

**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, 2025**

OR

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

For the transition period from to

Commission file number **001-40797**

**PROCEPT BioRobotics Corporation**  
(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**26-0199180**

(I.R.S. Employer Identification No.)

**150 Baytech Drive**  
(Address of Principal Executive Offices)

**San Jose CA**

**95134**  
(Zip Code)

**(650) 232-7200**

(Registrant's telephone number, including area code)

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

| Title of each class                         | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common stock, \$0.00001 par value per share | PRCT              | Nasdaq Global Market                      |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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

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

The registrant had outstanding 55,635,941 shares of common stock as of July 31, 2025.

**PROCEPT BioRobotics Corporation**  
**Form 10-Q – QUARTERLY REPORT**  
**For the Quarter Ended June 30, 2025**

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. All statements other than statements of historical facts contained in this Quarterly Report are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “can,” “will,” “would,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. All statements other than statements of historical facts contained in this Quarterly Report, including without limitation statements regarding our business model and strategic plans for our products, technologies and business, including our implementation thereof, the timing of and our ability to obtain and maintain regulatory approvals, our commercialization, marketing and manufacturing capabilities and strategy, our expectations about the commercial success and market acceptance of our products, the sufficiency of our cash, cash equivalents and short-term investments, and the plans and objectives of management for future operations and capital expenditures are forward-looking statements.

The forward-looking statements in this Quarterly Report are only predictions and are based largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements speak only as of the date of this Quarterly Report and are subject to a number of known and unknown risks, uncertainties, and assumptions, including those described under the sections in this Quarterly Report entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Quarterly Report. Moreover, we operate in a very competitive and rapidly changing environment. New risks 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 future events and trends 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.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely upon these forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. We intend the forward-looking statements contained in this Quarterly Report to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

**PROCEPT BioRobotics Corporation**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except per share data)  
(unaudited)

|   | June 30,<br>2025 | December 31,<br>2024 |
|---|------------------|----------------------|
| <b>Assets</b>   |                  |                      |
| Current assets:   |                  |                      |
| Cash and cash equivalents   | \$ 302,717       | \$ 333,7             |
| Accounts receivable, net  | 80,817           | 83,4                 |
| Inventory   | 67,032           | 56,1                 |
| Prepaid expenses and other current assets   | 7,501            | 8,4                  |
| Total current assets  | 458,067          | 481,8                |
| Restricted cash, non-current  | 3,038            | 3,0                  |
| Property and equipment, net   | 28,602           | 26,7                 |
| Operating lease right-of-use assets, net  | 18,260           | 18,9                 |
| Intangible assets, net  | 795              | 9                    |
| Other assets  | 4,292            | 2,5                  |
| Total assets  | \$ 513,054       | \$ 534,0             |
| <b>Liabilities and Stockholders' Equity</b>   |                  |                      |
| Current liabilities:  |                  |                      |
| Accounts payable  | \$ 11,783        | \$ 10,0              |
| Accrued compensation  | 16,302           | 21,5                 |
| Deferred revenue  | 9,889            | 9,5                  |
| Operating lease, current  | 2,059            | 1,9                  |
| Loan facility liability   | —                | 2,0                  |
| Other current liabilities   | 9,694            | 8,0                  |
| Total current liabilities   | 49,727           | 53,1                 |
| Long-term debt  | 51,524           | 51,4                 |
| Operating lease, non-current  | 25,784           | 26,8                 |
| Other liabilities   | 223              | 3                    |
| Total liabilities   | 127,258          | 131,7                |
| Commitments and contingencies (see Note 11)   |                  |                      |
| Stockholders' equity:   |                  |                      |
| Preferred stock, \$0.00001 par value;   |                  |                      |
| Authorized shares: 10,000 at June 30, 2025 and December 31, 2024                                      |                  |                      |
| Issued and outstanding shares: none at June 30, 2025 and December 31, 2024                            | —                |                      |
| Common stock, \$0.00001 par value;  |                  |                      |
| Authorized shares: 300,000 at June 30, 2025 and December 31, 2024                                     |                  |                      |
| Issued and outstanding shares: 55,577 and 54,718 at June 30, 2025 and December 31, 2024, respectively | —                |                      |
| Additional paid-in capital  | 976,240          | 948,0                |
| Accumulated other comprehensive gain  | (144)            | 1                    |
| Accumulated deficit   | (590,300)        | (545,9               |
| Total stockholders' equity  | 385,796          | 402,2                |
| Total liabilities and stockholders' equity  | \$ 513,054       | \$ 534,0             |

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

**PROCEPT BioRobotics Corporation**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except per share data)  
(unaudited)

|  | Three Months Ended June 30, |             | Six Months Ended June 30, |             |
|--|-----------------------------|-------------|---------------------------|-------------|
|  | 2025                        | 2024        | 2025                      | 2024        |
| Revenue  | \$ 79,182                   | \$ 53,353   | \$ 148,344                | \$ 97,892   |
| Cost of sales  | 27,436                      | 21,871      | 52,437                    | 41,376      |
| Gross profit   | 51,746                      | 31,482      | 95,907                    | 56,516      |
| Operating expenses:  |                             |             |                           |             |
| Research and development   | 17,632                      | 17,501      | 34,034                    | 30,585      |
| Selling, general and administrative  | 56,303                      | 40,809      | 111,499                   | 80,408      |
| Total operating expenses   | 73,935                      | 58,310      | 145,533                   | 110,993     |
| Loss from operations   | (22,189)                    | (26,828)    | (49,626)                  | (54,477)    |
| Interest expense   | (895)                       | (1,030)     | (1,773)                   | (2,075)     |
| Interest and other income, net   | 3,506                       | 2,232       | 7,083                     | 4,969       |
| Net loss   | \$ (19,578)                 | \$ (25,626) | \$ (44,316)               | \$ (51,583) |
| Net loss per share, basic and diluted  | \$ (0.35)                   | \$ (0.50)   | \$ (0.80)                 | \$ (1.01)   |
| Weighted-average common shares used to compute net loss per share attributable to common shareholders, basic and diluted | 55,445                      | 51,622      | 55,182                    | 51,316      |
| Other comprehensive loss:  |                             |             |                           |             |
| Foreign currency translation adjustment  | (367)                       | —           | (258)                     | —           |
| Unrealized gain on cash equivalents  | —                           | (114)       | —                         | (85)        |
| Comprehensive loss   | \$ (19,945)                 | \$ (25,740) | \$ (44,574)               | \$ (51,668) |

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

**PROCEPT BioRobotics Corporation**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(in thousands)  
(unaudited)

|  | Common Stock |        | Additional<br>Paid-in<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Gain (Loss) | Accumulated<br>Deficit | Total<br>Stockholders'<br>Equity |
|--|--------------|--------|----------------------------------|--|------------------------|----------------------------------|
|  | Shares       | Amount |                                  |  |                        |                                  |
| Balance at December 31, 2024               | 54,718       | \$ —   | \$948,091                        | \$ 114   | \$ (545,985)           | \$ 402,220                       |
| Issuance of common stock under stock plans | 560          | —      | 1,298                            | —  | —                      | 1,298                            |
| Stock-based compensation expense           | —            | —      | 10,267                           | —  | —                      | 10,267                           |
| Foreign currency translation adjustment    | —            | —      | —                                | 109  | —                      | 109                              |
| Net loss                                   | —            | —      | —                                | —  | (24,737)               | (24,737)                         |
| Balance at March 31, 2025                  | 55,278       | —      | 959,656                          | 223  | (570,722)              | 389,157                          |
| Issuance of common stock under stock plans | 299          | —      | 4,377                            | —  | —                      | 4,377                            |
| Stock-based compensation expense           | —            | —      | 12,207                           | —  | —                      | 12,207                           |
| Foreign currency translation adjustment    | —            | —      | —                                | (367)  | —                      | (367)                            |
| Net loss                                   | —            | —      | —                                | —  | (19,578)               | (19,578)                         |
| Balance at June 30, 2025                   | 55,577       | \$ —   | \$976,240                        | \$ (144)   | \$ (590,300)           | \$ 385,796                       |

|  | Common Stock |        | Additional<br>Paid-in<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Gain (Loss) | Accumulated<br>Deficit | Total<br>Stockholders'<br>Equity |
|--|--------------|--------|----------------------------------|--|------------------------|----------------------------------|
|  | Shares       | Amount |                                  |  |                        |                                  |
| Balance at December 31, 2023               | 50,771       | \$ —   | \$735,240                        | \$ 84  | \$ (454,572)           | \$ 280,752                       |
| Issuance of common stock under stock plans | 622          | —      | 2,586                            | —  | —                      | 2,586                            |
| Stock-based compensation expense           | —            | —      | 6,637                            | —  | —                      | 6,637                            |
| Unrealized gain (loss) on cash equivalents | —            | —      | —                                | 29   | —                      | 29                               |
| Net loss                                   | —            | —      | —                                | —  | (25,957)               | (25,957)                         |
| Balance at March 31, 2024                  | 51,393       | \$ —   | 744,463                          | 113  | (480,529)              | 264,047                          |
| Issuance of common stock under stock plans | 507          | —      | 5,296                            | —  | —                      | 5,296                            |
| Stock-based compensation expense           | —            | —      | 8,176                            | —  | —                      | 8,176                            |
| Unrealized gain (loss) on cash equivalents | —            | —      | —                                | (114)  | —                      | (114)                            |
| Net loss                                   | —            | —      | —                                | —  | (25,626)               | (25,626)                         |
| Balance at June 30, 2024                   | 51,900       | \$ —   | \$757,935                        | \$ (1)   | \$ (506,155)           | \$ 251,779                       |

