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 30, 2026

or

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

Commission File Number: 001-43275

MOBIA MEDICAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-8573833**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

2802 Flintrock Trace, Suite 226
Austin, TX
(Address of principal executive offices)

78738
(Zip Code)

(855) 628-9375
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 par value per share	MOBI	The Nasdaq Stock Market LLC

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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 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 August 6, 2026, there were 33,291,096 shares of the registrant's common stock, par value $0.01 per share, outstanding.

Mobia Medical, Inc.

TABLE OF CONTENTS

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains forward-looking statements. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our expectations of future results of operations and financial condition, business strategy, solutions, technology, R&D costs, regulatory approvals, potential market opportunity, anticipated trends in our business, timing and likelihood of success, as well as plans and objectives of management for future operations, are forward-looking statements. These statements involve known and unknown risks, uncertainties, and other important factors that are in some cases beyond our control and may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements.

The words "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," or "would," or the negative of these terms or other similar expressions, are intended to identify forward-looking statements. Forward-looking statements contained in this Quarterly Report include, but are not limited to, statements about:

- the expected growth of our business and our organization;
- our ability to continue as a going concern;
- our ability to retain and recruit key personnel, including the continued development of a sales and marketing infrastructure;
- our expectations regarding the potential market size and size of the potential patient populations for treatment with our Vivistim Paired Vagus Nerve Stimulation System and any future products, if approved for commercial use;
- the expected use of our products by physicians and patients;
- our plans to conduct further clinical trials and patient registries;
- our plans and expected timeline related to our products, or developing new products, to address additional indications or otherwise;
- our ability to obtain, maintain and expand regulatory clearances for our products and any new products we create;
- our expected uses of the net proceeds from the initial public offering and our existing cash and cash equivalents;
- our expectations regarding government and third-party payer coverage and reimbursement;
- our ability to purchase sufficient quantities from manufacturers of our products with sufficient quality and at an acceptable price;
- our ability to obtain an adequate supply of materials and components for our products from our third-party suppliers;
- our ability to obtain, maintain and enforce intellectual property protection for our products;
- our ability to expand our business into new geographic markets;
- our compliance with extensive exchange requirements and government laws, rules, and regulations both in the United States and internationally;
- our estimates of our expenses, ongoing losses, future revenue, and capital requirements, as well as our need for, or ability to obtain, additional financing, and our future financial performance;
- our expectations regarding the time during which we will be an emerging growth company under the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act");
- our ability to identify and develop new and planned products or acquire new products;
- developments and projections relating to our competitors or our industry; and
- the sufficiency of our existing capital resources to fund our future operating expenses and capital expenditure requirements.

These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described in the section titled "Risk Factors" and elsewhere in this Quarterly Report and in other filings we make with the U.S. Securities and Exchange Commission (the "SEC") from time to time. Moreover, we operate in a competitive and rapidly changing environment.

New risks and uncertainties emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

Although we believe that the expectations reflected in our forward-looking statements are reasonable based on the information available to us when they are made, we cannot guarantee that the future results, advancements, discoveries, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and you are cautioned not to unduly rely upon these forward-looking statements. We undertake no obligation to update any forward-looking statements, which speak only as of the date they are made, for any reason after the date of this Quarterly Report.

PART I—FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

Mobia Medical, Inc.
Condensed Balance Sheets
(Unaudited)
(in thousands, except share and per share data)

	June 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 177,090	$ 33,587
Accounts receivable	5,664	4,435
Inventory	6,949	5,457
Deferred offering costs	—	935
Other current assets	2,446	1,943
Total current assets	192,149	46,357
Property and equipment, net	2,060	669
Right-of-use assets — operating leases	932	1,068
Other assets	143	55
Total assets	$ 195,284	$ 48,149
Liabilities, redeemable convertible preferred stock, and stockholders' equity (deficit)		
Current liabilities		
Accounts payable	$ 2,359	$ 2,223
Operating lease liabilities, current	358	358
Product warranty liability	1,263	844
Accrued payroll, commissions, and bonuses	4,997	4,854
Accrued offering costs	3,500	935
Accrued and other current liabilities	1,995	992
Total current liabilities	14,472	10,206
Warrant liabilities	134	865
Notes payable, net of discount and deferred financing costs	7,279	7,130
Operating lease liabilities, non-current	790	948
Total liabilities	22,675	19,149
Commitments and contingencies (Note 13)		
Redeemable convertible preferred issuable in series, stock, $0.01 par value, zero and 67,174,403 shares authorized as of June 30, 2026 and December 31, 2025, respectively; zero and 65,591,701 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively; aggregate liquidation value of $0 and $182,255 as of June 30, 2026 and December 31, 2025, respectively	—	179,773
Stockholders' equity (deficit)		
Common stock, $0.01 par value, 950,000,000 and 86,600,000 shares authorized as of June 30, 2026 and December 31, 2025, respectively; 33,286,108 and 884,030 shares outstanding as of June 30, 2026 and December 31, 2025, respectively	333	9
Additional paid-in capital	368,848	7,007
Accumulated deficit	(196,572)	(157,789)
Total stockholders' equity (deficit)	172,609	(150,773)
Total liabilities, redeemable convertible preferred stock, and stockholders' equity (deficit)	$ 195,284	$ 48,149

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

Mobia Medical, Inc.
Condensed Statements of Operations
(Unaudited)
(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	$ 13,505	$ 6,674	$ 25,579	$ 12,335
Cost of goods sold	2,267	1,184	4,400	2,199
Gross profit	**11,238**	**5,490**	**21,179**	**10,136**
Operating expenses				
Research and development costs	2,278	1,418	3,970	2,772
Selling, general and administrative expenses	26,886	14,532	52,072	28,128
Total operating expenses	**29,164**	**15,950**	**56,042**	**30,900**
Loss from operations	**(17,926)**	**(10,460)**	**(34,863)**	**(20,764)**
Other income (expense)				
Change in fair value of convertible notes payable	(4,142)	—	(4,870)	—
Interest expense	(254)	(241)	(611)	(480)
Other income (expense), net	1,281	213	1,563	104
Total other expense, net	**(3,115)**	**(28)**	**(3,918)**	**(376)**
Loss before provision for income tax	**(21,041)**	**(10,488)**	**(38,781)**	**(21,140)**
Provision for income tax	(2)	(2)	(2)	(3)
Net loss attributable to common stockholders	**$ (21,043)**	**$ (10,490)**	**$ (38,783)**	**$ (21,143)**
Net loss per share attributable to common stockholders				
Basic	**$ (1.10)**	**$ (12.44)**	**$ (3.86)**	**$ (25.41)**
Diluted	**$ (1.10)**	**$ (12.44)**	**$ (3.86)**	**$ (25.41)**
Weighted average shares used to compute net loss per share attributable to common stockholders				
Basic	**19,089,211**	**843,168**	**10,054,267**	**832,224**
Diluted	**19,089,211**	**843,168**	**10,054,267**	**832,224**

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

Mobia Medical, Inc.
Condensed Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)
(Unaudited)
(in thousands, except share and per share data)

For the three and six months ended June 30, 2026

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance, December 31, 2025	65,591,701	$ 179,773	884,030	$ 9	$ 7,007	$ (157,789)	$ (150,773)
Net loss	—	—	—	—	—	(17,740)	(17,740)
Exercise of common stock options	—	—	119,226	1	357	—	358
Share-based compensation	—	—	—	—	407	—	407
Balance, March 31, 2026	65,591,701	179,773	1,003,256	10	7,771	(175,529)	(167,748)
Net loss	—	—	—	—	—	(21,043)	(21,043)
Conversion of redeemable preferred stock to common stock	(65,591,701)	(179,773)	18,831,853	188	179,585	—	179,773
Conversion of convertible notes payable to common stock	—	—	3,333,324	33	44,837	—	44,870
Issuance of common stock upon exercise of warrants	—	—	64,499	1	967	—	968
Issuance of common stock upon initial public offering, net of underwriting discounts and commissions of $10,500 and offering costs of $5,499	—	—	10,000,000	100	133,901	—	134,001
Exercise of common stock options	—	—	53,176	1	180	—	181
Share-based compensation	—	—	—	—	1,607	—	1,607
Balance, June 30, 2026	—	$ —	33,286,108	$ 333	$ 368,848	$ (196,572)	$ 172,609

For the three and six months ended June 30, 2025

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance, December 31, 2024	40,892,855	$ 114,826	776,701	$ 8	$ 5,247	$ (111,291)	$ (106,036)
Net loss	—	—	—	—	—	(10,653)	(10,653)
Issuance of Series F redeemable convertible preferred stock, net of tranche liability of $626 and issuance costs of $264	11,351,970	28,985	—	—	—	—	—
Related Party Issuance of Series F redeemable convertible preferred stock, net of tranche liability of $55 and issuance costs of $23	997,453	2,547	—	—	—	—	—
Exercise of common stock options	—	—	65,105	1	210	—	211
Share-based compensation	—	—	—	—	201	—	201
Balance, March 31, 2025	53,242,278	146,358	841,806	9	5,658	(121,944)	(116,277)
Net loss	—	—	—	—	—	(10,490)	(10,490)
Exercise of common stock options	—	—	3,207	—	11	—	11
Share-based compensation	—	—	—	—	404	—	404
Balance, June 30, 2025	53,242,278	$ 146,358	845,013	$ 9	$ 6,073	$ (132,434)	$ (126,352)

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

Mobia Medical, Inc.
Condensed Statements of Cash Flows
(Unaudited)
(in thousands)

	Six Months Ended June 30,	
	2026	2025
Cash flows from operating activities		
Net loss	$ (38,783)	$ (21,143)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	191	63
Share-based compensation	2,014	605
Change in fair value of convertible notes payable	4,870	—
Change in fair value of warrant liabilities	(205)	263
Fair value adjustment of redeemable convertible preferred stock tranche liability	—	117
Amortization of debt discount and debt issuance costs	149	18
Changes in operating assets and liabilities		
Accounts receivable	(1,229)	(49)
Inventory	(1,493)	(1,076)
Other assets	(997)	104
Accounts payable	540	285
Accrued liabilities and other	1,545	91
Net cash used in operating activities	(33,398)	(20,722)
Cash flows from investing activities		
Purchases of property and equipment	(1,582)	(23)
Net cash used in investing activities	(1,582)	(23)
Cash flows from financing activities		
Exercise of common stock options	540	222
Proceeds from issuance of common stock in public offering, net	137,501	—
Proceeds from issuance of common stock in warrant exercise	442	—
Proceeds from issuance of convertible notes payable	14,102	—
Proceeds from the related party issuance of convertible notes payable	25,898	—
Proceeds from issuance of Series F redeemable convertible preferred stock, net of issuance costs	—	29,611
Proceeds from the related party issuance of Series F redeemable convertible preferred stock, net of issuance costs	—	2,602
Net cash provided by financing activities	178,483	32,435
Net change in cash and cash equivalents	143,503	11,690
Cash and cash equivalents, beginning of period	33,587	14,620
Cash and cash equivalents, end of period	$ 177,090	$ 26,310
Supplemental disclosures of cash flows information		
Cash paid for interest	$ 462	$ 462
Cash paid for taxes	$ —	$ 2
Unpaid accrued offering costs	$ 3,500	$ —

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

Note 1 – Description of Business

Mobia Medical, Inc. (the "Company") was incorporated in Delaware in March 2007. Effective February 23, 2026, the Company amended its certificate of incorporation to change its name from MicroTransponder, Inc. to Mobia Medical, Inc. The change was solely a corporate name change and had no impact on the Company's financial statements.

The Company develops, markets, and sells devices for the treatment of medical conditions. The first device brought to market, the Vivistim Paired VNS System ("Vivistim System"), received U.S. Food and Drug Administration premarket approval in 2021 and is intended to be used by chronic ischemic stroke survivors with moderate to severe upper extremity impairments to reduce upper extremity motor deficits and improve motor function. The Vivistim System was first brought to market in 2022, with the first commercial implant in May 2022, and commenced full commercial launch in 2023.

Initial Public Offering – In May 2026, the Company completed its initial public offering ("IPO") in which it sold 10,000,000 shares of its common stock at a public offering price of $15.00 per share. The Company received net proceeds of approximately $134.0 million, after deducting the underwriters' discounts and commissions, and estimated offering costs paid by the Company. Approximately $3.5 million of such offering costs remained unpaid as of June 30, 2026 and were included in Accrued offering costs on the balance sheet. In addition, immediately prior to the completion of the IPO, all the outstanding shares of the Company's redeemable convertible preferred stock were converted into an aggregate of 18,831,853 shares of common stock, and the Company's convertible promissory notes issued during the three months ended March 31, 2026 were converted into an aggregate of 3,333,324 shares of common stock.

