 2023. Gross margin was 84% for each of the six nine months ended June 30, 2024 September 30, 2024 and June 30, 2023 September 30, 2023.

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Research and development expenses

R&D expenses decreased \$0.9 million \$1.1 million, or 13% 11%, to \$5.8 million \$8.3 million for the six nine months ended June 30, 2024 September 30, 2024, compared to the six nine months ended June 30, 2023 September 30, 2023. This change was driven by a \$0.5 million \$0.7 million decrease in consulting expenses, a \$0.1 million decrease in travel expenses, a \$0.1 million decrease in non-cash stock-based compensation expense, and a \$0.1 million decrease in travel compensation expenses.

Selling, general and administrative expenses

SG&A expenses increased \$17.6 million \$23.6 million, or 55% 50%, to \$49.4 million \$71.1 million for the six nine months ended June 30, 2024 September 30, 2024, compared to the six nine months ended June 30, 2023 September 30, 2023. This change was primarily driven by a \$10.6 million an \$11.7 million increase in non-cash stock-based compensation expense, a \$4.6 million an \$8.2 million increase in compensation expenses, mainly as a result of increased headcount, a \$0.6 million \$1.2 million increase in advertising travel expenses, a \$0.5 million \$0.9 million increase in travel advertising expenses, and a \$0.5 million increase in consulting expenses. Approximately \$8.4 million of the increase in non-cash stock-based compensation expense is related to the modification of stock options held by the former CEO in connection with his retirement in the first

quarter of 2024 described in Note 7 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Interest expense

Interest expense increased ~~\$1.2 million~~ \$1.7 million for the ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024, compared to the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023. This increase was driven by the interest expense on ~~higher levels of~~ borrowings under the Loan Agreement entered into on October 31, 2022.

Other income, net

Other income, net increased ~~\$0.3 million~~ \$0.2 million for the ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024, compared to the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023. This increase was primarily driven by greater interest income on our interest-bearing accounts.

Provision for income taxes

Provision for income taxes was nominal for each of the ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024 and ~~June 30, 2023~~ September 30, 2023.

Liquidity, capital resources and plan of operations

We have incurred significant operating losses and negative cash flows from operations since our inception, and we anticipate that we will incur significant losses for at least the next several years. As of ~~June 30, 2024~~ September 30, 2024 and December 31, 2023, we had cash and cash equivalents of ~~\$70.4 million~~ \$100.2 million and \$90.6 million, respectively. For the three months ended ~~June 30, 2024~~ September 30, 2024 and 2023, our net losses were ~~\$14.0 million~~ \$13.1 million and ~~\$11.7 million~~ \$9.0 million, respectively. For the ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024 and 2023, our net losses were ~~\$36.2 million~~ \$49.3 million and ~~\$23.0 million~~ \$32.0 million, respectively. Our net cash used in operating activities for the ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024 and 2023 was ~~\$20.7 million~~ \$31.1 million and ~~\$23.1 million~~ \$31.2 million, respectively.

On October 31, 2022, we entered into the Loan Agreement under which we may borrow, subject to our achievement of certain milestones, up to a total of \$50.0 million in a series of Term Loans described in Note 4 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, and we borrowed \$7.5 million of such total on that date to fund our commercial and investment efforts. On March 10, 2023, we borrowed the \$7.5 million remaining under the first tranche of the Loan Agreement. On December 15, 2023, we borrowed \$15.0 million under the second tranche of the Loan Agreement. ~~On September 30, 2024, we borrowed the remaining \$20.0 million under the third and final tranche of the Loan Agreement. We had \$30.0 million \$50.0 million in outstanding Term Loans under the Loan Agreement as of June 30, 2024 September 30, 2024. The Loan Agreement provides for an additional tranche of up to \$20.0 million, based on the timing and other conditions set forth in the Loan Agreement.~~

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On November 4, 2022, we entered into an Equity Distribution Agreement with Piper Sandler & Co., as agent, under which we may offer and sell, from time to time at our sole discretion, shares of our common stock having an aggregate offering price of

up to \$50.0 million in an “at-the-market” or ATM offering, to or through the agent. In January 2024, we commenced this ATM offering and issued 23,364 2,382,139 shares of common stock for gross proceeds of \$0.6 million \$21.0 million under the ATM offering during the six nine months ended June 30, 2024 September 30, 2024. We have remaining capacity to issue and sell up to approximately \$49.4 \$29.0 million of additional shares of common stock under this ATM offering.