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

**PROCEPT BioRobotics Corporation**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(unaudited)

|  | Six Months Ended June 30, |             |
|--|---------------------------|-------------|
|  | 2025                      | 2024        |
| <b>Cash flows from operating activities:</b>   |                           |             |
| Net loss   | \$ (44,316)               | \$ (51,583) |
| <b>Adjustments to reconcile net loss to cash used in operating activities:</b>         |                           |             |
| Depreciation and amortization  | 3,063                     | 2,453       |
| Stock-based compensation expense   | 22,271                    | 14,242      |
| Change in fair value of derivative liability   | —                         | 56          |
| Non-cash lease adjustment  | (254)                     | (191)       |
| Inventory write-down   | 490                       | 905         |
| Provision for credit losses  | 900                       | —           |
| (Gain) loss on foreign currency transactions   | (348)                     | —           |
| <b>Changes in operating assets and liabilities:</b>                                    |                           |             |
| Accounts receivable, net   | 1,223                     | (10,541)    |
| Inventory  | (11,068)                  | (4,280)     |
| Prepaid expenses and other current assets  | 1,089                     | 110         |
| Other assets   | (1,165)                   | (174)       |
| Accounts payable   | 1,504                     | (1,967)     |
| Accrued compensation   | (5,248)                   | (2,003)     |
| Accrued interest expense   | 52                        | 66          |
| Loan facility liability  | (2,000)                   | —           |
| Deferred revenue   | 223                       | 858         |
| Reimbursements for leasehold improvements from operating leases                        | —                         | 2,596       |
| Other liabilities  | 1,561                     | 1,431       |
| Net cash used in operating activities  | (32,023)                  | (48,022)    |
| <b>Cash flows from investing activities:</b>   |                           |             |
| Purchases of property and equipment  | (4,638)                   | (2,989)     |
| Net cash used in investing activities  | (4,638)                   | (2,989)     |
| <b>Cash flows from financing activities:</b>   |                           |             |
| Proceeds from issuance of common stock from the exercise of stock options              | 2,171                     | 5,759       |
| Proceeds from issuance of common stock under employee stock purchase plan              | 3,505                     | 2,123       |
| Net cash provided by financing activities  | 5,676                     | 7,882       |
| Effect of exchange rates on cash, cash equivalents and restricted cash                 | (23)                      | —           |
| Net decrease in cash, cash equivalents and restricted cash                             | (31,008)                  | (43,129)    |
| <b>Cash, cash equivalents and restricted cash</b>                                      |                           |             |
| Beginning of the period  | 336,763                   | 260,260     |
| End of the period  | \$ 305,755                | \$ 217,131  |
| <b>Reconciliation of cash, cash equivalents and restricted cash to balance sheets:</b> |                           |             |
| Cash and cash equivalents  | \$ 302,717                | \$ 214,093  |
| Restricted cash  | 3,038                     | 3,038       |
| Cash, cash equivalents and restricted cash in balance sheets                           | \$ 305,755                | \$ 217,131  |
| <b>Supplemental cash flow information</b>  |                           |             |
| Interest paid  | \$ 1,754                  | \$ 2,035    |
| <b>Non-cash investing and financing activities</b>                                     |                           |             |
| Property and equipment included in accounts payable and accrued expenses               | \$ 613                    | \$ 81       |

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

**PROCEPT BioRobotics Corporation**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**1. Organization**

***Description of Business***

PROCEPT BioRobotics Corporation, or the Company, was incorporated in the state of California in 2007 and its headquarters are located in San Jose, California. In April 2021, the Company re-incorporated in the state of Delaware. The Company received U.S. Food and Drug Administration clearance in December 2017 to market its AquaBeam® Robotic System, an automated surgical robot providing tissue removal for the treatment of benign prostatic hyperplasia, a prostate gland enlargement condition. On August 20, 2024, the Company received 510(k) clearance from the FDA for its next generation robot system, HYDROS Robotic System.

**2. Summary of Significant Accounting Policies**

***Basis of Preparation***

The condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, and pursuant to the rules and regulations of the United States Securities and Exchange Commission or SEC. These condensed consolidated financial statements include the accounts of the Company and its consolidated subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation.

***Unaudited Interim Financial Statements***

The accompanying balance sheet as of June 30, 2025, the statements of operations and comprehensive loss and cash flows for the three and six months ended June 30, 2025 and 2024, and the statements of stockholders' equity as of June 30, 2025 and 2024, are unaudited. The financial data and other information disclosed in these notes to the financial statements related to June 30, 2025, and the three and six months ended June 30, 2025 and 2024, are also unaudited. The accompanying balance sheet as of December 31, 2024 has been derived from the audited consolidated financial statements included in the Company's Annual Report on Form 10-K ("Annual Report") filed with the Securities and Exchange Commission.

The unaudited interim financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to a fair statement of the Company's financial position as of June 30, 2025, and the results of its operations and cash flows for the three and six months ended June 30, 2025 and 2024. The results for the three and six months ended June 30, 2025, are not necessarily indicative of results to be expected for the year ending December 31, 2025, or for any other interim period or for any future year and should be read in conjunction with the annual consolidated financial statements included in the Company's Annual Report.

***Use of Estimates***

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts and disclosures reported in the condensed consolidated financial statements. Management uses significant judgment when making estimates related to its allowance for credit losses, excess and obsolete inventory reserves, stock-based compensation expense, right-of-use lease asset, lease liability, as well as certain accrued liabilities. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates.

### Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The amendments are effective for all public entities for fiscal years beginning after December 15, 2024. The ASU should be applied either prospectively or retrospectively. The Company plans to adopt the ASU and related updates in the year ending December 31, 2025. The adoption of this ASU is not expected to have a material impact on its financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. In January 2025, the FASB issued ASU 2025-01, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date. The ASUs require public entities to disclose additional information about specific expense categories in the notes to the financial statements on an interim and annual basis. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, with early adoption permitted. The Company is evaluating the impact this ASU will have on its financial statement disclosures.

### 3. Fair Value Measurements

The following is a summary of assets and liabilities measured at fair value on a recurring basis (in thousands):

|                                 | June 30, 2025     |             |             |                   | December 31, 2024 |             |             |                   |
|---------------------------------|-------------------|-------------|-------------|-------------------|-------------------|-------------|-------------|-------------------|
|                                 | Level 1           | Level 2     | Level 3     | Total             | Level 1           | Level 2     | Level 3     | Total             |
| Cash and cash equivalents:      |                   |             |             |                   |                   |             |             |                   |
| Cash                            | \$ 13,031         | \$ —        | \$ —        | \$ 13,031         | \$ 10,961         | \$ —        | \$ —        | \$ 10,961         |
| Cash equivalents                | 289,686           | —           | —           | 289,686           | 322,764           | —           | —           | 322,764           |
| Total cash and cash equivalents | <u>\$ 302,717</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 302,717</u> | <u>\$ 333,725</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 333,725</u> |

Cash equivalents consist primarily of money market deposit funds.

The carrying value of the Company's long-term debt approximates fair value as the debt bears interest at variable SOFR rates at June 30, 2025 and 2024, which is observable at commonly quoted intervals for the full term of the loan, and therefore, is considered a Level 2 item in the fair value hierarchy.

### 4. Balance Sheet Components

#### Allowance for credit losses (in thousands):

|                               | June 30,<br>2025 | December 31,<br>2024 |
|-------------------------------|------------------|----------------------|
| Beginning balance             | \$ 840           | \$ —                 |
| Net changes during the period | 900              | 840                  |
| Ending balance                | <u>\$ 1,740</u>  | <u>\$ 840</u>        |

#### Inventory (in thousands):

|                 | June 30,<br>2025 | December 31,<br>2024 |
|-----------------|------------------|----------------------|
| Raw materials   | \$ 17,080        | \$ 18,189            |
| Work-in-process | 12,960           | 11,452               |
| Finished goods  | 36,992           | 26,527               |
| Total inventory | <u>\$ 67,032</u> | <u>\$ 56,168</u>     |

***Property and equipment, net, (in thousands):***

|  | June 30,<br>2025 | December 31,<br>2024 |
|--|------------------|----------------------|
| Manufacturing and computer equipment, and furniture and fixtures | \$ 21,265        | \$ 19,683            |
| Laboratory equipment   | 3,162            | 1,509                |
| Rental equipment   | 458              | 597                  |
| Leasehold improvements   | 12,488           | 12,488               |
| Construction in progress   | 1,876            | 262                  |
| Total property and equipment                                     | 39,249           | 34,539               |
| Less: accumulated depreciation and amortization                  | (10,647)         | (7,830)              |
| Total property and equipment, net                                | <u>\$ 28,602</u> | <u>\$ 26,709</u>     |

***Deferred commission costs, (in thousands):***

|   | June 30,<br>2025 | December 31,<br>2024 |
|---|------------------|----------------------|
| Reported as:                              |                  |                      |
| Prepaid expenses and other current assets | \$ 411           | \$ 357               |
| Other assets                              | \$ 824           | \$ 840               |

## **5. Long-Term Debt**

### ***Term Loan Facility***

In October 2022, the Company entered into a loan and security agreement (as amended, “the Agreement”) with Canadian Imperial Bank of Commerce, or CIBC. The Agreement provides for a senior secured term loan facility in the aggregate principal amount of \$52.0 million (the “Term Loan Facility”) which was borrowed in full.

The Term Loan Facility is scheduled to mature on the fifth anniversary of the closing date (the “Maturity Date”). The Company has the option to prepay the Term Loan Facility without any prepayment charge or fee.

