UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025
Or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number 001-34899

Pulse Biosciences, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**46-5696597**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
601 Brickell Key Drive, Suite 1080 Miami, FL	**33131**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (510) 906-4600

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

Title of Each Class	**Trading Symbol(s)**	**Name of Each Exchange on Which Registered**
Common Stock, par value $0.001 per share	**PLSE**	**The Nasdaq Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

Aggregate market value of registrant's common stock held by non-affiliates of the registrant on June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, based upon the closing price of the registrant's common stock on such date as reported by Nasdaq Capital Market, was approximately $266.2 million. Shares of voting stock held by each officer and director have been excluded in that such persons may be deemed to be affiliates. This assumption regarding affiliate status is not necessarily a conclusive determination for other purposes.

Number of shares outstanding of the registrant's common stock as of February 13, 2026: 67,989,078

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"Pulse Biosciences," the Pulse logos and other trademarks or service marks that we use in connection with the operation of our business appearing in this annual report on Form 10-K (this "Annual Report"), including nPulse, Vybrance, CellFX, Nano-pulse Stimulation, nsPFA, nano-PFA, and NPS, are the property of Pulse Biosciences, Inc. Solely for your convenience, some of our trademarks and trade names referred to in this Annual Report are listed without the ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our trademarks and trade names. Also, this Annual Report may contain additional trade names, trademarks or service marks of others, which are the property of their respective owners. We do not intend our use or display of any other company's trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any of these other companies.

Unless expressly indicated or the context requires otherwise, the terms "Pulse," "Company," "we," "us," and "our," in this document refer to Pulse Biosciences, Inc., a Delaware corporation, and, where appropriate, its wholly owned subsidiaries.

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

This report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements relate to expectations concerning matters that are not historical facts. Words such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "might," "plans," "projects," "will," "would," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include, but are not limited to, statements related to our expected business, new product introductions, results of clinical studies, expectations regarding regulatory clearance and the timing of FDA or non-US filings or approvals including meetings with FDA or non-US regulatory bodies, procedures and procedure adoption, future results of operations, future financial position, our ability to generate revenue, our financing plans and future capital requirements, anticipated costs of revenue, anticipated expenses, the effect of recent accounting pronouncements, our anticipated cash flows, our ability to finance operations from cash flows or otherwise, and statements based on current expectations, estimates, forecasts, and projections about the economies and markets in which we operate and intend to operate and our beliefs and assumptions regarding these economies and markets. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. You should read the "Risk Factors" section of this Annual Report for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained herein. We do not assume any obligation to update any forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report, and although we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted a thorough inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements. This Annual Report and any documents incorporated by reference may contain market data that we obtain from industry sources. These sources do not guarantee the accuracy or completeness of the information. Although we believe that our industry sources are reliable, we do not independently verify the information. The market data may include projections that are based on other projections. While we believe these assumptions and projections are reasonable and sound, as of the date of this Annual Report, actual results may differ from the projections.

SUMMARY OF RISK FACTORS

Summary

Below is a summary of the principal factors that make an investment in Pulse Biosciences, Inc. speculative or risky. The following summary does not contain all of the information that may be important to you, and you should read the below summary in conjunction with the more detailed discussion of risks set forth under the heading "Risk Factors" in Part I, Item IA of this Annual Report on Form 10-K.

Risks Related to Our Financial Position and Need for Additional Capital

- We will need to obtain additional funding to finance our operations and complete the development and commercialization of our products, which may result in further dilution to our investors, or require us to incur indebtedness, which could impair our liquidity position. If we do not receive substantial capital when needed, we may be forced to restrict our operations or delay, reduce or eliminate our product development programs.

- We depend heavily on the success of NPS to nonthermally clear targeted cells while sparing adjacent noncellular tissue. If we are unable to successfully develop and commercialize this patented technology, or experience significant delays in doing so, we may extend the period during which we will incur significant financial losses as a company.

- We are principally a development-stage company with limited experience commercializing products. We have incurred significant losses since our inception. We anticipate that we will continue to incur losses for at least the next several years and may never generate profits from operations or maintain profitability if we do.