Risks and Uncertainties – The Company's activities are subject to significant risks and uncertainties, including, but not limited to, failure to manage growth effectively, reliance on the success of the Vivistim System, new technological innovations, dependence upon third-party payers to provide adequate coverage and reimbursement to our customers, the absence of a national coverage determination or local coverage determinations applicable to its device administered by the Centers for Medicare and Medicaid Services (CMS), dependence on key personnel, dependence on key suppliers, protection of proprietary technology, product liability, and compliance with government regulations. The Company is also subject to risks relating to cybersecurity and the protection of confidential information and personal information, as well as risks relating to evolving regulatory requirements (including potential additional clinical evidence requirements) that could affect commercialization of existing or future products. These risks and uncertainties, as well as failure to secure additional funding, if needed, can adversely affect the Company's future financial results, financial position, and cash flow.

In addition, economic conditions in the United States, including any economic disruptions, inflationary, or supply chain pressures, may adversely impact the Company's future financial results. The Company uses contract manufacturers in Uruguay to supply key products. Political instability or the deterioration of trade relations, including implementation of new tariffs and trade restrictions, could adversely impact the Company's business.

Concentration of credit risk – The Company maintains its cash deposits with high credit quality financial institutions. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation insured limits; however, management does not believe it is exposed to any significant credit risk. All such accounts are monitored by management to mitigate risk and cash equivalents are invested in highly rated money market funds.

Supplier concentration risk – The Company depends on a small number of third-party contract manufacturers and suppliers, some of which are single source, to produce and package all elements comprising the Vivistim System as well as certain implantation tools. A failure by these suppliers and manufacturers to supply the Vivistim System or its components or subcomponents in sufficient quantities or at all, could adversely affect the Company's financial condition, results of operations, and cash flows.

Note 2 – Liquidity and Going Concern

These condensed unaudited interim financial statements were prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has incurred operating losses and negative cash flows from operations since its inception. For the six months ended June 30, 2026, the Company had a net loss of $38.8 million and had an accumulated deficit of $196.6 million as of June 30, 2026. Additionally, the Company has generated negative cash flows from operations for the six months ended June 30, 2026.

Since inception, the Company has financed its activities principally from the issuance of preferred stock, debt financing arrangements, revenue from sales of the Vivistim System and net proceeds from the IPO completed in May 2026. The Company believes that its operating losses and negative operating cash flows will continue into the foreseeable future. There can be no assurance that the Company's products will generate sufficient revenue for the Company to achieve profitable operations.

Based on its current operating plan, the Company expects to continue to incur significant expenditures to increase awareness and adoption of the Vivistim System, support research and development activities, including regulatory affairs and clinical studies, scale its commercial operations and infrastructure, and operate as a public company. In prior reporting periods, the Company concluded that recurring operating losses, negative cash flows from operations, and future expenditures raised substantial doubt about its ability to continue as a going concern. In May 2026, the Company completed its IPO and received net proceeds of approximately $134.0 million. As a result of the additional liquidity provided by the completed IPO, management concluded that the existing cash and cash equivalents are sufficient to fund its operations and meet its obligations for at least one year from the date these condensed unaudited interim financial statements are issued. Accordingly, management concluded that the conditions and events described above do not raise substantial doubt about the Company's ability to continue as a going concern.

If future revenue is not sufficient or if sufficient funds on acceptable terms are not available when needed, the Company may be required to curtail planned activities to significantly reduce its operating expenses. Failure to manage discretionary spending or raise additional financing, as needed, may have a material adverse effect on the Company's future viability and results of operations.

Note 3 – Summary of Significant Accounting and Reporting Policies

Basis of Presentation – The condensed unaudited interim financial statements do not include all disclosures, including certain notes required by accounting principles generally accepted in the United States of America ("GAAP") on an annual reporting basis. The condensed unaudited interim financial statements have been prepared on the same basis as the annual financial statements. In management's opinion, the condensed unaudited interim financial statements reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the condensed balance sheets, condensed statements of operations, condensed statements of redeemable convertible preferred stock and stockholders' deficit, and condensed statements of cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the full fiscal year or any future period. The condensed unaudited interim financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2025 included in the Company's prospectus dated May 7, 2026 filed pursuant to Rule 424(b)(4) with the U.S. Securities and Exchange Commission (the "SEC") on May 8, 2026.

The financial statements are presented in thousands, except for share and per share amounts. Certain prior period amounts presented in the Company's Registration Statement on Form S-1 have been rounded to the nearest thousand to conform to the current period's presentation. Accordingly, certain prior period figures may differ slightly from previously filed reports presented in whole dollars.

Reverse Stock Split – In connection with the IPO, on May 1, 2026 the Company effected a 1-for-3.483 reverse stock split of its issued and outstanding common stock. All references to common stock issued and outstanding, stock options, loss per share and per share amounts presented in the accompanying financial statements and notes thereto have been retroactively adjusted for all periods presented to reflect the reverse stock split. The per share par value, authorized numbers of shares of the Company's common stock and redeemable convertible preferred stock, issued and outstanding number of shares of redeemable convertible preferred stock, and redeemable convertible preferred stock warrants were not adjusted as a result of the reverse stock split. Instead, the conversion ratio was updated whereby each share of each series of Preferred Stock was convertible into shares of common stock on a 1-for-3.483 basis.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions include, but are not limited to, share-based compensation, valuations of common and preferred stock, valuation of warrant liabilities, product warranty liability, and the redeemable convertible preferred stock tranche liability. Actual results could differ from those estimates.

Emerging Growth Company Status – The Company is an emerging growth company ("EGC"), as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"), enacted in 2012. Under the JOBS Act, EGCs can delay adopting new or revised accounting standards issued after the enactment of the JOBS Act until those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an EGC or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act.

Segment Reporting – The Company operates and manages its business as a single reportable and operating segment. Operating segments are defined as components of an enterprise where separate financial information is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assess performance. The Company's CODM is the Chief Executive Officer. The CODM regularly reviews company-wide revenue, net loss, cost of goods sold, research and development costs, selling, general and administrative expenses, and cash and cash equivalents to assess performance, compare actual results with expectations, establish performance metrics, support the Company's budgeting and forecasting process, and make resource-allocation decisions. For additional segment reporting information, refer to Note 14.

Significant Accounting Policies – There have been no material changes to the Company's significant accounting policies as described in the Company's audited financial statements for the year ended December 31, 2025.

Deferred Offering Costs – Deferred offering costs consisted of legal fees incurred directly related to the Company's IPO. Upon completion of the IPO, these costs were recorded as a reduction of the offering proceeds included within additional paid-in capital. Unpaid offering costs as of June 30, 2026 were $3.5 million.

Inventory – Inventory costs are comprised primarily of finished goods and raw materials and include the acquisition costs of raw materials and components, in addition to direct labor and overhead. All inventory is stated at the lower of cost or net realizable value and is accounted for on a first in, first out (FIFO) basis.

The balance of inventory is as follows (in thousands):

	June 30, 2026	December 31, 2025
Raw materials	$ 630	$ 1,192
Finished goods	6,319	4,265
Total inventories	$ 6,949	$ 5,457

The Company performs an assessment of the recoverability of inventory during each reporting period, and, if applicable, writes down any excess and obsolete inventories to their estimated net realizable value in the period in which the impairment is first identified. The determination of whether inventory costs will be realizable requires estimates by management. If actual market conditions are less favorable than projected by management, additional write-downs of inventory may be required. There were no expenses recorded for excess inventory or other impairments for each of the three and six months ended June 30, 2026 and 2025.

Related Party Transactions – The Company's Chief Financial Officer held an indirect ownership interest in Exceller Hunt MicroTransponder 2017, LP ("Exceller Hunt") and the Curnes Fund 2001 ("Curnes Fund"), both of which are stockholders of the Company. Jordan Curnes, the Company's Co-founder and a former member of the Board of Directors, also held an indirect ownership interest in the Curnes Fund. Entities affiliated with U.S. Venture Partners and Osage University Partners are principal stockholders of the Company.

During the six months ended June 30, 2026, Exceller Hunt and the Curnes Fund participated in the Company's issuance of convertible promissory notes discussed in Note 6 and purchased approximately $4.0 million and $2.1 million of such notes, respectively. Entities affiliated with U.S. Venture Partners, GPG Healthcare Opportunities Fund, LLC, Osage University Partners, and Casey Tansey, a member of the Board of Directors, also participated in the Company's issuance of convertible promissory notes discussed in Note 6 and purchased approximately $3.8 million, $7.4 million, $6.6 million and $2.0 million of such notes, respectively. GPG Healthcare Opportunities Fund, LLC was a principal stockholder of the Company at the time of the financing. The convertible promissory notes were issued on the same terms and conditions as those offered to other investors in the financing. In connection with the Company's initial public offering in May 2026, the convertible promissory notes automatically converted into shares of the Company's common stock in accordance with their terms, and no principal amount of the notes remained outstanding as of June 30, 2026.

During the six months ended June 30, 2025, Exceller Hunt and the Curnes Fund acquired 569,973 and 427,480 shares of the Company's Series F redeemable convertible preferred stock, respectively, at a price of $2.6317 per share. Entities affiliated with U.S. Venture Partners, GPG Healthcare Opportunities Fund, LLC, and Osage University Partners also participated in the Company's Series E and Series F redeemable convertible preferred stock financings on the same terms and conditions as other investors.

Recently Issued Accounting Standards – On December 14, 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires enhanced income tax disclosures, including specific categories and disaggregation of information in the effective tax rate reconciliation, disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. This guidance is effective for annual periods beginning after December 15, 2024; however, as an EGC, the Company has elected to use the extended transition period for adopting new or revised accounting standards, and therefore the guidance will be effective for the Company for the year ended December 31, 2026. The adoption of ASU 2023-09 is expected to have a disclosure-only impact on the Company's financial statements for the year ended December 31, 2026. The Company is currently evaluating the impact of this pronouncement on the disclosures in its financial statements.

On November 4, 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires more detailed disclosures about specified categories of expenses (including employee compensation, depreciation, and amortization) included in certain expense captions presented on the face of the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The amendments may be applied either (i) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (ii) retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of this pronouncement on the disclosures in its financial statements.

On November 26, 2024, the FASB issued ASU 2024-04, Debt – Debt with Conversion and Other Options (Subtopic 470-20), which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion rather than as extinguishments of debt. The amendments may be applied on either a prospective or a

retrospective basis. This ASU is effective for fiscal years beginning after December 15, 2025, and interim periods within those annual reporting periods. The Company adopted ASU 2024-04 as of January 1, 2026, on a prospective basis and it did not have a material impact on its financial statements.

On December 8, 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270) Narrow-Scope Improvements, which is intended to improve the navigability of interim disclosures, clarifies when Topic 270 applies, and provides additional interim disclosure guidance, including a principle to disclose material events since the most recent annual reporting period. The amendments do not change the underlying objectives of interim reporting but are designed to enhance clarity in application. This ASU is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027; however, as an EGC, the Company has elected to use the extended transition period for adopting new or revised accounting standards, and therefore the guidance will be effective for the Company for interim periods within annual periods beginning after December 15, 2028. The Company is currently evaluating the impact of this pronouncement on its financial statements.

Note 4 – Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – This level consists of quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 – This level consists of directly or indirectly observable inputs as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data from actively quoted markets for substantially the full term of the financial instrument.

Level 3 – This level consists of unobservable inputs that are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

In determining the fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessments of fair value.

Fair Value of Liabilities – The following tables represent the Company's financial liabilities according to the fair value hierarchy, measured at fair value (in thousands):

June 30, 2026	Level 1	Level 2	Level 3	Total
Liabilities				
Warrant liabilities	$ —	$ —	$ 134	$ 134
Total liabilities, at fair value	$ —	$ —	$ 134	$ 134

December 31, 2025	Level 1	Level 2	Level 3	Total
Liabilities				
Warrant liabilities	$ —	$ —	$ 865	$ 865
Total liabilities, at fair value	$ —	$ —	$ 865	$ 865

The Company's warrant liabilities consisted of warrants issued in connection with certain preferred stock financings and warrants issued in connection with the Company's Loan and Security Agreement with Horizon Technology Finance Corporation ("Horizon"). The warrant liabilities were categorized within Level 3 of the fair value hierarchy because their valuation included significant inputs that were not observable in active markets. The classification of a financial instrument within the fair value hierarchy is based on the lowest-level input that is significant to the fair value measurement.

Prior to the IPO, the fair value of the warrant liability was estimated using the option-pricing model based on the Black-Scholes-Merton model with the following inputs:

	Preferred Warrants		
December 31, 2025	Series B	Series D	Series E2 and F
Strike price	$3.73744	$4.20700	$2.54430
Expected dividend yield	— %	— %	— %
Expected term (years)	7.0	7.4	8.0
Volatility	80%	80%	80%
Risk-free interest rate	3.445%	3.445%	3.445%

The Company estimated volatility based upon analysis of the historical volatility of peer public companies as well as factors specific to the Company, including, but not limited to, size, expected growth and relative risk. The expected life assumption was based on the remaining contractual terms of the warrants. The risk-free rate as of December 31, 2025 was based on the 1.5 year U.S. Treasury bond yield. The expected dividend yield used is zero, because the Company has no present intention to pay cash dividends.