The loan borrowed under the Term Loan Facility bears interest at an annual rate equal to the secured overnight financing rate or SOFR (calculated based on an adjustment of .10%, .15% and .25%, respectively, for one-month, three-month or six-month term SOFR as of a specified date, subject to a floor of 1.5%) plus an applicable margin of 2.25%. The weighted-average interest rate for the periods ending June 30, 2025 and 2024 were 6.6%, and 7.7%, respectively.

The obligations under the Loan Agreement are secured by substantially all of the Company's assets, including its intellectual property and by a pledge all of the Company's equity interests in its U.S. subsidiaries and 65% of the Company's equity interests in its non-U.S. subsidiaries that are directly owned by the Company.

In August 2025, the Company entered into a second amendment to the Agreement (the “Second Amendment”), which, among other things, modified the repayment terms such that the entire principal amount outstanding is now due on the Maturity Date, replacing the prior repayment schedule of interest-only payments followed by monthly

principal amortization payments. Additionally, the Second Amendment modified the Company’s minimum cash holdings requirement at CIBC as follows: (a) if the Company’s cash and cash equivalents is less than \$50.0 million, then the Company is required to maintain 100% of its cash and cash equivalents at CIBC; or (b) if the Company’s cash and cash equivalents is greater than or equal to \$50.0 million, then the Company is required to maintain the greater of \$50.0 million or 50% of its cash and cash equivalents at CIBC, with amounts exceeding \$50.0 million permitted to be held outside of CIBC in collateral accounts managed by CIBC. See Note 13 for additional details.

Under the Loan Agreement, if the Company maintains less than \$100.0 million in available cash, then the Company is required to meet either one of two financial covenants: a minimum unrestricted cash covenant or a minimum revenue and growth covenant. If the Company maintains at least \$100.0 million in available cash, then it is not required to meet such financial covenants. As of June 30, 2025, the Company was in compliance with all debt covenants.

Future minimum annual debt repayments are as follows (in thousands):

| Fiscal Year   | Amount    |
|---|-----------|
| 2026  | —         |
| 2027  | 52,000    |
| Total minimum payments                              | 52,000    |
| Less: amount representing unamortized debt discount | (476)     |
| Present value of future payments                    | \$ 51,524 |

#### ***Loan Facility Liability***

In connection with the Company’s previous loan facility, the Company is obligated to pay a fee upon the earlier occurrence of a defined liquidity event, including but not limited to, a merger or sale of our assets or voting stock, or achieving a \$200.0 million trailing 12 months revenue target, in each case, by September 2029. At December 31, 2024, the Company achieved the 12 months revenue target. As a result, the loan facility liability became due and will no longer be revalued. During the period ended June 30, 2025, the outstanding balance was paid in full.

## 6. Leases

### Facility Lease

In December 2021, the Company entered into a lease for two existing buildings, comprising approximately 158,221 square feet of space, located in San Jose, California. The lease commenced in July 2022, and will continue for 122 months following thereafter, with two five year options to extend the term of the lease.

Rent expense recognized under the lease, including additional rent charges for utilities, parking, maintenance, and real estate taxes, was \$1.5 million and \$1.8 million for the three months ended June 30, 2025 and 2024, and \$3.1 million and \$3.4 million for the six months ended June 30, 2025 and 2024.

Future minimum annual operating lease are as follows (in thousands):

| As of June 30, 2025  | Amount    |
|--|-----------|
| 2025   | \$ 2,148  |
| 2026   | 4,426     |
| 2027   | 4,808     |
| 2028   | 4,952     |
| 2029   | 5,101     |
| Thereafter   | 17,197    |
| Total minimum payments                                       | 38,632    |
| Less: amount representing interest/unamortized debt discount | (10,789)  |
| Present value of future payments                             | 27,843    |
| Less: current portion  | (2,059)   |
| Non-current portion  | \$ 25,784 |

As of June 30, 2025 and December 31, 2024, the Company's security deposit is in the form of, and recorded as, restricted cash.

### Lessor Information for Robotic Systems

Contractual maturities of gross lease receivables as of June 30, 2025 are as follows (in thousands):

| Fiscal Year         | Amount   |
|---------------------|----------|
| 2025                | \$ 343   |
| 2026                | 931      |
| 2027                | 809      |
| 2028                | 809      |
| 2029 and thereafter | 1,053    |
| Total               | \$ 3,945 |

|                                     | June 30,<br>2025 | December 31,<br>2024 |
|-------------------------------------|------------------|----------------------|
| Gross receivables                   | \$ 3,945         | \$ 2,097             |
| Unearned interest income            | (790)            | (426)                |
| Net investment in sales-type leases | \$ 3,155         | \$ 1,671             |

The components of income from sales-type leases are as follows:

|                          | Three Months Ended June 30, |      | Six Months Ended June 30, |       |
|--------------------------|-----------------------------|------|---------------------------|-------|
|                          | 2025                        | 2024 | 2025                      | 2024  |
| Sales-type lease revenue | \$ 1,213                    | \$ — | \$ 1,213                  | \$ —  |
| Interest income          | \$ 38                       | \$ 8 | \$ 76                     | \$ 16 |

Leases receivable relating to sales-type lease arrangements are presented on the Company's consolidated balance sheets as follows (in thousands):

|                                     | June 30,<br>2025 | December 31,<br>2024 |
|-------------------------------------|------------------|----------------------|
| Reported as:                        |                  |                      |
| Accounts receivable                 | \$ 400           | \$ 157               |
| Other assets                        | 2,755            | 1,514                |
| Net investment in sales-type leases | \$ 3,155         | \$ 1,671             |

## 7. Stock-Based Compensation

Total stock-based compensation recognized, before taxes, are as follows (in thousands):

|   | Three Months Ended June 30, |          | Six Months Ended June 30, |           |
|---|-----------------------------|----------|---------------------------|-----------|
|   | 2025                        | 2024     | 2025                      | 2024      |
| Cost of sales                                     | \$ 2,229                    | \$ 1,686 | \$ 4,416                  | \$ 2,998  |
| Research and development                          | 3,000                       | 2,088    | 5,526                     | 3,300     |
| Sales, general and administrative                 | 8,070                       | 5,149    | 14,638                    | 9,728     |
| Stock-based compensation capitalized in inventory | (1,136)                     | (937)    | (2,309)                   | (1,784)   |
| Total stock-based compensation                    | \$ 12,163                   | \$ 7,986 | \$ 22,271                 | \$ 14,242 |

### Stock Options

The Company had 8.7 million shares available for grant as of June 30, 2025 under the 2021 Equity Incentive Award Plan, or 2021 Plan.

A summary of the Company's stock option activity and related information are as follows (options in thousands):

|                                  | Six Months Ended<br>June 30, 2025 |                                    |
|----------------------------------|-----------------------------------|------------------------------------|
|                                  | Number of Shares                  | Weighted-Average<br>Exercise Price |
| Outstanding, beginning of period | 3,795                             | \$ 11.56                           |
| Granted                          | 149                               | 60.23                              |
| Exercised                        | (300)                             | 7.22                               |
| Forfeited                        | (24)                              | 33.68                              |
| Outstanding, end of period       | 3,620                             | 13.80                              |
| Vested and expected to vest      | 3,620                             | 13.80                              |
| Exercisable                      | 3,216                             | 9.52                               |

As of June 30, 2025 and December 31, 2024, the aggregate pre-tax intrinsic value of options outstanding and exercisable was \$154.8 million and \$239.7 million, respectively, and the aggregate pre-tax intrinsic value of options outstanding were \$159.2 million and \$261.7 million, respectively. The aggregate pre-tax intrinsic value of options exercised was \$16.5 million and \$34.7 million during the six months ended June 30, 2025 and 2024, respectively.

As of June 30, 2025, there was a total of \$10.4 million of unrecognized stock-based compensation expense related to stock options.

The fair value of the options granted to employees or directors was estimated as of the grant date using the Black-Scholes model assuming the weighted-average assumptions listed in the following table:

|                             | Three Months Ended June 30, |          | Six Months Ended June 30, |          |
|-----------------------------|-----------------------------|----------|---------------------------|----------|
|                             | 2025                        | 2024     | 2025                      | 2024     |
| Expected life (years)       | 5.8                         | 5.6      | 6.0                       | 6.0      |
| Expected volatility         | 56 %                        | 57 %     | 57 %                      | 57 %     |
| Risk-free interest rate     | 4.1 %                       | 4.4 %    | 4.0 %                     | 4.1 %    |
| Expected dividend rate      | — %                         | — %      | — %                       | — %      |
| Weighted-average fair value | \$ 33.46                    | \$ 35.57 | \$ 34.48                  | \$ 28.28 |

### ***Restricted Stock Units***

A summary of the Company's restricted stock unit, or RSU, activity and related information are as follows (RSUs in thousands):

|                               | Six Months Ended<br>June 30, 2025 |                             |
|-------------------------------|-----------------------------------|-----------------------------|
|                               | Number of Shares                  | Weighted-Average Fair Value |
| Unvested, beginning of period | 1,894                             | \$ 45.36                    |
| Awarded                       | 809                               | 60.56                       |
| Forfeited                     | (160)                             | 46.40                       |
| Vested                        | (485)                             | 42.69                       |
| Unvested, end of period       | <u>2,058</u>                      | <u>51.88</u>                |

As of June 30, 2025, there was a total of \$93.6 million of unrecognized stock-based compensation expense related to RSUs.

### ***Performance Stock Units***

The 2021 Plan provides for issuance of performance stock units, or PSUs. PSUs granted are contingent upon the achievement of predetermined market, performance, and service conditions. PSUs are awarded to executives of the Company and generally time vest over a period of up to three years. Vesting is also generally contingent upon achievement of applicable performance metrics. PSU expense is recognized over the requisite service period.