Risks Related to the Development and Commercialization of our Medical Products

- Medical device development and commercialization is a complex, time-consuming and expensive process. Our industry is fraught with risk and a high rate of failure.
- We can provide no assurance that our clinical product candidates, including our product candidates for the treatment of atrial fibrillation ("AF"), such as our nPulse Cardiac Clamp and our nPulse Cardiac Catheter, will obtain regulatory approval or that the results of clinical studies will be favorable.
- We have had limited sales and marketing experience and can give no assurances that our devices will be adopted by surgeons or other physicians to treat any medical condition.
- Regulatory requirements may affect the scope and timeline of our trials and the potential market for our product candidates, including the possibility of significant delays to any product launch.
- The medical device industry is characterized by intense competition, rapid technological changes, new product introductions and enhancements, and evolving industry standards. If we do not develop and obtain regulatory clearances or approvals for new products or product enhancements in time to meet market demand, or if there is insufficient demand for our products or enhancements, our results of operations will suffer.
- Commercialization of our product candidates could be delayed or prevented if we experience any number of possible unforeseen events in connection with our clinical trials.
- If clinical trials of our product candidates fail to demonstrate safety and effectiveness to the satisfaction of applicable regulatory bodies, such as the U.S. Food and Drug Administration or the European Medicines Agency, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our devices.

Risks Related to Our Industry and Market

- We face substantial competition, which may result in others developing or commercializing competitive products before or more successfully than we do.
- We compete against well-established incumbent technologies offering products in cardiology, oncology, and minimally invasive procedures. Many of these companies currently have greater financial, technical, research, and/or other resources than we do and have larger and more established manufacturing capabilities and marketing, sales, and support functions.
- We may pursue business development opportunities to expand or enhance our pipeline of potential products, including through potential acquisitions of and/or collaborations with other entities, which may not achieve intended results or could increase the number of our outstanding shares, result in a change of control or cause us to incur a material amount of indebtedness.

Legal, Tax and Regulatory Risks

- Our ability to commercialize any of our product candidates is subject to substantial regulatory and legislative uncertainty, including as to pricing, reimbursement practices or other healthcare initiatives which could harm our business.
- We may face costly legal claims such as litigation related to product liability or alleged intellectual property infringement.
- Trade tariffs and changes at the U.S. FDA may adversely affect our operating costs and timelines.

Risks Related to Our Intellectual Property, Cybersecurity and Data Privacy

- We rely upon patents to protect our technology. We may be unable to protect our intellectual property rights and we may be liable for infringing the intellectual property rights of others.

- Our actual or perceived failure to comply with stringent and changing obligations related to data privacy and security or to any of our other legal compliance obligations could lead to regulatory investigations and actions, litigation, fines and penalties, disruptions to our business operations, reputational harm, loss of revenue and profits, and other adverse business impacts.

- We are exposed to risks related to cybersecurity and data privacy threats and incidents and we are subject to restrictions and changes in laws and regulations governing our data privacy and data protection, any of which could have a material adverse effect on our business.

Risks Related to Corporate Governance and Employee Relations

- Our future success depends on our ability to retain our chief executive officers and other key executives and to attract, retain and motivate qualified personnel.

- Our Co-Chairman, Robert Duggan, owns approximately 72% of the voting power of the outstanding shares of our common stock and, as a result, investors may have limited ability to affect either the corporate governance of the Company or the taking of certain major decisions.

Risks Related to Owning Our Common Stock

- Substantial future sales of our shares of common stock in the public market, or the perception that these sales could occur, could cause the price of the shares to decline significantly, even if our business is doing well.

- The prices of our shares of common stock may be volatile and fluctuate substantially, which could result in substantial losses for our stockholders.

- Approximately 72% of our outstanding shares are owned by our Co-Chairman and his affiliates, which reduces liquidity of our stock. Historically, our trading volume on Nasdaq has been low.

Part I

Item 1. Business

Overview

We are a novel ablation company committed to health innovation using our patented Nano-pulse Stimulation ("NPS") technology, a revolutionary energy modality that delivers nanosecond-duration pulses of electrical energy, each less than a millionth of a second long, to nonthermally clear or kill targeted cells. NPS technology, also referred to as Nanosecond Pulsed-Field Ablation ("nsPFA") technology when used to ablate cellular tissue, can be used to treat a variety of medical conditions for which an optimal solution remains unfulfilled. We developed our proprietary nPulse System (formerly known as CellFX), a novel nsPFA delivery platform, and commercialized the initial application of its nsPFA technology to treat benign lesions of the skin. In parallel, we have designed a variety of applicators, or disposables, to explore the potential use of the nPulse platform to treat disorders in other medical specialties, such as cardiology, gastroenterology, gynecology, and otolaryngology. These applicators include devices for open surgical procedures, endoscopic or minimally invasive procedures, and endoluminal catheters, and each has been used in preclinical studies. Based on our preclinical experience and the potential to significantly improve outcomes for patients in a large and growing market, we decided in 2022 to focus our primary efforts on the use of nsPFA energy and the nPulse platform in the treatment of atrial fibrillation, where approximately 1.9 million patients in the United States are diagnosed annually. This potentially represents a greater than $3.0 billion addressable market within electrophysiology alone combined with long-term double-digit growth. Additionally, we are also pursuing the treatment of atrial fibrillation via a surgical approach as well as select other markets where nsPFA technology could have a profound positive impact on healthcare for both patients and providers, such as surgical soft tissue ablation.