Immediately prior to the IPO, the fair value of the warrant liability was estimated by multiplying the number of equivalent common shares by the difference between the common stock offering price and the exercise price. All of the redeemable convertible preferred stock warrants were exercised or expired upon the completion of the IPO.

As of June 30, 2026, the Company's warrant liability consisted solely of warrants issued in connection with the Loan and Security Agreement with Horizon Technology Finance Corporation (the "Horizon Warrants"). The fair value of the Horizon Warrants was estimated by multiplying the number of equivalent common shares by the difference between the Company's closing stock price and the exercise price.

Changes in the fair value of the warrant liabilities were recognized within Other income (expense), net in the condensed statements of operations.

In January and February 2026, the Company issued convertible promissory notes in an aggregate principal amount of $40.0 million (the "Convertible Notes"). The Company elected the fair value option under ASC 825 for the Convertible Notes. At issuance, the fair value of the Convertible Notes was determined based on the transaction price, which the Company concluded represented an orderly transaction between market participants. Prior to the Company's IPO, subsequent fair value measurements were determined using a scenario-based valuation model that incorporates probability-weighted outcomes across multiple potential scenarios, including an initial public offering, financing, change of control, maturity, and default. The model incorporated discounted cash flow techniques and option-pricing methodologies to reflect the embedded conversion features, and was calibrated to the transaction price at issuance and was updated at the pre-IPO measurement date. Significant unobservable inputs included discount rate (including a company-specific credit spread), equity volatility, and the probability and timing of potential liquidity events. Accordingly, the Convertible Notes are recurring Level 3 liabilities measured under the ASC 825 fair value option.

As of issuance, key assumptions included a discount rate of approximately 21.2%, equity volatility of approximately 85%, and expected term of 1.0 – 2.0 years. As of March 31, 2026, key assumptions included a discount rate of approximately 21.5%, equity volatility of approximately 80% and expected timing of liquidity events of 0.8 – 1.5 years. At issuance and as of March 31, 2026, the estimated probability of an initial public offering was 40% and a change of control was 20%.

The following table summarizes the change in the fair value of the Convertible Notes (in thousands):

	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026
Beginning balance	$ 40,728	$ —
Issuance of convertible notes payable	—	40,000
Change in fair value	4,142	4,870
Conversion of convertible notes payable to common stock	(44,870)	(44,870)
Ending balance	$ —	$ —

In May 2026, all of the Convertible Notes were converted into an aggregate of 3,333,324 shares of common stock upon the Company's IPO. Immediately prior to conversion, the Convertible Notes had an estimated fair value of $44.9 million. The estimated fair value reflected the $15.00 per share IPO price, adjusted for a 10.3% discount for lack of marketability associated with the 180-day contractual restriction on the shares issued upon conversion. The discount for lack of marketability was estimated using an option-pricing model that incorporated the contractual restriction period and expected equity volatility. No Convertible Notes remained outstanding as of June 30, 2026.

Note 5 – Product Warranties

The Company provides an assurance-type warranty that its products will conform to agreed-upon technical and quality specifications. The warranty provides for repair or replacement of products that fail to meet specifications or become unusable during this period, which generally ranges from one to two years, depending on the product.

The Company maintains a warranty reserve for implanted pulse generators ("IPGs") and leads and began recording a warranty liability in 2024 based on historical product replacement experience. A warranty liability is recorded at the time revenue is recognized for all periods presented and is separately presented as product warranty liability on the face of the balance sheets. The warranty reserve is estimated based on historical product replacement experience. The Company establishes product replacement rates separately for IPGs and leads using historical replacement data beginning with the first full period of commercial shipments. The replacement rate represents the average historical rate of product replacement and is applied to units sold during each reporting period to estimate expected warranty obligations.

In developing its replacement rate assumptions, the Company evaluates historical replacement patterns over the expected product life cycle. The warranty accrual is calculated quarterly. The Company evaluates and updates its replacement rate assumptions annually, or more frequently if actual experience or product performance trends indicate that revisions are necessary. A reconciliation of the changes in the product warranty liability is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Beginning balance	$ 1,029	$ 492	$ 844	$ 437
Accruals for warranties issued	358	152	686	285
Claims settled	(124)	(30)	(267)	(108)
Ending balance	$ 1,263	$ 614	$ 1,263	$ 614

Note 6 – Convertible Notes and Notes Payable

Convertible Notes

In January and February 2026, the Company issued Convertible Notes in an aggregate principal amount of $40.0 million (the "Convertible Notes"). The Convertible Notes were scheduled to mature two years from their respective issuance dates unless earlier converted or repaid. The Convertible Notes bore no interest during the first six months following issuance and thereafter provided for payment-in-kind ("PIK") interest at a rate of 7.0% per annum. In connection with the initial public offering, any accrued PIK interest was contractually waived immediately prior to conversion. The Convertible Notes provided for conversion upon the occurrence of specified events, including a qualified financing, non-qualified financing, change of control, or initial public offering.

The Company elected the fair value option under ASC 825 for the Convertible Notes in order to account for the Convertible Notes as a single unit of account, which reflects the combined effect of the debt host and the embedded features within the overall fair value measurement. Accordingly, the Convertible Notes were initially recorded at fair value and subsequently remeasured at fair value at each reporting date through the date of conversion, with changes in fair value recognized in the statement of operations within "Change in fair value of convertible notes payable." No portion of the change in fair value was attributed to instrument-specific credit risk. Because the Convertible Notes were accounted for under the fair value option, no separate interest expense was recognized.

Prior to conversion, the Convertible Notes are presented as a separate line item on the balance sheet titled "Convertible notes payable". At issuance, the Company determined that the transaction price represented the best evidence of fair value and recorded the Convertible Notes at the proceeds received. Immediately prior to the conversion in May 2026, the estimated fair value was $44.9 million. The estimated fair value reflected the $15.00 per share IPO price, adjusted for a 10.3% discount for lack of marketability associated with the 180-day contractual restriction applicable to the shares issued upon conversion. See Note 4 – *Fair Value Measurements* for the discussion on the methodology and assumptions used in assessing the fair value of the Convertible Notes.

Immediately prior to the completion of the Company's IPO in May 2026, all Convertible Notes were converted into an aggregate of 3,333,324 shares of common stock in accordance with their contractual terms. Following the conversion, no Convertible Notes remained outstanding as of June 30, 2026.

Notes

On December 29, 2023, the Company entered into a Loan and Security Agreement (the "Loan and Security Agreement") with Horizon Technology Finance Corporation. On June 1, 2024, Horizon Technology Finance Corporation assigned all of its right, title and interest in and to the loans outstanding under the Loan and Security Agreement and related warrants to Horizon Funding II, LLC, its wholly-owned subsidiary (together with Horizon Technology Finance Corporation, "Horizon"). The Loan and Security Agreement provides for term loans of up to an aggregate principal amount of $30.0 million, available in four equal tranches of $7.5 million. Each tranche comprises two equal loans of $3,750,000. As of June 30, 2026, the Company had $7.5 million in principal outstanding under the Loan and Security Agreement (the "Notes").

Borrowings under the Loan and Security Agreement accrue interest at an annual rate equal to the greater of (i) the Wall Street Journal (or any successor thereto) prime rate (subject to a floor of 8.50%) plus 3.75% and (ii) 12.25%. The Company is required to make monthly payments of interest through January 1, 2028, followed by amortizing principal and interest payments through the maturity date of January 1, 2029. The unpaid balance of principal and accrued interest is due at maturity. The borrowings are secured by substantially all of the Company's assets, excluding intellectual property.

In connection with the Company's draw down of the first tranche under the Loan and Security Agreement, the Company issued warrants to purchase such number of securities representing an aggregate of $262,500 to the lender. The warrants are exercisable at the election of the holder for (i) shares of Series E-2 redeemable convertible preferred stock at an exercise price of $2.5443 per share or, (ii) shares of Series F redeemable convertible preferred stock at an exercise price of $2.6317 per share, and expire ten years from the date of issuance. The warrants allow for settlement in shares and are transferable at the holder's discretion. The value of the warrants is capped at $2.5443 per share, a total of $262,500, but the number of shares is not limited. Immediately prior to the completion of the IPO, the warrants automatically converted into warrants to purchase 29,620 shares of common stock with an average exercise price of $8.8618 per share. As of June 30, 2026, these warrants remain outstanding.

As of June 30, 2026 and December 31, 2025, the carrying value of the borrowings under the Loan and Security Agreement was $7.3 million and $7.1 million, net of unamortized debt discount and deferred financing costs. The Company amortizes deferred financing costs associated with the Notes to interest expense over the term of the Notes. The amortization of debt discount was not material for each of the three months ended June 30, 2026 and 2025 and was $0.1 million and not material for the six months ended June 30, 2026 and 2025, respectively. The amortization of deferred financing costs was immaterial for each of the three months ended June 30, 2026 and 2025 and each of the six months ended June 30, 2026 and 2025.

There were no additional borrowings, repayments, or material modifications regarding the Loan and Security Agreement during the six months ended June 30, 2026. Total interest expense was $0.2 million for each of the three months ended June 30, 2026 and 2025 and was $0.5 million for each of the six months ended June 30, 2026 and 2025, respectively.

Note 7 – Leases

On March 7, 2023, the Company entered into a noncancellable operating lease for office space and warehouse space. The commencement date of this lease was July 1, 2023, with an end date of July 31, 2028. Leases for all prior years were month to month. The original lease contained a renewal option to extend the term for a period of five years. Because the Company was reasonably certain it would exercise its renewal option, the optional period was included in determining the lease term, and associated payments under these renewal options were included in lease payments. The Company's lease does not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contract include fixed payments plus variable payments. The Company's office space lease requires it to make variable payments for the Company's proportionate share of the building's property taxes, and common area operating expenses. These variable lease payments are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred.

On March 20, 2025 the Company entered into a modification of its existing operating lease. The modification extended the lease term to April 30, 2030, expanded the office space and revised the future lease payments. Although the modification grants the Company an additional right of use at a stand-alone price, the modification also changes the scope of the original lease by extending it two additional years while also removing the renewal option. As such, the modification has been accounted for as a single contract.

On August 8, 2025, the Company entered into an additional non-cancellable operating lease for office space. The commencement date of the lease was September 1, 2025, with an end date of August 31, 2028. Payments due under the lease contract include fixed payments plus variable payments. The Company's office space lease requires it to make variable payments for the Company's proportionate share of the building's property taxes, and common area operating expenses. These variable lease payments are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred in accordance with ASC 842.

Supplemental lease cost information is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease cost	$ 102	$ 30	$ 204	$ 55
Short-term lease cost	7	8	13	18
Variable lease cost	22	11	38	22
Total lease cost	$ 131	$ 49	$ 255	$ 95

The following table presents the lease balances within the balance sheet (in thousands):

	June 30, 2026	December 31, 2025
Operating Leases:		
Right-of-use asset	$ 932	$ 1,068
Operating lease liabilities, current	$ 358	$ 358
Operating lease liabilities, non-current	790	948
Total operating lease liabilities	$ 1,148	$ 1,306

The following table presents undiscounted future minimum lease payments as of June 30, 2026, which reconcile to the total lease liability as follows (in thousands):

Years Ending December 31	
2026, remaining months	$ 229
2027	467
2028	387
2029	206
2030	70
Total undiscounted future minimum lease payments	1,359
Less: Amounts representing interest	(211)
Total lease liabilities	$ 1,148

The weighted average lease terms and discount rates are as follows:

Operating Lease Term and Discount Rate	**June 30, 2026**	**December 31, 2025**
Weighted-average remaining lease term	3.05 years	3.54 years
Weighted-average discount rate	10.82%	10.82%

Supplemental cash flow information related to leases was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
Cash paid for amounts included in the measurement of lease liabilities:	**2026**	**2025**	**2026**	**2025**
Operating cash flow from operating leases	$ 113	$ 26	$ 225	$ 51

Note 8 – Income Taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes*. The income tax provision for interim periods is determined using an estimate of the Company's annual effective tax rate, adjusted for discrete items recognized in the period. The Company had an effective tax rate of 0% for each of the three and six months ended June 30, 2026 and 2025. The Company continues to incur operating losses.

For periods ended June 30, 2026 and 2025, the Company continued to maintain a full valuation allowance against its deferred tax assets as management believes it is more likely than not that these assets will not be realized based on the Company's history of operating losses. The Company's tax provision for interim periods primarily reflects state income taxes and other minimum taxes.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted, introducing various federal tax changes, including extensions of certain 2017 Tax Cuts and Jobs Act ("TCJA") provisions and updates to individual and business tax rules. Management evaluated the provisions applicable to the Company and determined that OBBBA did not have a significant impact on the Company's condensed unaudited interim financial statements for the three and six months ended June 30, 2026.