During the six months ended June 30, 2025, the Company awarded PSU shares with both a performance and service condition.

A summary of the Company's PSU activity and related information are as follows (PSUs in thousands):

|                               | Six Months Ended<br>June 30, 2025 |                             |
|-------------------------------|-----------------------------------|-----------------------------|
|                               | Number of Shares                  | Weighted-Average Fair Value |
| Unvested, beginning of period | 81                                | \$ 73.20                    |
| Awarded                       | 56                                | 60.60                       |
| Forfeited                     | (4)                               | 73.20                       |
| Vested                        | —                                 | —                           |
| Unvested, end of period       | <u>133</u>                        | <u>67.88</u>                |

As of June 30, 2025, total unrecognized stock-based compensation related to unvested PSUs was \$6.0 million.

### Employee Stock Purchase Plan

As of June 30, 2025, there was approximately \$2.9 million of unrecognized cost related to the Employee Stock Purchase Plan, or ESPP. This cost is expected to be recognized over a weighted average period of 0.7 years. As of June 30, 2025, a total of 1.9 million shares were available for issuance under the ESPP.

The fair value of the options granted to employees was estimated as of the grant date using the Black-Scholes model assuming the weighted-average assumptions listed in the following table:

|                             | Six Months Ended June 30, |          |
|-----------------------------|---------------------------|----------|
|                             | 2025                      | 2024     |
| Expected life (years)       | 0.8                       | 0.8      |
| Expected volatility         | 59 %                      | 53 %     |
| Risk-free interest rate     | 4.2 %                     | 5.3 %    |
| Expected dividend rate      | — %                       | — %      |
| Weighted-average fair value | \$ 23.52                  | \$ 22.09 |

### 8. Net Loss Per Share

Net loss per share was determined as follows (in thousands, except per share amounts):

|   | Three Months Ended June 30, |             | Six Months Ended June 30, |             |
|---|-----------------------------|-------------|---------------------------|-------------|
|   | 2025                        | 2024        | 2025                      | 2024        |
| Net loss                                  | \$ (19,578)                 | \$ (25,626) | \$ (44,316)               | \$ (51,583) |
| Weighted-average common stock outstanding | 55,445                      | 51,622      | 55,182                    | 51,316      |
| Net loss per share, basic and diluted     | \$ (0.35)                   | \$ (0.50)   | \$ (0.80)                 | \$ (1.01)   |

The following potentially dilutive securities outstanding have been excluded from the computations of weighted-average shares outstanding because such securities have an antidilutive impact due to losses reported (in common stock equivalent shares, in thousands):

|  | June 30, |       |
|--|----------|-------|
|  | 2025     | 2024  |
| Stock options                          | 3,620    | 4,531 |
| Restricted and performance stock units | 2,191    | 2,083 |
| Employee stock purchase plan           | 154      | 54    |
| Total                                  | 5,965    | 6,668 |

## 9. Revenue

The following table presents revenue disaggregated by type and geography (in thousands):

|                                  | Three Months Ended June 30, |           | Six Months Ended June 30, |           |
|----------------------------------|-----------------------------|-----------|---------------------------|-----------|
|                                  | 2025                        | 2024      | 2025                      | 2024      |
| U.S.                             |                             |           |                           |           |
| System sales and rentals         | \$ 22,082                   | \$ 17,819 | \$ 40,769                 | \$ 32,055 |
| Handpieces and other consumables | 43,130                      | 27,260    | 81,141                    | 50,878    |
| Service                          | 4,373                       | 2,589     | 7,968                     | 4,936     |
| Total U.S. revenue               | 69,585                      | 47,668    | 129,878                   | 87,869    |
| Outside of U.S.                  |                             |           |                           |           |
| System sales and rentals         | 2,945                       | 3,078     | 6,798                     | 4,818     |
| Handpieces and other consumables | 6,002                       | 2,271     | 10,479                    | 4,614     |
| Service                          | 650                         | 336       | 1,189                     | 591       |
| Total outside of U.S. revenue    | 9,597                       | 5,685     | 18,466                    | 10,023    |
| Total revenue                    | \$ 79,182                   | \$ 53,353 | \$ 148,344                | \$ 97,892 |

## 10. Segment, Geographical, and Customer Concentration

The Company operates as a single operating segment. The Company's chief operating decision maker, or CODM, its Chief Executive Officer, reviews the Company's forecast, as well as budget to actual financial information, as key inputs to making decisions on resource allocation and assessing the performance of the business. The CODM monitors budget versus actual results using income (loss) from operations and net income (loss).

Significant expenses within income from operations, as well as within net income (loss), include cost of goods sold, research and development expenses, and selling, general and administrative expenses, which are each separately presented on the Company's consolidated statements of operations. Other segment items within net income (loss) include interest expense, and interest and other income, net on an aggregate basis for the purposes of allocating resources and evaluating financial performance.

The Company's assets are primarily based in the United States.

No customers accounted for more than 10% of revenue during the six months ended June 30, 2025 and 2024.

No customer accounted for more than 10% of accounts receivable at June 30, 2025 and December 31, 2024.

The following table presents revenue by significant geographical locations for the periods indicated:

|                           | Three Months Ended June 30, |      | Six Months Ended June 30, |      |
|---------------------------|-----------------------------|------|---------------------------|------|
|                           | 2025                        | 2024 | 2025                      | 2024 |
| United States             | 88 %                        | 89 % | 88 %                      | 90 % |
| Outside the United States | 12 %                        | 11 % | 12 %                      | 10 % |

No individual country outside the United States accounted for more than 10% of the Company's revenue for the periods presented.

## 11. Commitments and Contingencies

### *Guarantees and Indemnifications*

In the normal course of business, the Company enters into agreements that contain a variety of representations and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future. To date, the Company has not paid any material claims or been required to defend any action related to its indemnification obligations. As of June 30, 2025 and December 31, 2024, the Company does not have any material indemnification claims that were probable or reasonably possible and consequently has not recorded related liabilities.

### *Legal Contingencies*

From time to time, the Company may be involved in legal proceedings arising in the ordinary course of our business. The Company is not presently a party to any legal proceedings that, in the opinion of management, would have a material adverse effect on the business. Regardless of outcome, litigation can have an adverse impact on the Company due to defense and settlement costs, diversion of management resources, negative publicity and reputation harm, and other factors.

A liability and related charge to earnings are recorded in the financial statements for legal contingencies when the loss is considered probable and the amount can be reasonably estimated. The assessment is re-evaluated each accounting period and is based on all available information.

## 12. Defined Contribution Plan

The Company has a defined contribution retirement savings plan under Section 401(k) of the Internal Revenue Code. This plan allows eligible employees to defer a portion of their annual compensation on a pre-tax basis. Employer contributions were \$0.9 million and \$0.7 million for the three months ended June 30, 2025 and 2024, and \$1.7 million and \$1.3 million for the six months ended June 30, 2025 and 2024.

## 13. Subsequent Events

### *Income Taxes*

In July 2025, new federal tax legislation was enacted, introducing significant changes to U.S. income tax law, including provisions affecting the deductibility and capitalization of research and development expenditures, as well as changes to various international tax rules. The Company is currently assessing the potential impact of the new legislation, including implications for

deferred tax assets and related disclosures. Based on management's preliminary assessment, no material impact is expected due to the Company's full valuation allowance applied on its deferred tax assets and liabilities.

***Term Loan Facility***

In August 2025, the Company entered into the Second Amendment to the Loan and Security Agreement, or the Second Amendment. The Second Amendment primarily relates to changes requirements to minimum cash balances to be held at CIBC, and changes the repayment terms of the principal payments such that the entire principal amount outstanding is now due on the Maturity Date.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes included elsewhere in this report. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed in the section titled "Risk Factors" and elsewhere in this report. Please also see the section titled "Cautionary Note Regarding Forward-Looking Statements."*

### Overview

We are a surgical robotics company focused on advancing patient care by developing transformative solutions in urology. We develop, manufacture and sell the AquaBeam Robotic System and HYDROS Robotic System, which are advanced, image-guided, surgical robotic systems for use in minimally invasive urologic surgery, with an initial focus on treating benign prostatic hyperplasia, or BPH. BPH is the most common prostate disease and impacts approximately 40 million men in the United States. Each of our robotic systems employs a single-use disposable handpiece to deliver our proprietary Aquablation therapy, which combines real-time, multi-dimensional imaging, personalized treatment planning, automated robotics and heat-free waterjet ablation for targeted and rapid removal of prostate tissue. We designed our robotic systems to enable consistent and reproducible BPH surgery outcomes. We believe that Aquablation therapy represents a paradigm shift in the surgical treatment of BPH by addressing compromises associated with alternative surgical interventions. We designed Aquablation therapy to deliver effective, safe and durable outcomes for males suffering from lower urinary tract symptoms, or LUTS, due to BPH that is independent of prostate size and shape, and delivers resection independent of surgeon experience. We have developed a significant and growing body of clinical evidence, which includes nine clinical studies and over 150 peer-reviewed publications, supporting the benefits and clinical advantages of Aquablation therapy. As of June 30, 2025, we had an install base of 762 AquaBeam Robotic Systems and HYDROS Robotic Systems globally, including 595 in the United States.

Our U.S. pivotal trial, the WATER study, is the only FDA pivotal study randomized against transurethral resection of prostate, or TURP, which is the historical standard of care for the surgical treatment of BPH. In this study, Aquablation therapy demonstrated superior safety and non-inferior efficacy compared to TURP across prostate sizes between 30 ml and 80 ml, and superior efficacy in a subset of patients with prostates larger than 50 ml. We have established strong relationships with key opinion leaders, or KOLs, within the urology community and collaborated with key urological societies in global markets. This support has been instrumental in facilitating broader acceptance and adoption of Aquablation therapy. As a result of our strong KOL network and our compelling clinical evidence, Aquablation therapy has been added to clinical guidelines of various professional associations, including the American Urological Association.