nPulse Vybrance Percutaneous Electrode System

Our first product for soft tissue ablation in a surgical setting, the Vybrance Percutaneous Electrode System, consists of a disposable, percutaneous, needle electrode for use with our proprietary nPulse Console. This novel electrode is designed to harness and deliver the key advantages of nsPFA energy, enabling precise nonthermal removal of cellular tissue without inducing thermal necrosis.

After years of preclinical development and testing, in June 2023, we initiated a first-in-human study using our proprietary nsPFA-enabled percutaneous electrode. This study was conducted by Professor Stefano Spiezia at the Ospedale del Mare in Naples, Italy, to help us better understand and confirm the mechanism of action and tissue response of nsPFA energy in internal organs such as the thyroid. Thirty study subjects were treated, all of whom tolerated the procedure well with no reported serious side effects. Ultrasound images post procedure showed treated portions of the benign thyroid nodules were mostly resorbed with no sign of scarring or fibrosis, which can be a side effect of other ablation modalities using thermal energies.

In parallel, in November 2023, we filed a premarket notification 510(k) with the FDA for clearance to commercialize our novel Vybrance Percutaneous Electrode System in the United States. In March 2024, we received FDA 510(k) clearance for our Vybrance Percutaneous Electrode System for use in the ablation of soft tissue in percutaneous and intraoperative surgical procedures. More recently, in August 2024, we received FDA 510(k) clearance for a second size of the percutaneous electrode needle, which we believe will provide our customers with an additional treatment option for their patients.

Since securing 510(k) clearance to market and sell the Vybrance Percutaneous Electrode System in the United States, we have engaged with experts in the field of soft tissue ablation to gather information to help shape our commercial endeavors (our "Pilot Program"). To date, we have placed our nPulse System at sites in the United States under either short-term evaluation, consulting or other early commercial agreements pursuant to which the sites have been performing initial patient treatments and evaluating the nPulse System as well as providing valuable feedback and support for our first launch of an nsPFA-enabled surgical product.

More recently, in September 2025, we commenced a clinical trial (PRECISE BTN) to generate clinical evidence to demonstrate the safety and effectiveness of this less-invasive thyroid preserving procedure and support commercialization of the Vybrance Percutaneous Electrode System in the United States. In this study, benign thyroid nodule soft tissue ablation procedures will be performed on up to 50 patients at up to four sites. Study endpoints evaluated during the follow-up timepoints will include safety, targeted nodule volume reduction, symptom reduction, and improvements in quality of life and cosmesis over various follow-up periods. The pace of enrollment is encouraging and we expect enrollment to complete in the next few months. To date, these clinicians, together with those in the Pilot Program as well as our first commercial accounts, have completed more than 300 patient procedures. We expect to pursue more clinical evidenced-based milestones in connection with the limited market release of our percutaneous electrodes.

Our Cardiac Surgical Program

Atrial fibrillation ("AF") is a type of heart arrythmia, or irregular heartbeat, caused by faulty electrical signals in the heart. AF is a highly prevalent condition and is growing significantly with an ageing population. It is estimated that 43 million people worldwide are affected by AF. Treatment requires the precise and safe ablation of heart tissue to block or otherwise prevent these faulty electrical signals from causing the irregular heartbeat, and we believe nsPFA energy is uniquely suited to perform an integral role for this application and that it will prove to be highly differentiated from other energy modalities in use today.

The results of preclinical and clinical testing of both our nPulse cardiac products, namely our surgical ablation clamp and our endocardial ablation catheter, have exceeded our expectations and initial data have been presented at physician and industry conferences. While these devices serve different physicians, the application of nsPFA energy to safely and effectively ablate cardiac tissue to treat AF are the same, and we believe there will be important synergies realized through their contemporaneous development. The Company's cardiac surgical ablation clamp and cardiac endocardial ablation catheter both generate our proprietary nsPFA pulses of electrical energy. We discuss each of these products under development in more detail below.

nPulse Cardiac Surgical Clamp

Our surgical cardiac ablation clamp is designed for use by cardiac surgeons during the surgical treatment of AF. The standard of care surgical procedure for the treatment of AF is performed by cardiac surgeons and called the Cox-Maze procedure. The Cox-Maze procedure typically uses thermal ablation technologies, such as heat with radiofrequency ablation or cold with cryoablation, to create specific ablation lines in the heart muscle. These ablation lines block the conduction of electrical impulses and can cure patients of their AF.