Our future liquidity and capital funding requirements will depend on numerous factors, including:

- our investment in our U.S. commercial infrastructure and sales forces;
- the degree and rate of market acceptance of Barostim and the ability for our customers to obtain appropriate levels of reimbursement;
- the costs of commercialization activities, including product sales, marketing, manufacturing and distribution;
- our R&D activities for product enhancements and to expand our indications;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- our need to implement additional infrastructure and internal systems;
- our ability to hire additional personnel to support our operations as a public company; and
- the emergence of competing technologies or other adverse market developments.

We believe that our existing cash resources and Loan Agreement for Term Loans together with revenue cash from operations will be sufficient to meet our forecasted requirements for operating liquidity, capital expenditures and debt services for at least the next three years. If these sources are insufficient to satisfy our liquidity requirements, or provide funding to execute or accelerate our growth strategies, however, we may seek to sell additional equity or enter into an additional loan agreement. If we raise additional funds by issuing equity securities, our stockholders would experience dilution. Additional debt financing, if available, may involve covenants further restricting our operations or our ability to incur additional debt. Any such debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders.

Additional financing may not be available at all or may only be available in amounts or on terms that we do not deem to be favorable. If we are unable to obtain additional financing when needed to satisfy our liquidity requirements, we may be required to delay the commercialization and marketing of Barostim.

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Cash flows

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

	Six months ended		Nine months ended	
	June 30,		September 30,	
	(unaudited)		(unaudited)	
(in thousands)	2024	2023	2024	2023
Net cash (used in) provided by:				
Operating activities	\$ (20,726)	\$ (23,057)	\$(31,136)	\$(31,182)

Investing activities	(1,272)	(383)	(1,309)	(422)
Financing activities	1,834	8,041	42,036	8,404
Effect of currency exchange on cash and cash equivalents	(5)	20	1	(1)
Net change in cash and cash equivalents	<u>\$ (20,169)</u>	<u>\$ (15,379)</u>	<u>\$ 9,592</u>	<u>\$(23,201)</u>

Cash used in operating activities

Net cash used in operating activities for the **six nine** months ended **June 30, 2024** **September 30, 2024** was **\$20.7 million** **\$31.1 million** and consisted primarily of a net loss of **\$36.2 million** **\$49.3 million**, partially offset by a non-cash charge of **\$13.7 million** **\$16.4 million** related to stock-based compensation expense and **an increase** **a change** in net operating assets of **\$1.4 million** **\$1.2 million**. Net operating assets consisted primarily of accounts receivable, inventory, prepaid expenses and other current assets, accounts payable and accrued expenses to support the growth of our operations.

Net cash used in operating activities for the **six nine** months ended **June 30, 2023** **September 30, 2023** was **\$23.1 million** **\$31.2 million** and consisted primarily of a net loss of **\$23.0 million** **\$32.0 million** and a **decrease** **change** in net operating assets of **\$3.5 million** **\$4.4 million**, partially offset by a non-cash charge of **\$3.2 million** **\$4.7 million** related to stock-based compensation expense. Net operating assets consisted primarily of accounts receivable, inventory, prepaid expenses and other current assets, accounts payable and accrued expenses to support the growth of our operations.

Cash used in investing activities:

Cash used in investing activities was \$1.3 million and \$0.4 million for the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, respectively, and consisted of purchases of property and equipment.

Cash provided by financing activities:

Net cash provided by financing activities for the **six nine** months ended **June 30, 2024** **September 30, 2024** was **\$1.8 million** **\$42.0 million** and consisted of **\$0.9 million** related to proceeds from the exercise of common stock options, **\$0.5 million** **\$20.2 million** related to proceeds from the issuance of common stock through the ATM offering, **\$20.0 million** related to proceeds under the Loan Agreement, **\$1.6 million** related to proceeds from the exercise of common stock options, and \$0.4 million related to proceeds from the **ESPP**, **ESPP**, partially offset by \$0.2 million related to debt financing costs.

Net cash provided by financing activities for the **six nine** months ended **June 30, 2023** **September 30, 2023** was **\$8.0 million** **\$8.4 million** and consisted of \$7.5 million related to **the** proceeds under the Loan Agreement, \$0.5 million related to proceeds from the ESPP, and **\$0.2 million** **\$0.5 million** related to proceeds from the exercise of common stock options, partially offset by \$0.1 million related to debt financing costs.