We manufacture the robotic systems, the single-use disposable handpiece, integrated scope and other accessories at our facility in San Jose, California. This includes supporting the supply chain distribution and logistics of the various components. Components, sub-assemblies and services required to manufacture our products are purchased from numerous global suppliers. Each robotic system is shipped to our customers with a third-party manufactured ultrasound system and probe. We utilize a well-known third-party logistics provider located in the United States and the Netherlands to ship our products to our customers globally.

We generated revenue of \$148.3 million and incurred a net loss of \$44.3 million for the six months ended June 30, 2025, compared to revenue of \$97.9 million and a net loss of \$51.6 million for the six months ended June 30, 2024. As of June 30, 2025, we had cash and cash equivalents of \$302.7 million and an accumulated deficit of \$590.3 million.

## ***Factors Affecting Our Performance***

We believe there are several important factors that have impacted and that we expect will impact our operating performance and results of operations for the foreseeable future. While these factors may present significant opportunities for us, they also pose significant risks and challenges that we must address. See the section titled “Risk Factors” for more information. These factors include:

- *Grow our install base of robotic systems:* As of June 30, 2025, we had an install base of 762 robotic systems globally, including 595 in the United States. In the United States, we are initially focused on driving adoption of Aquablation therapy among urologists that perform hospital-based resective BPH surgery. We target approximately 2,700 hospitals that perform resective BPH procedures in the United States. To penetrate these hospitals, we expect to continue to increase our direct team of capital sales representatives, who are focused on driving system placement within hospitals by engaging with key surgeons and decision makers to educate them about the compelling value proposition of Aquablation therapy. As we increase our install base of robotic systems, we expect our revenue to increase as a result of the system sale and resulting utilization.
- *Increase system utilization:* Our revenue is significantly impacted by the utilization of our robotic systems. Once we place a system within a hospital our objective is to establish Aquablation therapy as the surgical treatment of choice for BPH. Within each hospital we are initially focused on targeting urologists who perform medium-to-high volumes of resective procedures and converting their resective cases to Aquablation therapy. To accomplish this, we will continue expanding our team of highly trained Aquablation representatives and clinical specialists who are focused on driving system utilization within the hospital, providing education and training support and ensuring excellent user experiences. As urologists gain experience with Aquablation therapy we expect to leverage their experiences to capture more surgical volumes and establish Aquablation therapy as the surgical standard of care.
- *Reimbursement and coverage decisions by third-party payors.* Healthcare providers in the United States generally rely on third-party payors, principally federal Medicare, state Medicaid and private health insurance plans, to cover all or part of the cost of procedures using our robotic system. The revenue we are able to generate from sales of our products depends in large part on the availability of sufficient reimbursement from such payors. Effective in 2021, all local MACs, representing 100% of eligible Medicare patients, issued final positive local coverage determinations to provide Medicare beneficiaries with access to Aquablation therapy in all 50 states. We believe that these favorable coverage decisions have been a catalyst for hospital adoption of our robotic systems. We believe our strong body of clinical evidence and support from key societies, supplemented by the momentum from Medicare coverage, have led to favorable coverage decisions from many large commercial payors. We plan to leverage these successes in our active discussions with commercial payors to establish additional positive national and regional coverage policies. We believe that additional commercial payor coverage will contribute to increasing utilization of our system over time. Outside of the United States, we have ongoing efforts in key markets to expand established coverage and further improve patient access to Aquablation therapy.
- *Cost of sales.* The results of our operations will depend, in part, on our ability to increase our gross margins by more effectively managing our costs to produce our robotic systems and single-use disposable handpieces, and to scale our manufacturing operations efficiently. We anticipate that as we expand our sales and marketing efforts and drive further sales growth, our purchasing costs on a per unit basis may decrease, and in turn improve our gross margin. As our commercial operations continue to grow, we expect to continue to realize operating leverage through increased scale efficiencies.
- *Investment in research and development to drive continuous improvements and innovation.* We are currently developing additional and next generation technologies to support and improve Aquablation therapy to further satisfy the evolving needs of surgeons and their patients as well as to further enhance the usability and scalability of our robotic systems. We also plan to leverage our treatment data and software development capabilities to integrate artificial intelligence and machine learning to enable computer-

assisted anatomy recognition and improved treatment planning and personalization. Our future growth is dependent on these continuous improvements which require significant resources and investment.

## Components of Our Results of Operations

### Revenue

We generate our revenue primarily from the sales and rentals of our robotic systems, sales of our single-use disposable handpieces that are used during each surgery performed with our system, and related accessories. Additionally, we also derive revenue from service and repair, and extended service contracts with our existing customers. We expect our revenue to increase in absolute dollars for the foreseeable future as we continue to focus on driving adoption of Aquablation therapy, and increased system utilization, though it may fluctuate from quarter to quarter.

The following table presents revenue by significant geographical locations for the periods indicated:

|                           | Three Months Ended June 30, |      | Six Months Ended June 30, |      |
|---------------------------|-----------------------------|------|---------------------------|------|
|                           | 2025                        | 2024 | 2025                      | 2024 |
| United States             | 88 %                        | 89 % | 88 %                      | 90 % |
| Outside the United States | 12 %                        | 11 % | 12 %                      | 10 % |

We expect that both our United States and international revenue will increase in the near term as we continue to expand the install base of our robotic systems and increase the related single-use disposable handpieces sold. We expect our increase in revenue in absolute dollars to be larger in the United States.

### Cost of Sales and Gross Margin

Cost of sales consists primarily of manufacturing overhead costs, material costs, warranty and service costs, direct labor, scrap and other direct costs such as shipping costs. A significant portion of our cost of sales currently consists of manufacturing overhead costs. These overhead costs include compensation for personnel, including stock-based compensation, facilities, equipment and operations supervision, quality assurance and material procurement. We expect our cost of sales to increase in absolute dollars for the foreseeable future primarily as, and to the extent, our revenue grows, or we make additional investments in our manufacturing capabilities, though it may fluctuate from period to period.

We calculate gross margin percentage as gross profit divided by revenue. Our gross margin has been and will continue to be affected by a variety of factors, primarily, product and geographic mix and the resulting average selling prices, production volumes, manufacturing costs and product yields, and to a lesser extent the implementation of cost reduction strategies. We expect our gross margin to increase over the long term as our production volume increases and as we spread the fixed portion of our manufacturing overhead costs over a larger number of units produced, thereby significantly reducing our per unit manufacturing costs, though it may fluctuate from quarter to quarter. Our gross margins can fluctuate due to geographic mix. To the extent we sell more systems and handpieces in the United States, we expect our margins will increase due to the higher average selling prices as compared to sales outside of the United States.

### Operating Expenses

#### Research and Development

Research and development, or R&D, expenses consist primarily of engineering, product development, regulatory affairs, consulting services, clinical trial expenses, materials, depreciation and other costs associated with products and technologies being developed. These expenses include employee and non-employee compensation, including stock-based compensation, supplies, materials, quality assurance expenses, consulting, related travel expenses and facilities expenses. We expect our R&D expenses to increase in absolute dollars for the foreseeable future as we make strategic investments in R&D, continue to develop and enhance existing products and

technologies, though it may fluctuate from quarter to quarter. However, over time, we expect our R&D expenses to decrease as a percentage of revenue.

*Selling, General and Administrative*

Selling, general and administrative, or SG&A, expenses consist primarily of compensation for personnel, including stock-based compensation, related to selling, marketing, clinical affairs, professional education, finance, information technology, and human resource functions. SG&A expenses also include commissions, training, travel expenses, promotional activities, conferences, trade shows, professional services fees, audit fees, legal fees, insurance costs and general corporate expenses including allocated facilities-related expenses. Post-market clinical study expenses include trial design, site reimbursement, data management and travel expenses. We expect our SG&A expenses to increase in absolute dollars for the foreseeable future as we expand our commercial infrastructure in order for us to execute on our long-term growth plan, though it may fluctuate from quarter to quarter. However, over time, we expect our SG&A expenses to decrease as a percentage of revenue.

**Interest and Other Income, Net**

*Interest Expense*

Interest expense consists primarily of interest expense from our long-term debt.

*Interest and Other Income, Net*

Interest and other income, net, consists primarily of interest income from our cash and cash equivalents balances.