We believe our nsPFA energy can provide important advantages over today's thermal modalities in creating these ablation lines. For example, surgeons using the nPulse System should be able to deliver faster ablations and through thicker tissue than thermal modalities because of the nonthermal mechanism of action that nsPFA employs, which is not affected by heatsinks such as blood in the heart. In preclinical and clinical studies, our nsPFA Cardiac Clamp has consistently achieved transmural ablations in less than three seconds, independent of tissue type or thickness. Moreover, thermal modalities can cause char formation on electrode surfaces which can cause gaps in the ablation lines that might lead to treatment failure. This should not be an issue with nsPFA ablation given its nonthermal nature. Also, because nsPFA ablation does not significantly impact acellular tissue, such as collagen or cartilage, our technology has the potential to offer significant safety advantages over thermal modalities by allowing surgeons to ablate near and into vessels and valves without concern of permanent damage. And finally, nsPFA ablation has been shown to spare nerves of any permanent damage, even when treated directly, which is another concern for thermal modalities. We believe these advantages will be important to cardiac surgeons, so we are working with leaders in the field to develop this technology quickly.

Over the last several years, we have been developing the cardiac ablation clamp from proof-of-concept to prototype, and we now have what we believe will be our initial commercial design. The device was designed with the input of key physicians in cardiac surgery, and we believe it will offer a highly differentiated option relative to the standard of care thermal modalities. Today, we plan to pursue a PMA application for FDA approval to market the cardiac clamp specifically as a surgical way to treat AF. Seeking an AF indication through a PMA application will require pivotal clinical data to support the application.

In July 2024, we received Breakthrough Device Designation from the FDA for our nsPFA Cardiac Surgery System for the treatment of AF. The FDA's Breakthrough Devices Program is a voluntary program for certain medical devices that potentially provide for more effective treatment or diagnosis of a life-threatening or irreversibly debilitating disease or condition. More recently, our Cardiac Surgery System was enrolled in the FDA's Total Product Life Cycle (TPLC) Advisory Program (TAP). The FDA's Center for Devices and Radiological Health (CDRH) launched the TAP program to help generate more rapid development of high-quality, safe, effective, and innovative medical devices that are critical to public health. TAP's primary goal is to expedite patient access to innovative medical devices by providing early, frequent and strategic communications with the FDA and facilitating engagement with other key parties for developers of devices of public health importance. Both programs are designed to expedite the development, assessment, and review of medical devices for premarket approval, 510(k) clearance, or de novo marketing authorization. Breakthrough Devices, even those enrolled in the FDA's TAP Program, must still meet the FDA's rigorous standards for device safety and effectiveness in order to be authorized for marketing, however.

In September 2025, we received approval of our Investigational Device Exemption (IDE) to initiate our pivotal clinical trial of the cardiac surgical clamp and clinicians have already enrolled and treated the first patient in the study. This single-arm prospective study is designed to demonstrate primary effectiveness of the nsPFA Cardiac Surgical System for the treatment of AF in concomitant surgical procedures. Up to twenty sites, including two outside the United States, are planned to enroll up to 136 patients. Upon PMA approval, we would expect to commercialize the nPulse Cardiac Surgical System in the United States specifically as a treatment for AF. Separately, we have already enrolled more than 50 patients in our first-in-human clinical feasibility study of the cardiac clamp, a multi-center study of AF in the Netherlands, Poland and Austria. All of the patients in our first-in-human study have tolerated the procedure well and acute data have been encouraging.

nPulse Cardiac Catheter System

We believe our endocardial catheter ablation device will have many of the same advantages that the surgical ablation clamp appears to have with respect to both performance and safety compared to standard thermal modalities. Our nPulse Cardiac Catheter System is uniquely designed to provide a circumferential, or circular, ablation in a single treatment cycle. We believe this will enable faster treatment times compared to what is currently performed with thermal modalities, especially when ablating around the pulmonary veins, a common treatment approach for AF.

In recent years, Pulsed Field Ablation ("PFA") has gained attention in electrophysiology for the treatment of AF because of its safety profile and speed. Current clinical products employing PFA in AF treatment differ from nsPFA technology in that the pulse widths are longer, typically in the microsecond domain. We believe nsPFA technology, which delivers pulses of electrical energy that are each less than a millionth of a second long, can offer similar safety advantages as PFA and may provide improved efficacy advantages based on the circumferential design of our catheter and because it appears nsPFA technology can create deeper ablations. We believe these advantages will be important to electrophysiologists, so we are working with leaders in the field to develop this technology quickly.