Note 9 – Redeemable Convertible Preferred Stock

Prior to the Company's IPO, the Company had issued Series A redeemable convertible preferred stock ("Series A"), Series B redeemable convertible preferred stock ("Series B"), Series C redeemable convertible preferred stock ("Series C"), Series D redeemable convertible preferred stock ("Series D"), Series E-1 redeemable convertible preferred stock ("Series E-1"), Series E-2 redeemable convertible preferred stock ("Series E-2"), and Series F redeemable convertible preferred stock ("Series F"), collectively the ("Preferred Stock").

In March 2025, the Company entered into a Series F preferred stock purchase agreement (the "Series F Agreement") pursuant to which the Company issued 12,349,423 shares of Series F redeemable convertible preferred stock at a price of $2.6317 per share for gross cash proceeds of $32,499,977. The Series F Agreement also required the Company to issue, and the investors to purchase, an additional 12,349,423 shares of Series F redeemable convertible preferred stock at the same price per share on or around October 15, 2025 for additional gross cash proceeds of $32,499,977 (the "Series F preferred stock tranche obligation").

The Company classified the Series F preferred stock tranche obligation as a liability on its balance sheets as it represents a freestanding financial instrument that may require the Company to transfer assets to settle its obligation (upon events that are outside of its control). The Series F preferred stock tranche obligation was initially recorded at fair value upon the date of issuance and was subsequently remeasured to fair value at each reporting date until settlement. Changes in the fair value of the Series F preferred stock tranche obligation were recognized as a component of other income, net in the statements of operations.

The Series F preferred stock tranche obligation had an initial fair value of $680,600. As a result of the initial issuance of Series F in March 2025, 12,349,423 shares of Series F were recorded at their fair value of $31,532,110, net of issuance costs of $287,267. The Series F preferred stock tranche obligation was subsequently remeasured to a fair value of $797,908 as of June 30, 2025, and $915,216 as of September 30, 2025, with changes in fair value of $117,308 for the three months ended June 30, 2025 and $117,308 for the three months ended September 30, 2025 recognized as a component of other income, net in the statements of operations.

The Series F preferred stock tranche obligation was settled in October 2025, with the issuance of 12,349,423 shares of Series F at a price of $2.6317 per share for gross cash proceeds of $32,499,977. The fair value of the Series F preferred stock tranche obligation at settlement was $915,216. As a result of the October 2025 issuance of Series F, as well as the settlement of the Series F preferred stock obligation, 12,349,423 shares of Series F were recorded at their fair value of $33,415,193. Issuance costs related to the October 2025 Series F issuance were immaterial.

Immediately prior to the completion of the Company's IPO in May 2026, all the outstanding shares of Preferred Stock automatically converted into an aggregate of 18,831,853 shares of common stock in accordance with their terms, and all related liquidation preferences and other preferential rights terminated. Following the conversion, no shares of Preferred Stock remained outstanding as of June 30, 2026.

As of December 31, 2025, Preferred Stock consists of the following (in thousands, except for share and per share amounts):

	December 31, 2025				
	Number of Shares Authorized	Number of Shares Issued and Outstanding	Original Issue Price	Carrying Value	Liquidation Value
Series A	1,401,000	1,401,000	$ 1.91259	$ 2,694	$ 3,215
Series B	4,229,000	3,321,000	3.73744	10,849	14,894
Series C	1,362,000	1,362,000	4.20700	5,744	5,730
Series D	5,127,000	4,865,000	4.20700	19,989	20,467
Series E-1	6,361,753	6,361,753	2.03540	15,841	12,949
Series E-2	23,994,804	23,582,102	2.54430	59,709	60,000
Series F	24,698,846	24,698,846	2.63170	64,947	65,000
Total	67,174,403	65,591,701		$ 179,773	$ 182,255

Dividends

In the event dividends are declared by the Board of Directors on the common stock (except dividends on common stock payable in additional shares of common stock), the holders of the Preferred Stock shall be entitled to receive a dividend per share on the Preferred Stock, as applicable, pro rata with the shares of common stock, as if such shares of Preferred Stock had been converted to shares of common stock, assuming for this purpose only that shares of redeemable convertible preferred stock are convertible into fractional shares, at the record date for the determination of stockholders entitled to such dividends. The right to receive dividends on shares of redeemable convertible preferred stock is non-cumulative, and no right to such dividends accrues to holders of redeemable convertible preferred stock by reason of the fact that dividends on such shares are not declared or paid in any years. No dividends have been declared or paid as of the Company's IPO date or December 31, 2025.

Redeemable Convertible Preferred Stock Warrants

As of December 31, 2025, the Company had 908,000 warrants for Series B redeemable convertible preferred stock ("Series B Preferred Warrants") outstanding. These warrants were issued during 2012 and 2013 in connection with the issuances of Series B redeemable convertible preferred stock. In addition, as of December 31, 2025, the Company had 258,000 warrants for Series D redeemable convertible preferred stock ("Series D Preferred Warrants") outstanding.

In connection with the Company's IPO in May 2026, certain outstanding redeemable convertible preferred stock warrants were exercised in accordance with their terms, and all remaining redeemable convertible preferred stock warrants expired. Accordingly no warrants to purchase redeemable convertible preferred stock remained outstanding as of June 30, 2026.

Note 10 – Common Stock

In March 2025, the Company amended and restated the Company's Certificate of Incorporation to increase the number of authorized shares of common stock to 86,600,000 shares at $0.01 per share. In May 2026, the Company amended and restated its Certificate of Incorporation to increase the number of authorized shares of common stock to 950,000,000 shares at $0.01 per share.

Note 11 – Share-Based Compensation

In April 2026, the Board of Directors approved the Company's 2026 Incentive Award Plan (the "2026 Plan") and 2026 Employee Stock Purchase Plan (the "2026 ESPP"). The stockholders of the Company approved the 2026 Plan and the 2026 ESPP in May 2026. Both plans became effective in connection with the Company's IPO. The 2026 Plan provides for the grant of equity-based awards and authorizes an initial share reserve of 6,440,000 shares, as well as annual increases in the number of shares available for issuance thereunder. The 2026 ESPP provides eligible employees with the opportunity to purchase shares of the Company's common stock and includes an initial share reserve of 460,000 shares and annual increases based on a percentage of outstanding shares.

On December 15, 2022, the Board of Directors approved the Company's 2022 Equity Incentive Plan (the "2022 Plan") providing for the grants of non-qualified stock options, incentive stock options and other stock-based awards up to an aggregate of 7,575,181 shares of common stock, $0.01 par value per share. This consisted of the available reserve from the 2007 Equity Incentive Plan (the "2007 Plan") plus all returned shares. The 2022 Plan serves as the successor to and continuation of the 2007 Plan, and all options that were granted under the 2007 Plan (unless forfeited, exercised or expired) remained outstanding as of December 31, 2022. Awards issued under the 2007 Plan remain subject to the terms of the 2007 Plan, and unissued authorized 2007 shares became available under the 2022 Plan. No issued 2007 Plan awards were converted. The 2007 Plan contained an antidilution provision. Following a 1,000-for-1 common stock split in June 2022, the number of option shares for prior periods was retrospectively adjusted to reflect the split. No other terms of these existing awards were changed except for the number of option shares and the exercise price to reflect the stock split. Because the modification did not result in incremental fair value under ASC 718, no additional compensation expense was recognized in 2022.

Under the 2022 Plan, stock options generally vest and become exercisable in respect of 25% of the total number of Shares initially subject to the Options on the first anniversary of the Vesting Commencement Date, and in respect of 1/48th of the total

number of Shares initially subject to the Option on each monthly anniversary of the Vesting Commencement Date thereafter, so that 100% of the Shares subject to the Option shall be vested on the fourth anniversary of the Vesting Commencement Date, in each case, subject to the Optionee remaining as a Service Provider (as defined in the Plan) through the applicable vesting date. Certain awards may vest immediately upon grant or may be subject to performance-based vesting conditions, as determined by the Board of Directors. During the year ended 2025, the Company granted two executive awards that include performance-based vesting conditions. Share-based compensation expense related to these awards was not material for the periods presented. The Board of Directors administers the 2022 Plan and determines the exercise prices of options based on the fair value of the Company's common stock on the grant date. In certain instances, options have been granted with exercise prices in excess of fair market value at the date of grant.

All share and per-share amounts presented in the note have been retrospectively adjusted to reflect the Company's 1-for-3.483 reverse stock split effected on May 1, 2026.

The fair market value of stock options was estimated using the Black-Scholes valuation model. Because the Company has limited trading history as a public company, expected volatility is estimated using the historical volatility of a group of comparable publicly traded companies over a period of time equal to the expected life of the options. The Company uses the simplified method to calculate the expected term and contractual terms. Under the simplified method, the expected life is equal to the average of the share-based award's weighted average vesting period and its contractual term. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. There were no expected dividends. The following assumptions were used in estimating the fair value of option grants issued:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Expected term (years)	5.6 — 6.1	4.9 — 6.1	5.6 — 6.1	3.3 — 6.1
Volatility	58.6% — 58.9%	51.5% — 52.0%	58.6% — 81.9%	51.5% — 52.9%
Risk-free interest rate	4.1% — 4.2%	3.8% — 4.0%	4.0% — 4.2%	3.8% — 4.2%
Dividend yield	—	—	—	—

The following assumptions were used to estimate the fair value of common stock to be purchased under the 2026 Employee Stock Purchase Plan (ESPP) in 2026:

	Three Months Ended June 30,	Six Months Ended June 30,
	2026	2026
Expected term (years)	0.5	0.5
Volatility	53.4%	53.4%
Risk-free interest rate	3.7%	3.7%
Dividend yield	—	—

Stock options — A summary of stock options activity under the 2007, 2022, and 2026 Plans is presented below (in thousands, except for share and per share amounts):

	Options Outstanding			
	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2025	4,046,266	$ 3.51	7.90	$ 1,611
Options Granted	3,396,740	$ 13.83		
Options Exercised	(172,402)	$ 3.14		
Options Forfeited, Cancelled, or Expired	(98,129)	$ 4.78		
Outstanding as of June 30, 2026	7,172,475	$ 8.41	8.73	$ 40,124
Vested and exercisable at June 30, 2026	2,014,642	$ 3.39	6.35	$ 20,159

The following table summarizes information about stock options outstanding as of June 30, 2026:

	Options Outstanding			Options Vested	
Exercise Price	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Number of Shares	Weighted Average Exercise Price
$1.40	22,969	$1.40	3.35	22,969	$1.40
$2.66	61,727	$2.66	4.20	61,727	$2.66
$2.79	84,409	$2.79	2.53	84,409	$2.79
$2.88	43,066	$2.88	4.83	43,066	$2.88
$3.24	240,178	$3.24	7.98	124,573	$3.24
$3.38	1,181,973	$3.38	6.54	1,108,237	$3.38
$3.42	31,812	$3.42	7.27	21,583	$3.42
$3.73	1,498,215	$3.73	8.64	511,124	$3.73
$3.94	522,702	$3.94	9.32	—	$3.94
$4.11	99,604	$4.11	8.75	36,954	$4.11
$7.91	524,180	$7.91	9.73	—	$7.91
$13.50	182,800	$13.50	9.93	—	$13.50
$15.00	2,678,840	$15.00	9.86	—	$15.00
$1.40 — $15.00	7,172,475	$8.41	8.73	2,014,642	$3.39

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying stock options and the fair value of the Company's common stock for stock options that were in-the-money at period end. The aggregate intrinsic value of all options exercised was $0.4 million and less than $10,000 for the three months ended June 30, 2026 and 2025, respectively, and was $1.0 million and $35,000 for the six months ended June 30, 2026 and 2025, respectively. The total fair value of options vested was $0.3 million and $0.2 million for the three months ended June 30, 2026 and 2025, respectively, and $0.8 million and $0.4 million for the six months ended June 30, 2026 and 2025, respectively. The options granted had a weighted average grant date fair value of $8.75 per share and $1.95 per share for the three months ended June 30, 2026 and 2025, respectively, and $8.28 per share and $1.95 per share for the six months ended June 30, 2026 and 2025, respectively. The options forfeited had a weighted average grant date fair value of $4.29 per share and $1.74 per share for the three months ended June 30, 2026 and 2025, respectively, and $2.65 per share and $1.74 per share for the six months ended June 30, 2026 and 2025, respectively. The total compensation cost related to non-vested stock options to be recognized in the future as of June 30, 2026, was $32.6 million over a weighted-average period of approximately 3.5 years.