Contractual obligations and commitments

There have been no material changes to our contractual obligations as of **June 30, 2024** **September 30, 2024**, as compared to those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Critical accounting policies and estimates

For a discussion of our potential risks and uncertainties, see the information in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical accounting policies and

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estimates" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. We have reviewed and determined that those critical accounting policies and estimates remain our critical accounting policies and estimates as of and for the **six** **nine** months ended **June 30, 2024** **September 30, 2024**.

JOBS Act accounting election

The JOBS Act permits an "emerging growth company" such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have elected to use this extended transition period under the JOBS Act until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make comparison of our financials to those of other public companies more difficult.

Recent accounting pronouncements

A discussion of recent accounting pronouncements is included in Note 2 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest rate risk

The risk associated with fluctuating interest rates is primarily limited to our cash equivalents and debt issued under the Loan Agreement, which are carried at quoted market prices and the prime rate, respectively. We do not currently use or plan to use financial derivatives in our investment portfolio.

Foreign currency exchange rate risk

Portions of our revenue and operating expenses that are incurred outside the U.S. are denominated in foreign currencies and subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro. Additionally, fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our condensed consolidated statements of operations and comprehensive loss. To date, foreign currency transaction realized gains and losses have not been material to our condensed consolidated financial statements, and we have not

engaged in any foreign currency hedging transactions. As our international operations grow, we will continue to reassess our approach to managing the risks relating to fluctuations in currency rates.

Inflation risk

Inflationary factors, such as increases in our cost of goods sold and operating expenses, may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, a high rate of inflation in the future may have an adverse effect on our ability to maintain and increase our gross margin and selling and marketing and operating expenses as a percentage of our revenue if the selling prices of our products do not increase as much as or more than these increased costs.

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Credit risk

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, our cash and cash equivalents were maintained with financial institutions which we believe have sufficient assets and liquidity to conduct their operations in the ordinary course of business with little or no credit risk to us; however, our cash balances were in excess of insured limits.

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Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, refers to controls and other procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and our

management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our management, with the participation of our chief executive officer and our chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our chief executive officer and our chief financial officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, as of the end of the period covered by this Quarterly Report on Form 10-Q.

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended **June 30, 2024 September 30, 2024**, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not currently a party to any material legal proceedings.

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, see the information in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023. Other than the risk factors set forth below, there have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K.

If we fail to retain our key executives or recruit and hire new employees, our operations and financial results may be adversely affected while we attract other highly qualified personnel.

Our future success depends, in part, on our ability to continue to retain our executive officers and other key employees and recruit and hire new employees. All of our executive officers and other employees are at-will employees, and therefore may terminate employment with us at any time with no advance notice. In particular, we are highly dependent upon our management team, especially our President and Chief

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Executive Officer and the rest of our senior management. The replacement of key personnel involves significant time and costs, may significantly delay or prevent the achievement of our business objectives and may harm our business. In addition, we do not carry any "key person" insurance policies that could offset potential loss of service under applicable circumstances.

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Transitions in executive leadership can adversely affect relationships with our customers, suppliers, and employees, make it difficult to attract and retain talent, and disrupt execution of our strategy, sales growth, and our efforts to enhance our operations. Additionally, such transitions can require significant payments to recruit and attract qualified **payments employees** to join our company and may involve severance payments to certain departing employees. Changes in key management positions may temporarily affect our financial performance and results of operations as the new management becomes familiar with our business and establishes their team dynamic. For example, in February 2024, we appointed a new Chief Executive Officer who replaced our prior Chief Executive Officer, who had been in the role for 17 years. We experienced some disruption within the sales organization at the time of the Chief Executive Officer transition, which led to decreased productivity and higher salesforce turnover, as well as the termination of employment of our Senior Vice President of U.S. Sales. Since the beginning of the second quarter of fiscal 2024, we have hired new leaders for sales, medical affairs, clinical, reimbursement and human resources, completing the expansion of the executive team. Accordingly, our future financial performance will depend on our ability to attract, motivate, integrate and retain our senior management and employees.

In addition, many of our employees have become vested in a substantial amount of stock or number of stock options. Our employees may be more likely to leave us if the shares they own or the shares underlying their vested options have significantly appreciated in value relative to the original purchase prices of the shares or the exercise prices of the options, or if the exercise prices of the options that they hold are significantly below the market price of our common stock.