Similar to the cardiac ablation clamp, our proprietary catheter has been in development for several years and we have been working with leaders in the electrophysiology field to test the catheter in preclinical studies. After seeing encouraging preclinical results, in December 2023, we initiated a first-in-human clinical study in Prague, Czech Republic, to test our nPulse Cardiac Catheter System in patients with AF and both the initial acute data and initial remapping data from this study were compelling. We therefore expanded the original clinical protocol in 2024 to include participation by two additional European sites, including a clinical site in Rome, Italy, with Dr. Andrea Natale M.D., F.A.C.C., F.H.R.S., F.E.S.C., a world recognized leader in electrophysiology and the current Executive Director at the Texas Cardiac Arrhythmia Institute. To date, nine clinical investigators at these European sites, including Dr. Natale and Dr. Vivek Reddy, Director of Cardiac Arrhythmia Services at the Mount Sinai Fuster Heart Hospital in New York, have enrolled and treated more than 165 patients in this first-in-human study. More recently, in February 2026, at the AF Symposium, Dr. Reddy presented 6- and 12-month follow up data for the first 150 patients from this study. These data show 96% procedural success of evaluable patients at one year as well as early indications of the disruptive market potential for our nPulse catheter, such as total procedure times in the study of approximately 65 minutes per patient.

Given the compelling data seen in the first-in-human study of our nPulse Cardiac Catheter, in July 2025, we submitted an Investigational Device Exemption (IDE) application for review by the FDA to conduct a single-arm, multicenter, prospective study designed to demonstrate primary safety and effectiveness of the nsPFA Cardiac Catheter System for the treatment of recurrent drug-resistant symptomatic paroxysmal AF. In December 2025, the FDA approved our IDE submission, and we have begun clinical site qualifications to begin enrollment. This IDE study is expected to enroll up to 155 patients at up to 30 sites, including three sites outside the United States. We continue to believe we will need PMA approval from the FDA to market and sell our catheter in the United States.

The nPulse Console

The nPulse Console is a tunable, software-enabled, console-based platform, designed to accommodate the clinical workflow preferred by physicians. The nPulse Console is configured to accept a variety of disposable applicators or electrodes across a range of clinical applications. In February 2021, we received 510(k) clearance from the FDA for the nPulse System for dermatologic procedures requiring ablation and resurfacing of the skin. In January 2021, we received Conformité Européene ("CE") marking approval for the nPulse System, which allows for marketing of the system in the European Union ("EU"). Shortly after these regulatory clearances, we began commercializing the nPulse System in dermatology for the treatment of benign skin lesions. However, in September 2022, we announced a shift in our focus from dermatology to cardiology and soft tissue ablation. We have ceased all commercial sales efforts and marketing operations in dermatology, and in 2022 we stopped manufacturing new dermatologic treatment tips for the nPulse System. At the present time, we continue to support our remaining commercial users and remain open to a potential commercial partnership. The nPulse Console is being used for our current efforts in the treatment of AF and as part of the Vybrance Percutaneous Electrode System.

We continue to believe nsPFA ablation, as well as NPS technology more broadly, has the potential to provide superior outcomes across a variety of medical disciplines and we may seek partnership opportunities to develop additional applications.

Intellectual Property

We maintain a portfolio of intellectual property surrounding our nPulse System and our NPS technology platform. As a medical technology company, our current patents and ongoing intellectual property development are, and will continue to be, a priority for our business. We believe our intellectual property is an important competitive advantage for us. We also rely on trade secrets, know-how, continuing technological innovations, and licensing opportunities to further develop, maintain, and strengthen our competitive position. We actively protect our intellectual property through a combination of patent registrations, trademarks, and copyright protections; confidentiality agreements with our employees, consultants, and other parties; and access control to sensitive information.

Today, on a worldwide basis, we own or exclusively license over 250 issued patents and own or exclusively license over 180 additional pending patent applications. The vast majority of our granted patents have an expiration date between 2035 and 2042. As in the past, we plan to continue to file new patent applications to protect our systems, algorithms, applicators, methods, and designs of our technologies and products as they evolve. Medical technologies such as ours may be used in many different applications and incorporate several patentable features, and our strategy will be to always strive to protect our products and technologies with multiple patents directed to the variety of features and applications, in order to establish a strong and useful patent portfolio against competitors, such that an expiration of a single patent should not lessen our overall comprehensive coverage and competitive advantage. We believe our NPS platform and nPulse System are protected by several issued patents, as well as pending patent applications.