Restricted stock units — A summary of officer, employee, and non-employee restricted stock units granted and outstanding, under the 2026 Plan is presented below (in thousands, except for share and per share amounts):

	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding as of December 31, 2025	—	—	—
Restricted Stock Units Granted	181,560	$ 15.00	
Restricted Stock Units Forfeited, Cancelled, or Expired	(2,000)	$ 15.00	
Outstanding as of June 30, 2026	179,560	$ 15.00	$ 2,406
Expected to vest as of June 30, 2026	179,560	$ 15.00	$ 2,406

Share-based compensation expense recognized in the condensed statements of operations was classified as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Research and development costs	$ 210	$ —	$ 278	$ —
Selling, general and administrative expenses	1,397	404	1,736	605
Total share-based compensation expense	$ 1,607	$ 404	$ 2,014	$ 605

Share-based compensation expense by award type was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Stock options	$ 1,417	$ 404	$ 1,824	$ 605
Restricted stock units	98	—	98	—
Employee stock purchase plan	92	—	92	—
Total share-based compensation expense	$ 1,607	$ 404	$ 2,014	$ 605

Note 12 – Net Loss Per Share

Net loss per share is calculated by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is calculated similarly but includes potential dilution from the exercise of stock options and stock awards and conversion of redeemable convertible preferred stock, except when the effect would be anti-dilutive.

The following is a reconciliation of the numerators and denominators of the basic and diluted net loss per share computations for the periods presented (in thousands, except for share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net loss attributable to common stockholders	$ (21,043)	$ (10,490)	$ (38,783)	$ (21,143)
Share (denominator):				
Weighted average number of common shares outstanding used in basic computation	19,089,211	843,168	10,054,267	832,224
Weighted average number of common shares outstanding used in diluted computation	19,089,211	843,168	10,054,267	832,224
Net loss per share attributable to common stockholders				
Basic	$ (1.10)	$ (12.44)	$ (3.86)	$ (25.41)
Diluted	$ (1.10)	$ (12.44)	$ (3.86)	$ (25.41)

The following table summarizes the as-converted securities that were excluded from the diluted net loss per share calculation because the effect of including these potential shares would have been anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Series A redeemable convertible preferred stock	—	402,239	—	402,239
Series B redeemable convertible preferred stock	—	953,488	—	953,488
Series C redeemable convertible preferred stock	—	391,042	—	391,042
Series D redeemable convertible preferred stock	—	1,396,784	—	1,396,784
Series E redeemable convertible preferred stock	—	8,597,145	—	8,597,145
Series F redeemable convertible preferred stock	—	3,545,628	—	3,545,628
Redeemable convertible preferred stock warrants	—	364,390	—	364,390
Common stock warrants	29,620	—	29,620	—
Convertible notes payable	—	—	—	—
Common shares issuable upon the exercise of stock options	7,172,475	3,214,847	7,172,475	3,214,847
Common shares issuable upon the release of restricted stock units	179,560	—	179,560	—
Potentially dilutive securities	7,381,655	18,865,563	7,381,655	18,865,563

In connection with the IPO, on May 1, 2026, the Company effected a 1-for-3.483 reverse stock split. All share and per share amounts for all periods presented have been retroactively adjusted to reflect this reverse stock split.

Note 13 – Commitments and Contingencies

From time to time, the Company may become a party to claims, legal actions, and complaints arising in the ordinary course of business. Management is not aware of any such matters which would have a material effect on its financial position, results of operations, or cash flows. The Company relies on third-party manufacturers for the production of its IPGs and stimulation leads. Certain of these arrangements include non-cancelable purchase commitments and binding forecast obligations. The Company issues purchase orders based on production requirements, which are generally non-cancelable once accepted by the supplier. As of June 30, 2026, the Company had outstanding non-cancelable purchase orders totaling approximately $9.3 million, which are expected to be fulfilled in the next twelve months. As of December 31, 2025, the Company had outstanding non-cancelable purchase orders totaling approximately $7.1 million, which are expected to be fulfilled during 2026.

During September 2024, the Company entered into an updated IPG supply agreement that expanded the scope of its supply arrangements with the third-party manufacturer. The agreement includes minimum annual purchase commitments over a five-year period commencing upon the first commercial shipment of product under the agreement. The first commercial shipment is currently expected to occur in 2028. The agreement also requires the Company to provide rolling twelve-month forecasts, portions of which

may become binding. As of June 30, 2026, no binding forecast commitments had been established under this agreement. The aggregate minimum purchase obligation over the five-year commitment period totals approximately $5.8 million.

Note 14 – Segment Information

The Company operates as a single operating and reportable segment focused on the development and commercialization of the Vivistim System. The Company's chief executive officer serves as its chief operating decision maker ("CODM"). The Company's measure of segment profit or loss is net loss, which is used by the CODM to measure actual results versus expectations, set performance metrics, and during the Company's budgeting and forecasting process to assess segment performance and make decisions regarding the allocation of resources. Significant segment expenses within net loss include cost of goods sold, research and development, and selling, general and administrative expenses. The only segment asset regularly reviewed by the CODM is cash and cash equivalents, which is reported on the balance sheets. No individual customer accounted for more than 10% of the Company's revenue for any of the three and six months ended June 30, 2026 and 2025, respectively.

The following table presents segment revenue and significant segment expense categories regularly provided to the CODM for purposes of managing the Company's single operating and reportable segment. Segment revenue and net loss are consistent with the statements of operations (in thousands).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	$ 13,505	$ 6,674	$ 25,579	$ 12,335
Less:				
Cost of goods sold	2,267	1,184	4,400	2,199
Research and development costs	2,278	1,418	3,970	2,772
Selling, general and administrative expenses [1]	26,886	14,532	52,072	28,128
Other segment items [2]	3,117	30	3,920	379
Net loss	$ (21,043)	$ (10,490)	$ (38,783)	$ (21,143)

(1) Selling, general and administrative expenses include depreciation and amortization expense of $0.1 million and $32,000 for the three months ended June 30, 2026 and 2025, respectively and $0.2 million and $0.1 million for six months ended June 30, 2026 and 2025.

(2) Other segment items represent the net effect of the change in fair value of convertible notes payable, interest expense, other income, net, and provision for income taxes, as shown on the statements of operations.

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

You should read the following management's discussion and analysis of our financial condition and results of operations in conjunction with our condensed unaudited interim financial statements (the condensed financial statements) and notes thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q and with our audited financial statements and notes thereto for the year ended December 31, 2025, included in our prospectus dated May 7, 2026, filed with the U.S. Securities and Exchange Commission (the "SEC") pursuant to Rule 424(b)(4) under the Securities Act of 1933, as amended on May 8, 2026.

Overview

We are a commercial-stage medical device company redefining stroke recovery for survivors living with life-altering motor impairments. Our Vivistim Paired Vagus Nerve Stimulation (Paired VNS) System is the first and only clinically-validated, FDA-approved solution for chronic ischemic stroke survivors with moderate to severe upper extremity impairments. Stroke is one of the leading causes of long-term disability in the United States. While advancements in acute stroke care over the past decade have significantly reduced mortality, innovation for chronic stroke recovery has lagged, resulting in a growing number of stroke survivors living with meaningful impairments. Our breakthrough Vivistim Paired VNS System (Vivistim System) addresses this unmet need. The Vivistim System includes an implanted pulse generator and lead that deliver stimulation to the vagus nerve when activated. During treatment (Vivistim Therapy), intentional bursts of stimulation are delivered during functional movement to increase neuroplasticity and durably restore motor function. Clinical data have demonstrated that Vivistim Therapy delivers meaningful improvements in upper limb function, which can help stroke survivors regain critical capabilities and independence and restore quality of life, regardless of the time elapsed since the patient's stroke. In July 2026, two-year follow-up data from the VNS-REHAB pivotal trial were published in *Neurology*. The publication reported that improvements observed following Vivistim Therapy in upper-limb motor impairment and function and certain patient-reported measures were sustained for at least two years. We believe we are setting a new standard of care in chronic stroke recovery, facilitating a new treatment pathway for chronic ischemic stroke survivors with moderate to severe upper extremity impairments.

Chronic stroke recovery presents a significant market opportunity. According to the American Heart Association (AHA), approximately 87% of the strokes in the United States are ischemic. This equates to approximately 9 million ischemic stroke survivors in the United States, of which we estimate that more than 4 million are chronic ischemic stroke survivors living with moderate to severe upper extremity impairment. This population falls within the current on-label indication for the Vivistim System. We believe that an initial market opportunity comprises approximately 1 million of those survivors that demonstrate the requisite overall health, cognition and motivation to participate in therapy and have received some amount of post-stroke therapy, which we estimate represents an initial market opportunity of over $30 billion based on the average selling price of the Vivistim System. Vivistim Therapy is effective for recent stroke survivors as well as patients who initiate treatment many years post-stroke. Based on a report published by the AHA in 2025, we estimate that each year approximately 200,000 new stroke survivors in the United States meet our indication for use, with 50,000 of these survivors representative of our initial market opportunity.

Our commercial strategy is designed to encourage Vivistim Therapy adoption at stroke centers and therapy sites through a coordinated, evidence-based approach. We sell the Vivistim System to customers, primarily stroke hospitals, in the United States, and our commercial organization is responsible for driving adoption of the Vivistim System through customer outreach, education, and relationship management activities. Our team includes Territory Managers (TMs), who support initial customer onboarding efforts at stroke centers and maintain commercial relationships with physicians and administrators, and Therapy Development Specialists (TDSs), who focus on outreach to therapy sites and provide general educational information regarding the clinical use of the Vivistim System. These activities are intended to facilitate customer adoption and utilization of the Vivistim System. Our commercial efforts are currently focused on primary and comprehensive stroke centers, which are hospitals that have cross-functional teams with the capabilities to treat acute stroke at the highest level of care and in compliance with AHA guidelines. These centers see significant volumes of acute stroke patients and are typically surrounded by a network of therapy sites with neurorehabilitation capabilities, providing the infrastructure necessary for efficient implementation of Vivistim Therapy. We work with these stroke centers to establish Vivistim Therapy as a treatment option for stroke survivors. Over time, we believe these centers will naturally integrate Vivistim Therapy into standard care pathways for stroke survivors upon discharge and establish self-sustaining care programs that use

Vivistim Therapy. According to data from the stroke center accreditation organizations, there were approximately 1,500 primary and comprehensive stroke centers in the United States as of December 2025. In addition, according to stroke claims data, approximately 70% of acute strokes in the United States are seen at 900 hospitals.

We rely on third-party contract manufacturers to manufacture the Vivistim System and accessories. We believe this strategy provides the expertise and capacity required to effectively and efficiently scale production based on demand, and helps to reduce our need for capital investment and reduce operational expenses.

To date, our primary sources of capital have been private placements of preferred stock, debt financing arrangements, revenue from sales of our Vivistim System and net proceeds from our initial public offering in May 2026 (the "IPO"). For the six months ended June 30, 2026, we generated revenue of $25.6 million, with a gross margin of 82.8%, and had a net loss of $38.8 million, compared to revenue of $12.3 million, with a gross margin of 82.2%, and a net loss of $21.1 million for the six months ended June 30, 2025. As of June 30, 2026, we had cash and cash equivalents of $177.1 million and an accumulated deficit of approximately $196.6 million. In May 2026, we completed our IPO and received net proceeds of approximately $134.0 million.

Key Factors and Trends Affecting our Business

We believe that our performance, results of operations and future success depend on several factors, including:

- ***Market development and awareness of Vivistim Therapy.*** Our mission is to redefine stroke recovery for survivors living with life-altering functional impairments by establishing Vivistim Therapy as the standard of care for chronic stroke recovery. As there are currently very limited options to support chronic stroke recovery, we are focused on developing this new market and driving awareness of Vivistim Therapy as a potential treatment option for stroke survivors. To accomplish this, we intend to continue to educate healthcare providers on the capabilities and benefits of Vivistim Therapy, work closely with hospitals to incorporate Vivistim Therapy as a treatment option, and activate care programs that use Vivistim Therapy at stroke centers and therapy sites. In addition, we intend to continue to expand our clinical evidence to support a robust cadence of publications regarding the benefits of Vivistim Therapy. We believe these efforts will support the growth of our business by generating broader awareness, which can support adoption and increase utilization of Vivistim Therapy. Candidates for Vivistim Therapy generally result from three primary sources: physician referrals, therapist referrals, and direct patient engagement. A diverse network of care providers, including stroke interventionalists, neurosurgeons, neurologists, physical medicine and rehabilitation physicians, occupational and physical therapists, stroke coordinators and nurses, support and interact with stroke survivors. We directly engage with each of these stakeholders through our field-based commercial team and specialized events, summits, and conferences. In addition, we engage in direct patient education activities, such as webinars, outreach through support groups, digital advertising and other targeted activities. We believe that establishing strong referral patterns between providers and engaging directly with stroke survivors and their caregivers will help to further market development, awareness and utilization. For example, we believe that as awareness and utilization increase, stroke centers will naturally integrate Vivistim Therapy into standard care pathways for stroke survivors upon discharge and establish self-sustaining care programs that use Vivistim Therapy over time. Our financial performance will be significantly impacted by the extent to which we can increase awareness and utilization, as well as the timing and rate of adoption of our products by healthcare providers.
- ***Growing our commercial organization.*** To promote awareness and utilization, we expect to continue to efficiently invest in and grow our commercial organization. For example, our selling, general and administrative expenses were $26.9 million for the three months ended June 30, 2026 compared to $14.5 million for the three months ended June 30, 2025. We intend to continue to make significant investments in our commercial organization by scaling our team, which we believe will broaden our geographic reach, drive penetration, and increase access to our products. We seek to scale deliberately and efficiently using our scalable commercial model, which initially targets a highly concentrated group of high-volume primary and comprehensive stroke centers. These stroke centers are typically surrounded by a network of therapy sites with neurorehabilitation capabilities, providing the infrastructure for efficient implementation of Vivistim Therapy. Historically, substantially all Vivistim System implants have been performed at primary and comprehensive stroke centers. While we aim

to expand strategically and efficiently, the rate at which we grow our commercial organization and the speed at which newly hired personnel become effective will impact our revenue growth and our costs incurred in anticipation of such growth.