**Results of Operations**

The following tables show our results of operations for the periods indicated:

|                                     | Three Months Ended<br>June 30,     |             | Change    |      |
|-------------------------------------|------------------------------------|-------------|-----------|------|
|                                     | 2025                               | 2024        | \$        | %    |
|                                     | (in thousands, except percentages) |             |           |      |
| Revenue                             | \$ 79,182                          | \$ 53,353   | \$ 25,829 | 48 % |
| Cost of sales                       | 27,436                             | 21,871      | 5,565     | 25   |
| Gross profit                        | 51,746                             | 31,482      | 20,264    | 64   |
| Gross margin                        | 65 %                               | 59 %        |           |      |
| Operating expenses:                 |                                    |             |           |      |
| Research and development            | 17,632                             | 17,501      | 131       | 1    |
| Selling, general and administrative | 56,303                             | 40,809      | 15,494    | 38   |
| Total operating expenses            | 73,935                             | 58,310      | 15,625    | 27   |
| Loss from operations                | (22,189)                           | (26,828)    | 4,639     | 17   |
| Interest expense                    | (895)                              | (1,030)     | 135       | 13   |
| Interest and other income, net      | 3,506                              | 2,232       | 1,274     | 57   |
| Net loss                            | \$ (19,578)                        | \$ (25,626) | \$ 6,048  | 24   |

|                                     | Six Months Ended June 30,          |             | Change    |      |
|-------------------------------------|------------------------------------|-------------|-----------|------|
|                                     | 2025                               | 2024        | \$        | %    |
|                                     | (in thousands, except percentages) |             |           |      |
| Revenue                             | \$ 148,344                         | \$ 97,892   | \$ 50,452 | 52 % |
| Cost of sales                       | 52,437                             | 41,376      | 11,061    | 27   |
| Gross profit                        | 95,907                             | 56,516      | 39,391    | 70   |
| Gross margin                        | 65 %                               | 58 %        |           |      |
| Operating expenses:                 |                                    |             |           |      |
| Research and development            | 34,034                             | 30,585      | 3,449     | 11   |
| Selling, general and administrative | 111,499                            | 80,408      | 31,091    | 39   |
| Total operating expenses            | 145,533                            | 110,993     | 34,540    | 31   |
| Loss from operations                | (49,626)                           | (54,477)    | 4,851     | 9    |
| Interest expense                    | (1,773)                            | (2,075)     | 302       | 15   |
| Interest and other income, net      | 7,083                              | 4,969       | 2,114     | 43   |
| Net loss                            | \$ (44,316)                        | \$ (51,583) | \$ 7,267  | 14   |

#### Comparison of Three and Six Months Ended June 30, 2025 and 2024

##### Revenue

|                                  | Three Months Ended June 30,        |           | Change    |     |
|----------------------------------|------------------------------------|-----------|-----------|-----|
|                                  | 2025                               | 2024      | \$        | %   |
|                                  | (in thousands, except percentages) |           |           |     |
| System sales and rentals         | \$ 25,027                          | \$ 20,897 | \$ 4,130  | 20% |
| Handpieces and other consumables | 49,132                             | 29,531    | 19,601    | 66  |
| Service                          | 5,023                              | 2,925     | 2,098     | 72  |
| Total revenue                    | \$ 79,182                          | \$ 53,353 | \$ 25,829 | 48  |

|                                  | Six Months Ended June 30,          |           | Change    |     |
|----------------------------------|------------------------------------|-----------|-----------|-----|
|                                  | 2025                               | 2024      | \$        | %   |
|                                  | (in thousands, except percentages) |           |           |     |
| System sales and rentals         | \$ 47,567                          | \$ 36,873 | \$ 10,694 | 29% |
| Handpieces and other consumables | 91,620                             | 55,492    | 36,128    | 65  |
| Service                          | 9,157                              | 5,527     | 3,630     | 66  |
| Total revenue                    | \$ 148,344                         | \$ 97,892 | \$ 50,452 | 52  |

Revenue increased \$25.8 million, or 48%, to \$79.2 million during the three months ended June 30, 2025, compared to \$53.4 million during the three months ended June 30, 2024, and increased \$50.5 million, or 52%, to \$148.3 million during the six months ended June 30, 2025, compared to \$97.9 million during the six months ended June 30, 2024. The growth in revenue was primarily attributable to \$69.6 million and \$129.9 million in revenue

derived from the United States for the three and six months ended June 30, 2025, respectively. The increase was due to higher sales volumes of system sales, handpieces, other consumables, and service contracts.

#### *Cost of Sales and Gross Margin*

Cost of sales increased \$5.6 million, or 25%, to \$27.4 million during the three months ended June 30, 2025, compared to \$21.9 million during the three months ended June 30, 2024, and increased \$11.1 million, or 27%, to \$52.4 million during the six months ended June 30, 2025, compared to \$41.4 million for the six months ended June 30, 2024. The increase in cost of sales was primarily attributable to the growth in the number of units sold.

Gross margin increased to 65% during the three months ended June 30, 2025, compared to 59% for the three months ended June 30, 2024, and increased to 65% during the six months ended June 30, 2025, compared to 58% during the six months ended June 30, 2024. The increase in gross margin was primarily attributable to the growth in unit sales, which allowed us to spread the fixed portion of our manufacturing overhead costs over more production units, and to a lesser extent, an increase in average selling prices on both our system sales and handpieces.

#### *Research and Development Expenses*

R&D expenses increased \$0.1 million, or 1%, to \$17.6 million during the three months ended June 30, 2025, compared to \$17.5 million during the three months ended June 30, 2024, and increased \$3.4 million, or 11%, to \$34.0 million during the six months ended June 30, 2025, compared to \$30.6 million for the six months ended June 30, 2024. The increase in R&D expenses was primarily due to employee-related expenses of our R&D organization such as salaries and wages and stock-based compensation. These expenses support ongoing product improvements and the development of additional and next generation technologies.

#### *Selling, General and Administrative Expenses*

SG&A expenses increased \$15.5 million, or 38%, to \$56.3 million during the three months ended June 30, 2025, compared to \$40.8 million during the three months ended June 30, 2024, and increased \$31.1 million, or 39%, to \$111.5 million during the six months ended June 30, 2025, compared to \$80.4 million for the six months ended June 30, 2024. The increase in SG&A expenses was primarily due to employee-related expenses of our sales and marketing organization such as salaries and wages and stock-based compensation expense, primarily to expand the commercial organization, and employee-related expenses of our administrative organization such as salaries and wages and stock-based compensation expense, to drive and support our growth in revenue.

#### *Interest Expense*

Interest expense decreased approximately \$0.1 million, or 13%, to \$0.9 million during the three months ended June 30, 2025, compared to \$1.0 million during the three months ended June 30, 2024, and decreased \$0.3 million, or 15%, to \$1.8 million during the six months ended June 30, 2025, compared to \$2.1 million during the six months ended June 30, 2024. The decrease in interest expense was primarily due to a decrease in the interest rate as compared to the prior period.

#### *Interest and Other Income, Net*

Interest and other income, net, increased \$1.3 million for the three months ended June 30, 2025, and increased \$2.1 million during the six months ended June 30, 2025. The increase was primarily due to an increase in interest income, which was due to our increased cash balances

### **Liquidity and Capital Resources**

#### ***Overview***

As of June 30, 2025, we had cash and cash equivalents of \$302.7 million, an accumulated deficit of \$590.3 million, and \$52.0 million outstanding on our loan facility. We expect our expenses will increase for the foreseeable

future, as we continue to make substantial investments in sales and marketing, operations and research and development. Our future funding requirements will depend on many factors, including:

- the degree and rate of market acceptance of our products and Aquablation therapy;
- the scope and timing of investment in our sales force and expansion of our commercial organization;
- the scope, rate of progress and cost of our current or future clinical trials and registries;
- the cost of our research and development activities;
- the cost and timing of additional regulatory clearances or approvals;
- the costs associated with any product recall that may occur;
- the costs associated with a regulatory or government action or other litigation;
- the costs associated with the manufacturing of our products at increased production levels;
- the costs of attaining, defending and enforcing our intellectual property rights;
- whether we acquire third-party companies, products or technologies;
- the terms and timing of any other collaborative, licensing and other arrangements that we may establish;
- the emergence of competing technologies or other adverse market developments; and
- the rate at which we expand internationally.

Based on our operating plan, we currently believe that our existing cash and cash equivalents and anticipated revenue will be sufficient to meet our capital requirements and fund our operations through at least the next twelve months from the issuance date of the financial statements included in the Quarterly Report on Form 10-Q. We have based this estimate on assumptions that may prove to be wrong, and we may need to utilize additional available capital resources. If these sources are insufficient to satisfy our liquidity requirements, we may seek to sell additional public equity or debt securities or obtain an additional credit facility. The sale of equity and convertible debt securities may result in dilution to our stockholders and, in the case of preferred equity securities or convertible debt, those securities could provide for rights, preferences or privileges senior to those of our common stock. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. Any debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders. Additional financing may not be available at all, or in amounts or on terms unacceptable to us. If we are unable to obtain additional financing, we may be required to delay the development, commercialization and marketing of our products.

### ***Indebtedness***

In October 2022, we entered into a loan and security agreement with Canadian Imperial Bank of Commerce. The agreement provides for a senior secured term loan facility in the aggregate principal amount of \$52.0 million (the “Term Loan Facility”), which was borrowed in full.

The Term Loan Facility is scheduled to mature on October 6, 2027, the fifth anniversary of the closing date, or the Maturity Date. We have the option to prepay the term loan facility without any prepayment charge or fee.

The loan borrowed under the Term Loan Facility bears interest at an annual rate equal to the secured overnight financing rate, or SOFR, (calculated based on an adjustment of 0.10%, 0.15% and 0.25%, respectively, for one-month, three-month or six-month term SOFR as of a specified date, subject to a floor of 1.5%) plus an applicable margin of 2.25%.

The obligations under the loan and security agreement are secured by substantially all of our assets, including its intellectual property and by a pledge all of our equity interests in its U.S. subsidiaries and 65% of our equity interests in its non-U.S. subsidiaries that are directly owned by us.

In August 2025, the Company entered into a second amendment to the loan and security agreement (the “Second Amendment”), which, among other things, modified the repayment terms such that the entire principal amount outstanding is now due on the Maturity Date, replacing the prior repayment schedule of interest-only payments followed by monthly principal amortization payments. After giving effect to the Second Amendment, we are obligated to maintain in collateral accounts held at the lender (a) if the Company’s cash and cash equivalents is less than \$50.0 million, 100% of its cash and cash equivalents; or (b) if the Company’s cash and cash equivalents is greater than or equal to \$50.0 million, the greater of (i) \$50.0 million or (ii) 50% of its cash and cash equivalents, with amounts exceeding \$50.0 million permitted to be held outside of the lender in collateral accounts managed by the lender.