Employees and Human Capital

As of December 31, 2025, we had 116 employees, of which most were located at our facility in Hayward, California. Of these employees, half were engaged in research and development activities and half were engaged in operations, sales, marketing, business development, and general and administrative activities.

Talent Acquisition and Development. We are committed to providing a respectful work environment to our diverse workforce. We provide equal employment opportunities to all persons regardless of race, age, color, gender, sexual orientation, national origin, physical or mental disability, religion, or any other characteristic protected by federal, state, or local law. We believe our employees are essential to our success and our ability to attract, develop, and retain key talent is a vital part of that. Our philosophy is to both develop talent from within and to strategically recruit key external talent. Our overall talent acquisition and retention strategy is designed to attract and retain diverse and qualified candidates to enable the success of the Company and achievement of our performance goals. The skills, experience and industry knowledge of key employees significantly benefit our operations and performance.

Compensation and Benefits Program. Our compensation program is designed to attract, motivate, and retain talented individuals who possess the skills necessary to support our business and contribute to our strategic goals, creating long-term value for our stockholders. We provide employees with competitive compensation packages that include base salary, annual incentive bonuses, 401(k), and equity awards tied to the value of our stock price. Our comprehensive benefits package also includes medical, dental, vision, life and disability plans, and an employee assistance program.

Wellness and Safety. The health and safety of our employees is of utmost importance to us. We currently operate under a hybrid model of onsite and remote work with our technical teams being mostly onsite on a full-time basis. We have policies and guidelines which are designed to protect the safety of our employees.

Competition

Our medical products and products under development are for applications that are constantly under pressure from intense competition from rapidly evolving companies and new scientific discoveries. We compete against well-established incumbent medical device companies that already offer a wide range of commercial products to cardiac surgeons, cardiologists, electrophysiologists, oncologists, interventional radiologists, and others, including products for minimally invasive procedures. For example, Abbott Laboratories, AtriCure, Inc., Boston Scientific Corporation, Johnson & Johnson (Biosense Webster), Medtronic plc, and several other companies all sell ablation-based surgical, minimally invasive, and catheter-based medical devices for the treatment of heart arrhythmias, including AF, as well as products for soft tissue ablation, which could be used to surgically ablate benign thyroid nodules ("BTN"). Additionally, many of these companies are also actively developing or already have microsecond PFA (micro-PFA) products for the treatment of AF. All of these companies currently have greater financial, technical, research, and/or other resources than we do and have larger and more established manufacturing capabilities and marketing, sales, and support functions. For minimally invasive procedures, including for the treatment of BTN, we also compete against the traditional surgical standard of care, including thyroid lobectomy and total thyroidectomy, as well as against providers of thermal ablation technologies, most notably radiofrequency ablation ("RFA") and microwave ablation ("MWA"). Our future success will depend on our ability to establish and maintain a competitive position in current and future technologies. Our technology is unique and differentiated in that NPS technology can influence many cellular functions depending on the energy applied. When it is used to stimulate primarily regulated cell death, such as through nsPFA ablation, we believe it will be less traumatic to treated tissue and result in less scarring and less collateral damage to surrounding tissues, which we feel will give us a competitive advantage over these more established companies despite formidable competition.

Government Regulation

The nPulse System is a medical device subject to extensive and ongoing regulation by the FDA under the Federal Food, Drug, and Cosmetic Act and its implementing regulations, as well as other federal and state regulatory bodies in the United States. These laws and regulations govern, among other things, product design and development, preclinical and clinical testing, manufacturing, packaging, labeling, storage, recordkeeping and reporting, clearance or approval, marketing, distribution, promotion, import and export, and post-marketing surveillance.

The FDA regulates the medical device market to ensure the safety and efficacy of our products. For medical devices that require pre-market review, the FDA allows for three clearance/approval pathways for a medical device to be commercialized: (i) approval via a Pre-market Approval Application ("PMA"), (ii) clearance of a 510(k) submission, or (iii) submission of a de novo application. The FDA has established three different classes of medical devices, based on the level of risk associated with using a device and consequent degree of regulatory controls needed to govern its safety and efficacy, as well as the appropriate clearance/approval pathway needed to obtain authorization to legally market a medical device in the United States.