- ***Reimbursement and expanding payor coverage.*** Healthcare providers generally rely on third-party payors, including Medicare, Medicaid, Medicare Advantage and commercial insurance plans, to cover and reimburse all or part of the cost of the Vivistim System. As a result, demand for our Vivistim System depends in part on the availability of reimbursement from such payors and the rates that such payors reimburse for implantation procedures with the Vivistim System. The Vivistim System implantation procedure falls under a long-established Category 1 CPT code. Effective January 1, 2026, this code was assigned to a New Technology Ambulatory Payment Classification (APC) by CMS, which established an elevated payment level. Future changes in payment levels could have a significant impact on patient access to the Vivistim System, and thus on our revenue, either positively or negatively. Medicare fee-for-service patients can typically access Vivistim Therapy when medically necessary, without prior authorization. Commercial insurance plans, Medicaid and Medicare Advantage generally require prior authorization. Our in-house market access team works to provide support in navigating the prior authorization process and facilitating positive coverage decisions by third-party payors, including by utilizing our robust clinical evidence, demonstrating economic value, and leveraging endorsements from key opinion leaders. Our recent growth was, and our future success will be, driven in part by our ability to facilitate streamlined prior authorization processes and increase coverage by third-party payors, and improve market access.
- ***Expanding our clinical evidence.*** We have built, and remain committed to expanding, a robust body of clinical evidence demonstrating the safety, efficacy and durability of Vivistim Therapy. We believe the extent of our clinical evidence is important for increasing awareness and adoption of, and driving broader coverage decisions for the Vivistim System. We are actively enrolling patients in our GRASP registry and plan to publish 12-, 24-, and 36-month outcomes. We anticipate that our real-world evidence will also support a robust cadence of publications in the future that will further validate our clinical trials and the direct experiences of patients and healthcare providers. We plan to build our base of clinical evidence by supporting new clinical studies.
- ***Continued investment in research and development.*** We focus on innovation to develop new products and product enhancements, including to improve clinical outcomes, optimize patient experience, enhance physician usability, increase utilization, and increase patient engagement. We expect to continue to invest in supporting these initiatives. Our near-term research and development activities are primarily directed toward continued technological advancement of the Vivistim System, and development of a next-generation Vivistim System with enhanced features. We also expect to invest in exploring expansions into other functional impairments (*e.g.*, lower limb) or stroke etiologies (*e.g.*, intracerebral hemorrhage).

Components of Results of Operations

Revenue

We currently generate all of our revenue from the sale of our Vivistim System to customers, mainly primary and comprehensive stroke centers, in the United States. Our customers typically purchase an initial stocking order and then reorder replenishment product as procedures are performed. No single customer accounted for 10% or more of our revenue for the three and six months ended June 30, 2026 and 2025. We expect revenue to increase as we expand our commercial organization and sales territories, add customers and expand patient and customer awareness. We have expanded our commercial organization to help us drive and support revenue growth and intend to continue this expansion. We also expect that demand, and thus revenue growth, will be positively impacted by, and to the extent that, we obtain additional positive coverage policies with payors. While we have experienced strong revenue growth, our revenue may fluctuate from quarter to quarter due to a variety of factors.

Cost of goods sold and gross margin

Cost of goods sold primarily consists of acquisition costs of finished goods and components, warranty costs to replace aged, damaged or unusable items, product replacement costs, any outbound shipping costs and packaging costs, depreciation, and allocated

costs including facilities and information technology costs. We expect cost of goods sold to increase in absolute terms as our revenue grows.

We calculate gross margin as gross profit divided by revenue. Our gross profit has been and will continue to be affected by a variety of factors, including sales volumes, purchase volumes of inventory, cost of goods sold, tariffs, inflation, and product yields. Our gross margin will likely fluctuate from quarter to quarter.

Research and development costs

Research and development costs primarily consist of expenses related to product development, engineering, clinical studies related to new clinical indications, regulatory expenses, testing, consulting services and other costs associated with product improvements and next generation versions of our products. Other research and development expenses include salaries, employee benefits, stock-based compensation and other headcount-related costs, depreciation expense and allocated costs related to facilities and information technology. We expect our research and development costs to increase in absolute dollars in the future as we pursue product development initiatives, including product improvements and next-generation versions of our products, and continue to expand our clinical data. We expect research and development costs as a percentage of revenue to vary over time depending on the level and timing of initiating product development efforts and clinical development activities.

Selling, general and administrative expenses

Selling, general and administrative expenses primarily consist of compensation for personnel, including salaries, employee benefits, stock-based compensation, commissions associated with our commercial organization, spending related to sales and marketing, finance, information technology and human resource functions, expenses related to clinical studies and our registry for our current clinical indication, legal expenses related to regulatory matters, and training. Other expenses include travel expenses, advertising, conferences, trade shows, consulting and professional services fees, insurance costs, and general corporate expenses, including facilities-related expenses. The activities of our TMs and TDSs to facilitate customer adoption and utilization of the Vivistim System, and of our in-house market access team in facilitating the administrative prior authorization process, are included in selling, general and administrative expenses and do not represent contractual obligations or services provided to customers after product delivery. We expect selling, general and administrative expenses to continue to increase in absolute dollars as we expand our commercial organization, including with respect to TMs and TDSs, to both drive and support our planned growth in revenue, fund clinical studies and our registry for our current clinical indication, and incur additional expenses associated with operating as a public company, including costs related to legal, accounting, insurance, compliance with exchange listing and Securities and Exchange Commission requirements, and investor relations. We also expect an increase in our stock-based compensation expense with the establishment of the new equity plan in connection with our IPO and related grants thereunder. However, we expect selling, general and administrative expenses to decrease as a percentage of revenue primarily as, and to the extent, our revenue grows.

Total other income (expense), net

Other income (expense), net consists primarily of changes in the fair value of our Convertible Notes and warrant liabilities, interest expense on our debt obligations, amortization of debt issuance costs, and interest income earned on our cash and cash equivalents. The Convertible Notes converted into common stock upon the completion of our IPO in May 2026 and will therefore not result in additional fair value adjustments in future periods.

Provision for Income Taxes

Provision for income taxes consists of income taxes in the United States and includes deferred taxes on temporary differences for tax and financial statement purposes.

Results of Operations

Comparison of the three months ended June 30, 2026 and 2025

The following table summarizes our results of operations for the three months ended June 30, 2026 and 2025.

	Three Months Ended June 30,		Change	
	2026	2025	$	%
(in thousands, except percentage)				
Revenue	$ 13,505	$ 6,674	$ 6,831	102.4 %
Cost of revenue	2,267	1,184	1,083	91.5 %
Gross profit	11,238	5,490	5,748	104.7 %
Operating expenses:				
Research and development costs	2,278	1,418	860	60.6 %
Selling, general and administrative expenses	26,886	14,532	12,354	85.0 %
Total operating expenses	29,164	15,950	13,214	82.8 %
Loss from operations	(17,926)	(10,460)	(7,466)	71.4 %
Other income (expense)				
Change in fair value of convertible notes payable	(4,142)	—	(4,142)	N/A
Interest expense	(254)	(241)	(13)	5.4 %
Other income (expense), net	1,281	213	1,068	501.4 %
Total other expense, net	(3,115)	(28)	(3,087)	11025.0 %
Loss before provision for income tax	(21,041)	(10,488)	(10,553)	100.6 %
Provision for income taxes	(2)	(2)	—	0.0 %
Net loss	$ (21,043)	$ (10,490)	$ (10,553)	100.6 %

Revenue. Revenue increased by $6.8 million, or 102.4%, to $13.5 million for the three months ended June 30, 2026, compared to $6.7 million for the three months ended June 30, 2025. The increase was driven primarily by higher adoption of the Vivistim System, as units of IPGs sold, a primary component of the Vivistim System, increased comparably during the period. This revenue growth reflects our continued efforts to increase awareness and expand our commercial organization while maintaining a consistent average selling price of the Vivistim System.

Cost of goods sold and gross margin. Cost of goods sold increased by $1.1 million, or 91.5%, to $2.3 million for the three months ended June 30, 2026, compared to $1.2 million for the three months ended June 30, 2025. While the cost per unit of the underlying product remained relatively consistent year over year, the increase in cost of goods sold was primarily driven by higher sales volume of Vivistim Systems. Gross margin increased to 83.2% in the current period, from 82.3% in the three months ended June 30, 2025. The increase was primarily attributable to inbound freight and tariff costs recognized in cost of goods sold during the period, partially offset by other changes in product and warranty costs.

Research and development costs. Research and development costs increased by $0.9 million, or 60.6%, to $2.3 million for the three months ended June 30, 2026, compared to $1.4 million for the three months ended June 30, 2025. The increase was primarily due to a $0.6 million increase in personnel-related expenses associated with increased headcount and a $0.3 million increase in product development efforts, including external development services.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by $12.4 million, or 85.0%, to $26.9 million for the three months ended June 30, 2026, compared to $14.5 million for the three months ended June 30, 2025. The increase was primarily due to an increase of $7.6 million in personnel-related expenses as a result of increased headcount primarily in our commercial organization, as well as higher commissions related to increased sales of Vivistim Systems. The increase also included $1.7 million in travel, meeting, marketing and branding expenses and $1.9 million in share-based compensation and professional fees.

Total other income (expense), net. Total other expense, net was $3.1 million for the three months ended June 30, 2026, compared to total other expense, net of $28,000 for the three months ended June 30, 2025. The increase in total other expenses was primarily attributable to a $4.1 million loss from the change in the fair value of our Convertible Notes, partially offset by $0.7 million of higher

interest income resulting from a higher average cash balance and a $0.2 million gain from changes in the fair value of warrant liabilities.

Comparison of the six months ended June 30, 2026 and 2025

The following table summarizes our results of operations for the six months ended June 30, 2026 and 2025.

	Six Months Ended June 30,		Change	
	2026	2025	$	%
(in thousands, except percentage)				
Revenue	$ 25,579	$ 12,335	$ 13,244	107.4 %
Cost of revenue	4,400	2,199	2,201	100.1 %
Gross profit	21,179	10,136	11,043	108.9 %
Operating expenses:				
Research and development costs	3,970	2,772	1,198	43.2 %
Selling, general and administrative expenses	52,072	28,128	23,944	85.1 %
Total operating expenses	56,042	30,900	25,142	81.4 %
Loss from operations	(34,863)	(20,764)	(14,099)	67.9 %
Other income (expense)				
Change in fair value of convertible notes payable	(4,870)	—	(4,870)	N/A
Interest expense	(611)	(480)	(131)	27.3 %
Other income (expense), net	1,563	104	1,459	1402.9 %
Total other expense, net	(3,918)	(376)	(3,542)	942.0 %
Loss before provision for income tax	(38,781)	(21,140)	(17,641)	83.4 %
Provision for income taxes	(2)	(3)	1	(33.3)%
Net loss	$ (38,783)	$ (21,143)	$ (17,640)	83.4 %

Revenue. Revenue increased by $13.2 million, or 107.4%, to $25.6 million for the six months ended June 30, 2026, compared to $12.3 million for the six months ended June 30, 2025. The increase was driven primarily by higher adoption of the Vivistim System, as units of IPGs sold, a primary component of the Vivistim System, increased comparably during the period. This revenue growth reflects our continued efforts to increase awareness and expand our commercial organization while maintaining a consistent average selling price of the Vivistim System.

Cost of goods sold and gross margin. Cost of goods sold increased by $2.2 million, or 100.1%, to $4.4 million for the six months ended June 30, 2026, compared to $2.2 million for the six months ended June 30, 2025. While the cost per unit of the underlying product remained relatively consistent year over year, the increase in cost of goods sold was primarily driven by higher sales volume of Vivistim Systems and higher product warranty costs. Gross margin increased to 82.8% for the six months ended June 30, 2026, compared to 82.2% for the six months ended June 30, 2025. The increase was primarily attributable to inbound freight and tariff costs recognized in cost of goods sold during the period.