The loan and security agreement contains certain customary representations and warranties, affirmative and negative covenants, and events of default. Under the loan and security agreement, if we maintain less than \$100.0 million in available cash, then we are required to meet either one of two financial covenants: a minimum unrestricted cash covenant or a minimum revenue and growth covenant. The minimum unrestricted cash covenant requires that we to maintain cash reserve not less than the greater of (i) \$20.0 million, (ii) the absolute value of EBITDA losses (if any) for the most recent consecutive four-month period then ended or (iii) the aggregate outstanding principal amount of \$52.0 million. The minimum revenue and growth covenant requires our revenue, for the consecutive twelve-month period as of each measurement date, of not less than \$50.0 million and of at least 115% as of the last day of the consecutive twelve-month period of the immediately preceding year. If we maintain at least \$100.0 million in available cash, then we are not required to meet such financial covenants.

## Cash Flows

The following table summarizes our cash flows for the periods presented:

|  | Six Months Ended June 30, |                    |
|--|---------------------------|--------------------|
|  | 2025                      | 2024               |
|  | (in thousands)            |                    |
| Net cash (used in) provided by:  |                           |                    |
| Operating activities   | \$ (32,023)               | \$ (48,022)        |
| Investing activities   | (4,638)                   | (2,989)            |
| Financing activities   | 5,676                     | 7,882              |
| Effect of exchange rates on cash, cash equivalents and restricted cash | (23)                      | —                  |
| Net decrease in cash, cash equivalents and restricted cash             | <u>\$ (31,008)</u>        | <u>\$ (43,129)</u> |

### Net Cash Used in Operating Activities

During the six months ended June 30, 2025, net cash used in operating activities was \$32.0 million, consisting primarily of a net loss of \$44.3 million and an increase in net operating assets of \$13.8 million, partially offset by non-cash charges of \$26.1 million. The cash used in operations was primarily due to our net loss due to the increase in operating expenses to support our commercialization and development activities. The expansion of our commercialization activities resulted in an increase in inventory and accounts payable, partially offset by a decrease in accounts receivable, due to timing of cash receipts. Non-cash charges consisted primarily of stock-based compensation, depreciation, and provision for credit losses.

During the six months ended June 30, 2024, net cash used in operating activities was \$48.0 million, consisting primarily of a net loss of \$51.6 million and an increase in net operating assets of \$13.9 million, partially offset by non-cash charges of \$17.5 million. The cash used in operations was primarily due to our net loss due to the increase in operating expenses to support our commercialization and development activities. The expansion of our commercialization activities resulted in an increase in accounts receivable and inventory, partially offset by

reimbursements for leasehold improvements made related to our San Jose, California corporate headquarters and an increase to other liabilities. Non-cash charges consisted primarily of stock-based compensation, non-cash lease expense, and depreciation.

#### ***Net Cash Used in by Investing Activities***

During the six months ended June 30, 2025, net cash used in investing activities was \$4.6 million, consisting of purchases of property and equipment. During the six months ended June 30, 2024, net cash used in investing activities was \$3.0 million, consisting of purchases of property and equipment.

#### ***Net Cash Provided by Financing Activities***

During the six months ended June 30, 2025, net cash provided by financing activities was \$5.7 million, consisting of proceeds from exercises of stock options and proceeds from the issuance of common stock under the ESPP. During the six months ended June 30, 2024, net cash provided by financing activities was \$7.9 million, consisting of proceeds from exercises of stock options and proceeds from the issuance of common stock under the ESPP.

#### **Contractual Commitments and Contingencies**

The information included in Note 11 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

#### **Off-Balance Sheet Arrangements**

We did not have during the periods presented, and we do not currently have any off-balance sheet arrangements, such as structured finance, special purpose entities or variable interest entities.

#### **Critical Accounting Policies and Estimates**

Management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions for the reported amounts of assets, liabilities, revenue, expenses and related disclosures. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and any such differences may be material.

The significant accounting policies and estimates used in preparation of the unaudited condensed consolidated financial statements are described in our audited consolidated financial statements as of and for the year ended December 31, 2024, and the notes thereto, which are included in our Annual Report on Form 10-K dated February 28, 2024, or Annual Report, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report. There have been no material changes to our significant accounting policies during the three months ended June 30, 2025.

#### **Recent Accounting Pronouncements**

The information included in Note 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Our market risks related to interest rate, credit, foreign currency exchange rates, and effects of inflation are described in Part II Item 7A, "Quantitative and Qualitative Disclosures About Market Risk", of our 2024 Annual Report on Form 10-K. Our exposure to market risks has not changed materially since December 31, 2024.

#### **Item 4. Controls and Procedures**

##### ***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of June 30, 2025, our disclosure controls and procedures were effective at the reasonable assurance level.

##### ***Limitations on Effectiveness of Disclosure 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.

##### ***Changes in Internal Control over Financial Reporting***

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II**  
**OTHER INFORMATION**

**Item 1. Legal Proceeding**

From time to time, we may be involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, in the opinion of management, would have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity and reputation harm, and other factors.

**Item 1A. Risk Factors**

Our business, financial condition and operating results are affected by a number of factors, whether currently known or unknown, including risks specific to us or the healthcare industry as well as risks that affect businesses in general. In addition to the information set forth in this Quarterly Report on Form 10-Q, you should consider carefully the factors discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 27, 2025 and in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025, filed with the SEC on May 2, 2025. The risks and uncertainties disclosed in such prior reports and in this Quarterly Report could materially adversely affect our business, financial condition, cash flows or results of operations and thus our stock price.

During the three months ended June 30, 2025, there were no material changes to our previously disclosed risk factors.

Besides risk factors disclosed in the Annual Report, our Quarterly Report for the quarterly period ended March 31, 2025, and this Quarterly Report, additional risks and uncertainties not currently known or we currently deem to be immaterial may also materially adversely affect our business, financial condition or results of operations. These risk factors may be important to understanding other statements in this Quarterly Report and should be read in conjunction with the unaudited condensed consolidated financial statements and related notes in Part I, Item 1, "Financial Statements" and Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Quarterly Report. Because of such risk factors, as well as other factors affecting our financial condition and operating results, past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods.

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

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

On August 4, 2025, the Company determined to eliminate the position of Chief Commercial Officer and intends to separate the roles into two new leadership positions: Senior Vice President of Sales and Senior Vice President of

Marketing, both reporting directly to the Chief Executive Officer. Hisham Shiblaq will separate from the Company effective September 1, 2025.

During the quarter ended June 30, 2025, no director or officer of the Company informed us of the adoption or termination of a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (as each term is defined in Item 408 of Regulation S-K), except as follows:

On June 3, 2025, Reza Zadno, the Company’s Chief Executive Officer, adopted a pre-arranged written stock sale plan in accordance with Rule 10b5-1 (the “Zadno Rule 10b5-1 Plan”) under the Exchange Act, for the sale of shares of the Company’s common stock and is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act stock. The Zadno Rule 10b5-1 Plan was entered into during an open trading window in accordance with the Company’s policies regarding transactions. The Zadno Rule 10b5-1 Plan provides for the potential sale of up to 76,978 shares of the Company’s common stock during various specified trading periods through December 17, 2025.

On June 3, 2025, Alaleh Nouri, the Company’s Chief Legal Officer, terminated a pre-arranged written stock sale plan in accordance with Rule 10b5-1 (the “2024 Nouri Rule 10b5-1 Plan”) under the Exchange Act, for the sale of shares of the Company’s common stock. The 2024 Nouri Rule 10b5-1 Plan was terminated during an open trading window in accordance with the Company’s policies regarding transactions in the Company’s securities and is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. The 2024 Nouri Rule 10b5-1 Plan provided for the potential sale of up to 56,185 shares of the Company’s common stock during various specified trading periods through December 31, 2025.

On June 4, 2025, Alaleh Nouri adopted a pre-arranged written stock sale plan in accordance with Rule 10b5-1 (the “2025 Nouri Rule 10b5-1 Plan”) under the Exchange Act, for the sale of shares of the Company’s common stock and is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act stock. The 2025 Nouri Rule 10b5-1 Plan was entered into during an open trading window in accordance with the Company’s policies regarding transactions. The 2025 Nouri Rule 10b5-1 Plan provides for the potential sale of up to a maximum of 70,836 shares of the Company’s common stock during various specified trading periods through September 7, 2026.

## Item 6. Exhibits

The following exhibits are filed or furnished as a part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

| <u>Exhibit No.</u> | <u>Exhibit Description</u>  |
|--------------------|---|
| 3.1                | <a href="#">Amended and Restated Certificate of Incorporation</a> (incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed on September 21, 2021)                                 |
| 3.2                | <a href="#">Amended and Restated Bylaws</a> (incorporated by reference to Exhibit 3.2 to the registrant's Current Report on Form 8-K filed on September 21, 2021)   |
| 10.1*              | <a href="#">Second Amendment to Loan and Security Agreement, by and between Canadian Imperial Bank of Commerce and the Registrant, dated as of August 6, 2025</a>   |
| 31.1*              | <a href="#">Certification of Principal Executive Officer 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.</a> |
| 31.2*              | <a href="#">Certification of Principal Financial Officer 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.</a> |
| 32.1**             | <a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>  |
| 32.2**             | <a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>  |
| 101.INS            | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data file because its XBRL tags are embedded within the Inline XBRL document.  |
| 101.SCH            | Inline XBRL Taxonomy Extension Schema Document.   |
| 101.CAL            | Inline XBRL Taxonomy Extension Calculation Linkbase Document.   |
| 101.DEF            | Inline XBRL Taxonomy Extension Definition Linkbase Document.  |
| 101.LAB            | Inline XBRL Taxonomy Extension Label Linkbase Document.   |
| 101.PRE            | Inline XBRL Taxonomy Extension Presentation Linkbase Document.  |
| 104*               | Cover Page Interactive Data File (embedded within the Inline XBRL document)   |

\* Filed herewith.