Class I and Class II devices are considered low and moderate risk devices. Most Class I devices are exempt from premarket notification. Most Class II devices require 510(k) clearance from the FDA in order to be marketed in the United States. A 510(k) Premarket Notification is a premarket submission made to the FDA to demonstrate that the device to be marketed is substantially equivalent to a legally marketed Class II device, *i.e.,* a predicate device. Companies making a 510(k) submission must compare their 510(k)-candidate device to a predicate device and establish substantial equivalence to the satisfaction of the FDA. A device previously cleared under 510(k) or a device approved through a de novo application can be used as a predicate device for later developed substantially equivalent medical devices. However, establishing substantial equivalence in a 510(k) submission requires the candidate device to have the same intended use and the same technological characteristics as a predicate device. The FDA has a 90-calendar day review goal from the date of receipt of the 510(k) to either authorize or decline commercial distribution of the device, but clearance generally takes longer than 90 days. During the review process, the FDA may also request additional information which extends the review process. If the FDA decides that the product is not substantially equivalent to a predicate device, a clearance will not be granted, and the device cannot be commercialized. If a 510(k) submission is rejected by FDA, the applicant may be required to seek premarket authorization through the de novo pathway or the premarket approval pathway, which are more costly and will generally take longer for FDA approval.

Medical devices regarded as the highest risk by the FDA are typically designated Class III and generally require the submission of a PMA application for approval. Class III devices generally include life-sustaining, life-supporting, or implantable devices or devices without a known predicate technology already approved by the FDA. A PMA application must be accompanied by substantial data that supports the reasonable safety and effectiveness of the device, which includes the provision of preclinical, clinical, technical, manufacturing, and labeling information. After the FDA determines the application is sufficiently complete to commence a substantive review, it has 180 days to review the submission, but it can typically take longer (up to several years) as this regulatory body can request additional data, including clinical data or clarifications. The FDA may also impose additional regulatory scrutiny for a PMA, including the institution of an outside advisory committee (panel review) to assess the application or provide recommendations as to whether to approve a device. Although the FDA is not required to follow the recommendation of an advisory panel, it generally does. As part of its review, the FDA will also inspect the manufacturing operations of the company requesting approval to verify compliance with Quality System regulations.

If a new medical device does not qualify for the 510(k) premarket notification process because no predicate device can be identified to which it is substantially equivalent, the device is automatically classified into Class III. The Food and Drug Administration Modernization Act of 1997 established a new route to market for low to moderate risk medical devices that are automatically placed into Class III due to the absence of a predicate device, called the "Request for Evaluation of Automatic Class III Designation," or the de novo classification process. This process allows a manufacturer whose novel device is automatically classified into Class III to request down-classification of its medical device into Class I or Class II on the basis that the device presents low or moderate risk, rather than requiring the submission and approval of a PMA. If the manufacturer seeks reclassification into Class II, the manufacturer must include a draft proposal for special controls that are necessary to provide a reasonable assurance of the safety and efficacy of the medical device. The FDA may reject the reclassification petition if it identifies a legally marketed predicate device that would be appropriate for a 510(k) or determines that the device is not low to moderate risk and requires PMA or that general controls would be inadequate to control the risks and special controls cannot be developed.

After a device receives 510(k) clearance or PMA approval, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, will require a new 510(k) clearance or PMA Supplemental approval. The FDA requires each manufacturer to make this determination initially, but the FDA can review any such decision and can disagree with a manufacturer's determination. If the FDA disagrees with the determination not to seek a new 510(k) clearance or PMA Supplement, the FDA may retroactively require a new 510(k) clearance or PMA Supplement to be submitted. The FDA could also require a manufacturer to cease marketing and distribution and/or recall the modified device until clearance or approval is obtained. Also, in these circumstances, the manufacturer may be subject to significant regulatory fines, penalties, and warning letters.

Pervasive and Continuing Regulation

Even after a device is placed on the market with FDA clearance or approval, numerous regulatory requirements continue to apply. These include:

- the FDA's Quality Management System Regulation ("QMSR") which requires manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation, and other quality assurance procedures during all aspects of the manufacturing process;
- labeling regulations and FDA and FTC prohibitions against the promotion of products for uncleared, unapproved, or off-label uses;
- medical device reporting regulations, which require that manufacturers report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if the malfunction were to recur; and
- post-market surveillance regulations, which apply when necessary to protect the public health or to provide additional safety and efficacy data for the device.

The FDA has broad post-market and regulatory enforcement powers, and we must comply with the post-market surveillance regulations, including medical device reporting regulations. We are required to report to the FDA information if a Company device has, or may have, caused or contributed to a death or serious injury or has malfunctioned in a way that would likely cause or contribute to death or serious injury, if the malfunction of the device or one of our similar devices were to recur. If we fail to report events required to be reported to the FDA within the required timeframes, or at all, the FDA could take enforcement action and impose sanctions against us. Any such adverse event involving our products also could result in future voluntary corrective actions, such as recalls or customer notifications, or agency action, such as inspection or enforcement action. Any corrective action, whether voluntary or involuntary, as well as defending ourselves in a lawsuit, would require our time and capital, distract management from operating our business, and may harm our reputation and have a material adverse effect on our business, financial condition, and results of operations.