Research and development costs. Research and development costs increased by $1.2 million, or 43.2%, to $4.0 million for the six months ended June 30, 2026, compared to $2.8 million for the six months ended June 30, 2025. The increase was primarily due to an increase of $0.8 million in personnel related expenses associated with increased headcount and a $0.4 million increase in product and related software development expenses, including external development services.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by $23.9 million, or 85.1%, to $52.1 million for the six months ended June 30, 2026, compared to $28.1 million for the six months ended June 30, 2025. The increase was primarily due to a $15.1 million increase in compensation and benefits and share-based compensation associated with increased headcount, primarily in our commercial organization, and higher commissions related to increased sales of Vivistim Systems. The increase also included $4.2 million in travel, meeting, marketing and branding expenses, including costs associated with our name change, and $2.5 million in audit, legal and other professional fees.

Total other income (expense), net. Total other expense, net was $3.9 million for the six months ended June 30, 2026, compared to total other expense, net of $0.4 million for the six months ended June 30, 2025. The increase was primarily attributable to a $4.9 million loss from changes in the fair value of our Convertible Notes and $0.1 million of higher interest expense, partially offset by $0.9 million of higher interest income resulting from a higher average cash balance and a $0.2 million gain from changes in the value of warrant liabilities.

Liquidity and Capital Resources

Overview

To date, our primary sources of capital have been private placements of preferred stock, debt financing arrangements, revenue from sales of our Vivistim System, and net proceeds from our IPO in May 2026. As of June 30, 2026, we had cash and cash equivalents of $177.1 million and an accumulated deficit of approximately $196.6 million. During the three months ended March 31, 2026, we issued Convertible Promissory Notes in an aggregate principal amount of $40.0 million. In May 2026, we completed our IPO and received proceeds of approximately $134.0 million.

Funding Requirements

We expect our operating expenses to continue to increase for the foreseeable future as we continue to make significant investments in our commercial organization, seek to expand our marketing programs to help facilitate further awareness and adoption of our Vivistim System, continue to make investments in research and development, including regulatory affairs and clinical studies, and as we continue to scale our infrastructure. Moreover, we expect to incur additional expenses associated with operating as a public company, including costs related to legal, accounting, insurance, exchange listing and SEC requirements, and investor relations.

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

- our revenue growth;
- the market awareness and adoption of Vivistim Therapy, including by patients and our customers;
- the scope, timing and costs of supporting the growth and expansion of our commercial organization and efforts;
- the availability and amount of reimbursement for procedures using our products;
- the adoption of private payor coverage of our products;
- changes in the acquisition costs of finished goods and components used in our products;
- the costs associated with securing additional suppliers and service providers;
- the timing and costs of our research and development efforts;
- the scope, rate of progress and costs of our current or future clinical trials and registries as well as costs associated with complying with regulatory requirements;
- the cost and timing of additional regulatory clearances or approvals;
- the costs of attaining, defending, and enforcing our intellectual property rights;
- whether we acquire third-party products or technologies;
- litigation or other claims against us for intellectual property infringement or otherwise;
- the emergence of competing or complementary technologies;
- our ability to raise additional funds to finance our operations;
- debt service requirements;
- our need to implement additional infrastructure and internal systems;

- general economic, industry and market conditions or extraordinary external events, such as a recession;
- the rate at which we expand internationally;
- the cost associated with being a public company;
- our reputation among physicians, hospitals, therapists and patients; and
- whether we are required by the FDA or comparable non-U.S. regulatory authorities to conduct additional clinical trials for future or current indications.

Based on our current operating plan, we believe that our cash and cash equivalents, which include the net proceeds from our IPO in May 2026, will be sufficient to fund our planned operating expenses and meet our obligations for at least the next 12 months from the issuance date of the condensed financial statements. We have based this estimate on assumptions that may prove to be incorrect, and we could use our available capital resources sooner than we currently expect.

If these sources are insufficient to satisfy our liquidity requirements, we may seek additional financing or to raise any necessary additional capital through public or private equity offerings or debt financings, credit or loan facilities or a combination of one or more of these or other funding sources. Additional funds may not be available to us on acceptable terms or at all. If we fail to obtain necessary capital when needed on acceptable terms, or at all, we could be forced to delay, limit, reduce or terminate our commercial efforts, product development programs or other operations, and such failure would have a negative impact on our financial condition and our ability to execute our business plan. If we raise additional funds by issuing equity securities or convertible debt, our stockholders will suffer dilution and the terms of any financing may adversely affect the rights of our stockholders. In addition, as a condition to providing additional funds to us, future investors may demand, and may be granted, rights superior to those of existing stockholders. If we raise additional capital through collaboration agreements, licensing arrangements or marketing and distribution or other similar arrangements, we may have to relinquish valuable rights, future revenue streams, research programs or product or grant licenses that may not be favorable to us. Debt financing, if available, is likely to involve restrictive covenants limiting our flexibility in conducting future business activities, and, in the event of insolvency, debt holders would be repaid before holders of our equity securities received any distribution of our corporate assets.

Cash Flows

The following table summarizes our cash flows for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,	
	2026	2025
(in thousands)		
Net cash provided by (used in)		
Operating activities	$ (33,398)	$ (20,722)
Investing activities	(1,582)	(23)
Financing activities	178,483	32,435
Net increase in cash and cash equivalents	$ 143,503	$ 11,690

Operating Activities

Net cash used in operating activities was $33.4 million for the six months ended June 30, 2026, compared to $20.7 million for the six months ended June 30, 2025. Net cash used in operating activities for the six months ended June 30, 2026 was primarily due to our net loss of $38.8 million, as well as increases in accounts receivable, inventory, and other assets of $1.2 million, $1.5 million, and $1.0 million, respectively. These uses of cash were partially offset by non-cash adjustments for the change in fair value of convertible notes payable of $4.9 million and share-based compensation of $2.0 million, as well as increases in accounts payable and accrued liabilities and other of $2.1 million. Net cash used for the six months ended June 30, 2025 was primarily due to our net loss of $21.1 million and increases in inventory of $1.1 million, partially offset by non-cash adjustments for share-based compensation of $0.6 million, as well as other changes in operating assets and liabilities.

Investing activities

Net cash used in investing activities was $1.6 million for the six months ended June 30, 2026, compared to $23.0 thousand for the six months ended June 30, 2025. Net cash used in investing activities in each case consisted of purchases of property and equipment.

Financing activities

Net cash provided by financing activities was $178.5 million for the six months ended June 30, 2026, attributable primarily to $139.5 million in proceeds from the issuance of common stock in our initial public offering, net of underwriting discounts and commissions, $40.0 million in aggregate proceeds from the issuance of Convertible Notes, including $25.9 million from related parties, $0.5 million received upon the exercise of common stock options, and $0.4 million received upon the cash exercise of redeemable convertible preferred stock warrants. The proceeds were offset by the payments of $2.0 million of deferred offering costs.

Net cash provided by financing activities was $32.4 million for the six months ended June 30, 2025, attributable primarily to $29.6 million in net proceeds from the issuance of Series F redeemable convertible preferred stock, $2.6 million in net proceeds from the related party issuance of Series F redeemable convertible preferred stock, and $0.2 million received upon the exercise of common stock options.

Loan and Security Agreement with Horizon

On December 29, 2023, we entered into a Loan and Security Agreement (the "Loan and Security Agreement") with Horizon Technology Finance Corporation. On June 1, 2024, Horizon Technology Finance Corporation assigned all of its right, title and interest in and to the loans outstanding under the Loan and Security Agreement and related warrants to Horizon Funding II, LLC, its wholly-owned subsidiary (together with Horizon Technology Finance Corporation, "Horizon"). The Loan and Security Agreement provides for term loans of up to an aggregate principal amount of $30.0 million, available in four equal tranches of $7.5 million. Each tranche comprises two equal loans of $3,750,000. As of June 30, 2026, we had $7.5 million in aggregate principal outstanding under the Loan and Security Agreement. Although the Loan and Security Agreement initially provided for term loans of up to $30.0 million in four tranches of $7.5 million each, the availability period for the remaining tranches expired on December 31, 2025, and no additional amounts are available to be drawn.

The tranches are subject to various conditions and requirements set out in the Loan and Security Agreement. The availability of the first tranche was subject to, among other things, our completing an equity offering of at least $15.0 million on or before December 31, 2023. We satisfied the conditions of the first tranche and drew down $7.5 million in December 2023. The availability of the second tranche was subject to, among other things, our completing an equity offering of at least $15.0 million on or before December 31, 2024. We did not draw down this second tranche. The availability of the third tranche was subject to, among other things, (i) our achievement of at least $20.0 million of trailing 12-month revenue as of the funding date and (ii) our completing an equity offering of at least $30.0 million on or before June 20, 2025. We did not draw down this third tranche. The availability of the fourth tranche is subject to, among other things, (i) our achievement of at least $25.0 million of trailing 12-month revenue as of the funding date and (ii) our completing an equity offering of at least $30.0 million on or before December 31, 2025. We did not draw down this fourth tranche. Our ability to draw additional loans under the Loan and Security Agreement expired on December 31, 2025.

Pursuant to the Loan and Security Agreement, we are required to issue a warrant to purchase shares of our securities in the event that we draw down a tranche following satisfaction of the applicable conditions. In connection with our draw down of the first tranche under the Loan and Security Agreement, we issued first tranche warrants to purchase such number of securities representing an aggregate of $262,500 to Horizon. The first tranche warrants are exercisable, at the election of Horizon, for (i) shares of Series E-2 redeemable convertible preferred stock at an exercise price of $2.5443 per share or (ii) shares of Series F redeemable convertible preferred stock at an exercise price of $2.6317 per share, and expire ten years from the date of issuance.

The Loan and Security Agreement matures on January 1, 2029. Borrowings under the Loan and Security Agreement accrue interest at an annual rate equal to the greater of (i) The Wall Street Journal (or any successor thereto) prime rate (subject to a floor of 8.50%) plus 3.75% and (ii) 12.25%. We are required to make monthly payments of interest only through January 1, 2028. Following

such date, we are required to make monthly payments of principal and accrued interest through maturity. The unpaid balance of principal and accrued interest is due at maturity.

The Loan and Security Agreement provides that we can at any time prepay, in whole but not in part, amounts outstanding under the Loan and Security Agreement, subject to a prepayment premium on the outstanding principal amount of the loans being repaid equal to (i) 3.0% if such prepayment occurs on or prior to the second anniversary of the Loan and Security Agreement; (ii) 2.0% if such prepayment occurs after the second anniversary, and on or prior to the fourth anniversary, of the Loan and Security Agreement; and (iii) 1.0% if such prepayment occurs after the fourth anniversary of the Loan and Security Agreement and prior to maturity.

We are required to make a final payment of $131,250 for each loan funded on the earlier of (i) the date that we prepay all of the outstanding principal of such loan, (ii) the date of acceleration of the balance of such loan by the Lender, and (iii) the maturity.

Amounts outstanding under the Loan and Security Agreement are secured by substantially all of our assets, excluding intellectual property.

The Loan and Security Agreement includes customary affirmative and negative covenants and events of default. Upon the occurrence and continuance of an event of default, Horizon may demand immediate repayment of all principal and unpaid interest under the Loan and Security Agreement, and exercise remedies against us and the collateral securing our obligations under the Loan and Security Agreement. Events of default under the Loan and Security Agreement include, among other things: (i) insolvency, bankruptcy or similar proceedings subject to a certain grace period in respect of any involuntary insolvency, bankruptcy or similar proceedings; (ii) failure to pay any debts due under the Loan and Security Agreement or other indebtedness on a timely basis; (iii) failure to observe any covenant or other terms under the Loan and Security Agreement or the other Loan Documents (as defined in the Loan and Security Agreement), some of which are subject to a certain cure period; (iv) occurrence of a material adverse change; (v) material misrepresentations; and (vi) entry of certain final, non-appealable judgments against us in excess of $250,000 not paid or bonded within 10 days of such entry.

As of June 30, 2026, we were in compliance with all covenants contained in the Loan and Security Agreement.

2026 Convertible Notes

From January 30, 2026 through February 11, 2026, we issued convertible promissory notes to certain investors in an aggregate principal amount of $40.0 million (the "Convertible Notes"). The Convertible Notes were scheduled to mature on January 30, 2028 (the "Maturity Date") and bore no interest for the first six months following the date of issuance, after which they would have accrued paid-in-kind interest at 7.0% per annum. Immediately prior to the closing of our IPO in May 2026, all outstanding Convertible Notes automatically converted into an aggregate of 3,333,324 shares of our common stock in accordance with their terms. No Convertible Notes remained outstanding as of June 30, 2026.

Contractual Obligations and Commitments

As of June 30, 2026, our contractual obligations and commitments consist primarily of obligations under our Loan and Security Agreement, operating leases and purchase commitments with third-party suppliers.