Although non-compete agreements are becoming more disfavored and, in some cases, banned, many executive officers and employees in the medical device industry are still subject to strict non-compete or confidentiality agreements with their employers. In addition, some of our existing and future employees are subject to confidentiality agreements with previous employers. Our competitors may allege breaches of and seek to enforce such non-compete agreements or initiate litigation based on such confidentiality agreements. Such litigation, whether or not meritorious, may impede our ability to attract or use executive officers and other key employees who have been employed by our competitors and may result in claims against us.

If third-party payors do not provide adequate coverage and reimbursement for the use of Barostim, our revenue will be negatively impacted.

Medicare reimbursement levels are important to increasing adoption of Barostim because nearly two-thirds of the target patient population for Barostim is over the age of 65. On January 1, 2024, Barostim was reassigned to New Technology APC 1580, which carries an average payment amount of \$45,000. In July 2024, CMS proposed OPPS rules for 2025, including moving Barostim procedures back to APC 5465, which would reduce the average payment amount for Barostim to \$31,000. We believe the data supports creation of a Level 6 Neurostimulator APC and will work with CMS with the goal of achieving this, or alternatively, leaving Barostim in New Technology APC 1580 for another year. **In August 2024, CMS reassigned the Barostim implant procedure for the inpatient setting as part of the IPPS final rule for CMS' Fiscal Year 2025, which took effect on October 1,**

2024. On that date, Barostim was reassigned to MS-DRG 276, which carries a national average payment of approximately \$43,000, a significant increase from the previous payment range of \$17,000-\$23,000, which is expected to facilitate increased access to the therapy for patients with heart failure. Additionally, the American Medical Association's CPT Editorial Panel approved new Category I codes for Barostim therapy, expected to take effect January 1, 2026. Any future decline in the amount Medicare is willing to reimburse our customers for procedures using Barostim could make it difficult for new customers to adopt Barostim and could create additional pricing pressure for us, which could adversely affect our ability to invest in and grow our business. From time to time, physicians and hospitals have in the past experienced, and others may experience, delays in Medicare reimbursement, which have delayed or may delay their willingness to schedule additional Barostim procedures.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

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Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Adoption, Modification or Termination of Rule 10b5-1 Plans and Certain Other Trading Arrangements

During the three months ended **June 30, 2024** **September 30, 2024**, none of our directors or officers adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Equity Award to Chief Executive Officer

The Compensation Committee of the Board of Directors reviewed the internal alignment of long-term incentives among the Company's senior management team. Based on this review, on July 31, 2024, the Committee granted a stock option to acquire 180,000 shares of the Company's common stock to Kevin Hykes, the Company's President and Chief Executive Officer. The stock option will have the same terms as the Company's regular annual grants for executive officers, including vesting (25% of the shares will vest on the first anniversary of the date of grant and 1/48th of the shares will vest each month thereafter).

Item 6. Exhibits

EXHIBIT INDEX

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of CVRx, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 7, 2024)
3.2	Amended and Restated By-Laws of CVRx, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on July 7, 2021)
31.1†	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2†	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1†	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2†	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
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

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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 in Inline XBRL and contained in Exhibit 101)

† Filed herewith.

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SIGNATURES

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

Date: August 2, 2024 November 1, 2024

CVRX, INC.

By: /s/ Kevin Hykes

Name: Kevin Hykes

Title: President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Jared Oasheim

Name: Jared Oasheim

Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

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CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Kevin Hykes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CVRx, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024 November 1, 2024

By: /s/ Kevin Hykes

Name: Kevin Hykes

Title: President and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Jared Oasheim, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CVRx, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024 November 1, 2024

By: /s/ Jared Oasheim
 Name: Jared Oasheim
 Title: Chief Financial Officer

**Certification of CEO Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of CVRx, Inc. (the "Company") on Form 10-Q for the period ended **June 30, 2024** **September 30, 2024** (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **August 2, 2024** **November 1, 2024**

By: /s/ Kevin Hykes
Name: Kevin Hykes
Title: President and Chief Executive Officer

**Certification of CFO Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of CVRx, Inc. (the "Company") on Form 10-Q for the period ended **June 30, 2024** **September 30, 2024** (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **August 2, 2024** **November 1, 2024**

By: /s/ Jared Oasheim
Name: Jared Oasheim
Title: Chief Financial Officer

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