\*\* Furnished herewith.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: August 7, 2025

**PROCEPT BIROBOTICS CORPORATION**  
(Registrant)

/s/ Reza Zadno

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Reza Zadno, Ph.D.  
President and Chief Executive Officer  
(principal executive officer)

/s/ Kevin Waters

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Kevin Waters  
EVP, Chief Financial Officer  
(principal financial and accounting officer)

**SECOND AMENDMENT TO  
LOAN AND SECURITY AGREEMENT**

This Second Amendment to Loan and Security Agreement is entered into as of August 6, 2025 (the “**Amendment**”) is entered into between CANADIAN IMPERIAL BANK OF COMMERCE (“**Bank**”) and PROCEPT BIOROBOTICS CORPORATION, a Delaware corporation (“**Borrower Representative**”).

RECITALS

- A. Borrower and Bank are parties to that certain Loan and Security Agreement, dated as of October 6, 2022, (as amended by that certain First Amendment to Loan and Security Agreement, dated as of June 1, 2023, and as further amended from time to time, the “**Agreement**”).
- B. The parties desire to amend the terms of the Agreement as set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. **Definitions.** Capitalized terms used but not defined in this Amendment shall have the respective meanings given to them in the Agreement.

2. **Amendments.**

2.1 Exhibit A of the Agreement is hereby amended by adding or amending and restating the following terms in appropriate alphabetical order:

“**Permitted Foreign Accounts**” means each Collateral Account owned by a Loan Party and maintained at a bank located outside of the United States and Canada, provided that the aggregate amount held in all such accounts shall not exceed \$5,000,000.

“**Run-Rate Revenue**” means, as of any date of determination, the product of (a) Revenue of Borrower Representative measured on a trailing three (3) month basis, as determined by Bank based on financial materials delivered to Bank, multiplied by (b) four (4).

“**Second Amendment Effective Date**” means August 6, 2025.

2.2 Exhibit A of the Agreement is hereby amended by deleting the definition of “Amortization Date”.

2.3 Section 2.3(b) of the Agreement is amended to read as follows:

(b) Repayment. Borrowers shall make consecutive monthly payments of only accrued and unpaid interest in accordance with Section 2.5. Any and all unpaid Obligations, including outstanding principal and any accrued and unpaid interest in respect of the Term Loan, other fees and other sums, if any, shall be due and payable in full on the Term Loan Maturity Date. The Term Loan may only be prepaid in accordance with Sections 2.3(c) and 2.3(d).

2.4 Section 6.2(i) of the Agreement is amended to read as follows:

(i) Intellectual Property Report. A prompt report in form reasonably acceptable to Bank, listing any newly filed applications or registrations that any Loan Party or any of its Subsidiaries has made or filed in respect of any Patents, Copyrights or Trademarks since the date

of the last report, as well as any material change in any Loan Party or any of its Subsidiaries' Intellectual Property, such that Bank may perfect its security interests in all such Intellectual Property.

2.5 Section 6.6(b) of the Agreement is amended to read as follows:

(b) Borrower Representative and its Subsidiaries shall maintain in Collateral Accounts with Bank (including accounts with Bank's corporate and institutional services group which, for the avoidance of doubt, may invest in non-Bank affiliated Cash Equivalents) cash and Cash Equivalents in an amount not less than (a) if cash and Cash Equivalents of Borrower Representative and its Subsidiaries is less than \$50,000,000, 100% of the aggregate amount of cash and Cash Equivalents of Borrower Representative and its Subsidiaries on a consolidated basis held on Bank's balance sheet or (b) if cash and Cash Equivalents of Borrower Representative and its Subsidiaries is greater than or equal to \$50,000,000, the greater of (i) \$50,000,000 or (ii) 50% of such cash and Cash Equivalents of Borrower Representative and its Subsidiaries, with a minimum of \$50,000,000 held on Bank's balance sheet, provided that amounts in excess of \$50,000,000 may be held outside of Bank in Collateral Accounts managed by CIBC. All Collateral Accounts of Borrowers and Guarantors shall be subject to an Account Control Agreement or first priority security interest by "control" or foreign equivalent thereof in favor of Bank. Borrower Representative and its Subsidiaries shall comply with the requirements in this Section 6.6(b) no later than sixty (60) days after the Second Amendment Effective Date.

2.6 Section 6.12(b) of the Agreement is amended to read as follows:

(b) With respect to any property or assets of a Loan Party located with a third party, including a bailee, datacenter or warehouse (other than Excluded Locations) for all such third party locations holding property or assets in an amount equal to or greater than \$10,000,000 in the aggregate, the Loan Parties shall cause each such third party to execute and deliver a Collateral Access Agreement for such location, including an acknowledgment from each of the third parties that it is holding or will hold such property for Bank's benefit. Loan Parties shall deliver to Bank each warehouse receipt, where negotiable, covering any such property.

3. **Limitation of Amendments.** The Amendments set forth in Section 2 above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document. Except as modified by this Amendment, the Loan Documents remain in full force and effect and are hereby reaffirmed.

4. **Obligations.** The Loan Parties hereby acknowledge that the Obligations are due and owing as set forth in the Agreement to Bank without setoff, recoupment, defense or counterclaim, in law or in equity, of any nature or kind. All guarantees and security interests granted to Bank under any Loan Document are hereby reaffirmed by each Loan Party and shall continue without novation. Except as expressly set forth herein, the terms of the Loan Documents remain in effect. This Amendment is a Loan Document.

5. **Representations.** To induce Bank to enter into this Amendment, each Loan Party represents and warrants as follows:

5.1 The representations and warranties contained in the Agreement and the other Loan Documents, are true and correct in all material respects as of the date of this Amendment (except for such representations and warranties referring to another date, which representations and warranties are true and correct in all material respects as of such date).

5.2 No Event of Default has occurred and is continuing.

5.3 Each Loan Party has the power and authority to execute and deliver this Amendment and to perform its obligations under the Agreement, as amended by this Amendment.

5.4 The execution and delivery by each Loan Party of this Amendment and the performance by each Loan Party of the obligations under the Loan Documents as amended by this Amendment, (a) have been duly authorized by all necessary action on the part of the applicable Loan Party, and (b) (i) will not conflict with the organizational documents of such Loan Party, (ii) will not contravene, conflict with or violate any material Requirement of Law, (iii) will not contravene, conflict with or violate any applicable order, writ, judgment, injunction, determination or award of any Governmental Authority by which a Loan Party or any of its Subsidiaries or their property or assets may be bound or affected, (iv) will not require any action by, filing, registration, or qualification or Governmental Approval from, any Governmental Authority (except such governmental approvals which have already been obtained and are in full force and effect), or (v) will not conflict with, contravene, or constitute a default under or result in or permit the termination or acceleration of any agreement by which any Loan Party is bound, in each case except as could not reasonably be expected to result in a Material Adverse Effect.

5.5 This Amendment has been duly executed and delivered by the Loan Parties party thereto, and constitutes the valid and binding obligation of the Loan Parties party thereto, enforceable against such Loan Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

6. **Conditions.** As a condition to the effectiveness of this Amendment, Bank shall have received the following:

(a) this Amendment, duly executed by the Loan Parties and Bank;

(b) receipt of all documentation and other information required by Bank with respect to the Borrower Representative under applicable "know-your-customer" and anti-money laundering rules and regulations;

(c) evidence satisfactory to Bank that Borrower Representative maintains no less than \$275,000,000 in Unrestricted Cash and Cash Equivalents in Deposit Accounts which are demand deposit accounts or money market deposit accounts held at CIBC or subject to an Account Control Agreement in favor of CIBC as of the date hereof;

(d) evidence satisfactory to Bank of Borrower's achievement of Run-Rate Revenue greater than or equal to \$285,000,000 as of the date hereof; and

(e) all reasonable and documented Bank Expenses incurred in connection with this Amendment.

7. **Counterparts; Electronic Execution of Documents.** This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement. The words "execution," "signed," "signature" and words of like import herein shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act. Delivery of an executed counterpart of a signature page of this Amendment or any document delivered in connection therewith by electronic means, including by email delivery of a ".pdf" format data file, shall be effective as delivery of an original executed counterpart thereof.

8. **Choice of Law, Venue and Jury Trial Waivers.** The provisions of Section 11 of the Agreement are hereby incorporated into this Amendment as if fully set forth herein, mutatis mutandis.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE TO SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the first date above written.

BORROWER REPRESENTATIVE:

PROCEPT BIOROBOTICS CORPORATION

By: /s/ Kevin Waters

Name: Kevin Waters

Title: EVP, Chief Financial Officer

BANK:

CANADIAN IMPERIAL BANK OF COMMERCE

By: /s/ Joseph C. Hammer

Name: Joseph C. Hammer

Title: Assistant General Manager

By: /s/ Sarah Perkins

Name: Sarah Perkins

Title: Assistant General Manager

**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, Reza Zadno, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PROCEPT BioRobotics Corporation;
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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(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 7, 2025

By:

\_\_\_\_\_  
*/s/ Reza Zadno*  
**Reza Zadno, Ph.D.**  
**Chief Executive Officer**  
**(Principal Executive Officer)**





**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 PROCEPT BioRobotics Corporation (the "Company") on Form 10-Q for the period ending June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (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 7, 2025

By:

/s/ Kevin Waters

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**Kevin Waters**

**Chief Financial Officer  
(Principal Financial Officer and  
Principal Accounting Officer)**

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.