As of June 30, 2026, we had approximately $7.5 million in principal outstanding under the Loan and Security Agreement. Borrowings under the Loan and Security Agreement accrue interest at an annual rate equal to the greater of (i) The Wall Street Journal (or any successor thereto) prime rate (subject to a floor of 8.50%) plus 3.75% and (ii) 12.25%. We are required to make monthly payments of interest only through January 1, 2028. Following such date, we are required to make monthly payments of principal and accrued interest through maturity. The unpaid balance of principal and accrued interest is due at maturity. Amounts outstanding under the Loan and Security Agreement are secured by substantially all of our assets, excluding intellectual property. Because the interest rate is variable, future interest obligations are not fixed. For additional information, see Note 6 – *Convertible Notes and Notes Payable* to our condensed financial statements included in this Quarterly Report.

We lease office and warehouse space under non-cancellable operating lease agreements. These leases require fixed monthly payments and may also include variable payments for our proportionate share of property taxes and common area operating expenses. Variable lease payments are not included in the measurement of lease liabilities and are recognized as incurred. For additional information, see Note 7 – *Leases* to our condensed financial statements included in this Quarterly Report.

We rely on third-party contract manufacturers and suppliers and enter into purchase commitments in the ordinary course of business. These arrangements are generally executed through purchase orders and, in certain cases, include non-cancelable purchase commitments and binding forecast obligations. As of June 30, 2026, we had approximately $9.3 million of outstanding non-cancelable purchase commitments expected to be fulfilled within the next twelve months. For additional information, see Note 13 – *Commitments and Contingencies* to our condensed financial statements included in this Quarterly Report.

From time to time, we may become a party to claims, legal actions and complaints arising in the ordinary course of business. As of June 30, 2026, we are not aware of any material pending legal proceedings that we believe would have a material adverse effect on our financial condition, results of operations or cash flows. For additional information, see Note 13 – *Commitments and Contingencies* to our condensed financial statements included in this Quarterly Report.

Off-Balance Sheet Arrangements

Through June 30, 2026, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies, Significant Judgments and Use of Estimates

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires us to make estimates and judgments that affect the amounts reported in the financial statements and related notes thereto. Critical accounting estimates are those estimates that, in accordance with GAAP, involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial statements. Management has determined that our most critical accounting estimates are those relating to share-based compensation. Although we believe that the estimates we use are reasonable, due to the inherent uncertainty involved in making these estimates, actual results reported in future periods could differ materially from those estimates. For further discussion about our accounting policies, see Note 3 to our condensed financial statements included in this Quarterly Report and the section titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" in our prospectus dated May 7, 2026. There have been no significant or material changes in our critical accounting policies since December 31, 2025, except that, following our IPO, the fair value of our common stock is based on its publicly quoted market price and is no longer determined using valuation methodologies applicable to a privately held company.

Emerging Growth Company and Smaller Reporting Company Status

The JOBS Act permits EGCs such as us to take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an EGC to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period for any other new or revised accounting standards during the period in which we remain an EGC; however, we may adopt certain new or revised accounting standards early. As a result, we will not be subject to the same new or revised accounting standards as other public companies that are not EGCs and our financial statements may not be comparable to other public companies that comply with new or revised accounting pronouncements as of public company effective dates.

We will remain an emerging growth company until the earliest of: (i) the last day of the fiscal year following the fifth anniversary of the consummation of our IPO (*i.e.*, the fiscal year ended December 31, 2031); (ii) the last day of the fiscal year in which we have total annual gross revenue of at least $1.235 billion; (iii) the last day of the fiscal year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"),

which would occur if the market value of our common stock held by non-affiliates exceeded $700.0 million as of the last business day of the second fiscal quarter of such year; or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

We are also a "smaller reporting company" as defined by Rule 12b-2 of the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an EGC. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our voting and non-voting common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than $100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter. We cannot predict if investors will find our shares of common stock less attractive because we may rely on these exemptions. If some investors find our shares of common stock less attractive as a result, there may be a less active trading market for shares of our common stock and our share price may be more volatile.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of June 30, 2026, 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 defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective as of June 30, 2026 due to the material weakness in internal control over financial reporting described below.

Material Weakness in Internal Control over Financial Reporting

Our management identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Specifically, we did not design and maintain effective controls over the review of the inputs in the calculation of net loss per share attributable to common stockholders. The material weakness resulted in a revision to the weighted average number of shares and net loss per share attributable to common stockholders within the statement of operations and related disclosures for the year ended December 31, 2025. Additionally, this material weakness could result in misstatements to net loss per share attributable to common stockholders and related disclosures that would result in a material misstatement to the annual or interim financial statements that would not be prevented or detected.

Plan to Remediate the Material Weakness

In response to the previously identified material weakness, in the quarter ended March 31, 2026, our management implemented a new control and enhanced our internal control over financial reporting. These remediation measures include the design and implementation of a control over the calculation of weighted-average shares outstanding and net loss per share, including additional review by qualified accounting personnel. We have applied this control in connection with the preparation of our financial information for each of the quarters ended March 31, 2026 and June 30, 2026. Our management continues to evaluate the effectiveness of these remediation efforts and will continue to monitor the design and operating effectiveness of the new control. The material weakness will

not be considered remediated until the applicable control have been designed, implemented, and operated effectively for a sufficient period of time.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2026 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. The Company continued to operate and evaluate the remediation control implemented during the quarter ended March 31, 2026.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently subject to any material legal proceedings. From time to time, we are and may in the future be involved in legal proceedings or subject to claims incident to the ordinary course of business. Regardless of the outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. In addition to the information set forth in this Quarterly Report, including our financial statements and the related notes and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," you should consider carefully the factors discussed in Part II, Item 1A, "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, filed with the SEC on June 4, 2026. During the three months ended June 30, 2026, there were no material changes to the risk factors previously disclosed in that report. The occurrence of any of the events or developments described in that report could harm our business, financial condition, results of operations and growth prospects. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations and the market price of our common stock.

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

Unregistered Sales of Equity Securities

Immediately prior to the completion of our IPO on May 11, 2026: (i) all outstanding shares of our redeemable convertible preferred stock automatically converted into an aggregate of 18,831,853 shares of common stock; and (ii) our outstanding convertible promissory notes, together with any accrued paid-in-kind interest, automatically converted into an aggregate of 3,333,324 shares of common stock.

The shares of common stock issued upon the conversions described above were issued to existing security holders in reliance on the exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act") because no commission or other remuneration was paid or given, directly or indirectly, for soliciting the conversions and, to the extent applicable, Section 4(a)(2) of the Securities Act as transactions by an issuer not involving a public offering.

Use of Proceeds from our Public Offering of Common Stock

On May 11, 2026, we completed our IPO of common stock, pursuant to which we issued and sold 10,000,000 shares of our common stock at a public offering price of $15.00 per share.

All shares issued and sold in the IPO were registered under the Securities Act pursuant to a Registration Statement on Form S-1 (File No. 333-295160), as amended (the "Registration Statement"), declared effective by the SEC on May 7, 2026.

We received net proceeds of approximately $134.0 million after deducting underwriting discounts and commissions of $10.5 million and offering expenses of $5.5 million. None of the expenses associated with the IPO were paid to directors, officers, persons owning 10% or more of any class of equity securities, or to our affiliates. BofA Securities, Inc., J.P. Morgan Securities LLC, Goldman Sachs & Co. LLC, BTIG, LLC, Nomura Securities International, Inc. and WR Securities, LLC acted as managing underwriters for the offering.

The net proceeds from our IPO have been invested primarily in savings and money market accounts. There has been no material change in the expected use of the net proceeds from our IPO as described in our prospectus filed pursuant to Rule 424(b)(4) under the Securities Act with the SEC on May 8, 2026.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(a) None.

(b) None.

(c) During the three months ended June 30, 2026, none of our officers or directors (as defined in Rule 16a-1 under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as those terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibit Number	Description of Document	Incorporated by Reference				Filed / Furnished Herewith
		Form	Date	Number	Exhibit	
3.1	Amended and Restated Certificate of Incorporation.	8-K	5/11/2026	001-43275	3.1	
3.2	Amended and Restated Bylaws.	8-K	5/11/2026	001-43275	3.2	
4.1	Specimen Common Stock Certificate of the Registrant.	S-1	4/17/2026	333-295160	4.3	
4.2	Warrant (Loan A) issued December 29, 2023 to lender.	S-1	4/17/2026	333-295160	4.4	
4.3	Warrant (Loan B) issued December 29, 2023 to lender.	S-1	4/17/2026	333-295160	4.5	
10.1#	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.	S-1	4/17/2026	333-295160	10.1	
10.2#	2007 Stock Option Plan, as amended.	S-1	4/17/2026	333-295160	10.2	
10.2.1#	Form of Stock Option Agreement under the 2007 Stock Option Plan, as amended.	S-1	4/17/2026	333-295160	10.2.1	
10.3#	2022 Equity Incentive Plan, as amended.	S-1	4/17/2026	333-295160	10.3	
10.3.1#	Form of Stock Option Agreement under the 2022 Equity Incentive Plan, as amended.	S-1	4/17/2026	333-295160	10.3.1	
10.3.2#	Form of Restricted Stock Purchase Agreement under the 2022 Equity Incentive Plan, as amended.	S-1	4/17/2026	333-295160	10.3.2	
10.4#	2026 Incentive Award Plan.	S-8	5/8/2026	333-295709	10.3	
10.4.1#	Form of Option Award Agreement under the 2026 Incentive Award Plan.	S-8	5/8/2026	333-295709	10.3.1	

Exhibit Number	Description of Document	Incorporated by Reference				Filed / Furnished Herewith
		Form	Date	Number	Exhibit	
10.4.2#	Form of Restricted Stock Unit Award Agreement under the 2026 Incentive Award Plan.	S-8	5/8/2026	333-295709	10.3.2	
10.5#	2026 Employee Stock Purchase Plan.	S-8	5/8/2026	333-295709	10.4	
10.6#	Non-Employee Director Compensation Program.	S-1	4/17/2026	333-295160	10.6	
10.7#	Restated Employment Agreement between the Registrant and Richard Foust, dated April 3, 2026.	S-1	4/17/2026	333-295160	10.12	
10.8#	Restated Employment Agreement between the Registrant and Nelson Bunker Curnes, dated April 3, 2026.	S-1	4/17/2026	333-295160	10.13	
10.9#	Restated Employment Agreement between the Registrant and Thomas Jordan Curnes II, dated April 3, 2026.	S-1	4/17/2026	333-295160	10.14	
10.10#	Restated Employment Agreement between the Registrant and Douglas (Doug) Ellison, dated April 3, 2026.	S-1	4/17/2026	333-295160	10.15	
10.11#	Restated Employment Agreement between the Registrant and Prashant Rawat, dated April 3, 2026.	S-1	4/17/2026	333-295160	10.16	
10.12#	Restated Employment Agreement between the Registrant and Chase Leavitt, dated April 3, 2026.	S-1	4/17/2026	333-295160	10.17	
10.13#	Executive and Key Employee Severance and Change in Control Plan.	S-1	4/17/2026	333-295160	10.18	
10.14^	Amended and Restated Registration Rights Agreement among the Registrant and certain of its stockholders, dated March 5, 2025.	S-1	4/17/2026	333-295160	4.1	
10.15^	Amended and Restated Shareholders' Agreement among the Registrant and certain of its stockholders, dated March 5, 2025.	S-1	4/17/2026	333-295160	4.2	
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to 302 of the Sarbanes Oxley Act of 2002.					*
31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to 302 of the Sarbanes Oxley Act of 2002.					*
32.1	Certification of Principal Executive Officer and Principal 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					*

Exhibit Number	Description of Document	Incorporated by Reference				Filed / Furnished Herewith
		Form	Date	Number	Exhibit	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					

# Indicates management contract or compensatory plan.

^ Pursuant to Item 601(a)(5) of Regulation S-K, the registrant has omitted certain of the schedules (or similar attachments) to this exhibit.

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

MOBIA MEDICAL, INC.
(Registrant)

Date: August 11, 2026

/s/ RICHARD FOUST
Richard Foust
Chief Executive Officer
(Principal Executive Officer)

Date: August 11, 2026

/s/ BUNKER CURNES
Bunker Curnes
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard Foust, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mobia Medical, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) [Omitted];

   (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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (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 11, 2026

By: /s/ RICHARD FOUST
Richard Foust
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bunker Curnes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mobia Medical, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) [Omitted];

   (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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (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 11, 2026

By: /s/ BUNKER CURNES
Bunker Curnes
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION 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 Mobia Medical, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Richard Foust, Chief Executive Officer of the Company, and Bunker Curnes, Chief Financial Officer of the Company, respectively, do each hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 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 result of operations of the Company.

Date: August 11, 2026

/s/ RICHARD FOUST
Richard Foust
Chief Executive Officer
(Principal Executive Officer)

/s/ BUNKER CURNES
Bunker Curnes
Chief Financial Officer
(Principal Financial Officer)