We may be subject to unannounced inspections by the FDA and the Food and Drug Branch of the California Department of Public Health to determine our compliance with the QSR and other regulations, and these inspections may include the manufacturing facilities of our suppliers.

Failure to comply with applicable regulatory requirements can result in enforcement action by the FDA, which may include any of the following sanctions:

- warning letters, fines, injunctions, consent decrees, and civil penalties;
- repair, replacement, refunds, recall, or seizure of our products;
- operating restrictions, partial suspension, or total shutdown of production;
- refusing our requests for 510(k) clearance or premarket approval of new products, new intended uses, or modifications to existing products;
- withdrawing 510(k) clearance or premarket approval that has already been granted; and
- criminal prosecution.

Regulatory System for Medical Devices in Europe

The European Union (the "EU") consists of 27-member states and has a coordinated system for the authorization of medical devices. Marketing medical devices in the EU is subject to compliance with the Medical Devices Directive 93/92/EEC (MDD) and the European Union Medical Device Regulation (2017/745 or EU MDR) following its entry into application on May 26, 2020. A medical device may be placed on the market within the EU only if it conforms to certain "essential requirements" and bears the CE Mark. The most fundamental and essential requirement is that a medical device must be designed and manufactured in such a way that it will not compromise the clinical condition or safety of patients, or the safety and health of users and others. In addition, the device must achieve the essential performance(s) intended by the manufacturer and be designed, manufactured, and packaged in a suitable manner.

Manufacturers must demonstrate that their devices conform to the relevant essential requirements through a conformity assessment procedure. The nature of the assessment depends upon the classification of the device. The classification rules are mainly based on three criteria: (i) the length of time the device is in contact with the body, (ii) the degree of invasiveness, and (iii) the extent to which the device affects the anatomy. Conformity assessment procedures for all but the lowest risk classification of device involve a notified body. Notified bodies are often private entities and are authorized or licensed to perform such assessments by government authorities. Manufacturers usually have some flexibility to select a notified body for the conformity assessment procedures for a particular class of device and to reflect their circumstances, *e.g.*, the likelihood that the manufacturer will make frequent modifications to its products. Conformity assessment procedures require an assessment of available clinical evidence, literature data for the product, and post-market experience in respect of similar products already marketed. Notified bodies also may review the manufacturer's quality systems. If satisfied that the product conforms to the relevant essential requirements, the notified body issues a certificate of conformity, which the manufacturer uses as a basis for its own declaration of conformity and application of the CE Mark. Application of the CE Mark allows the general commercializing of a product in the EU. The product can also be subjected to local registration requirements depending on the country.

The EU MDR, which repealed and replaced the MDD, entered into force on May 25, 2017 with a transition period extending until May 26, 2021. The EU MDR clearly envisages, among other things, stricter controls of medical devices, including strengthening of the conformity assessment procedures, increased expectations with respect to clinical data for devices, and pre-market regulatory review of high-risk devices. The EU MDR also envisages greater control over notified bodies and their standards, increased transparency, more robust device vigilance requirements, and clarification of the rules for clinical investigations. Under transitional provisions, medical devices with notified body certificates issued under the MDD prior to May 26, 2020, and which have not been significantly changed, may continue to be placed on the market for the remaining validity of the certificate, until 2027 or 2028, depending on risk class of the device. After the expiry of any applicable transitional period, only devices that have been CE marked under the EU MDR may be placed on the market in the EU.

Environmental

We are subject to federal, state, and local laws, rules, regulations, and policies governing the use, generation, manufacture, storage, air emission, effluent discharge, handling, and disposal of certain hazardous and potentially hazardous substances used in connection with our operations. Although we believe that we have complied with these laws and regulations in all material respects and, to date, have not been required to take any action to correct any noncompliance, there can be no assurance that we will not be required to incur significant costs to comply with environmental regulations in the future.

Insurance

We maintain product and clinical trial liability insurance coverage which includes a maximum of per claim and annual aggregate policy limits, subject to self-insured retentions. The policy covers, subject to policy conditions and exclusions, claims of bodily injury and property damage from any product manufactured by us or from trial-related adverse events.

There is no assurance that our level of coverage is adequate. We may not be able to sustain or maintain our current level of coverage and cannot assure you that adequate insurance coverage will continue to be available on commercially reasonable terms, or at all. A successful product liability claim may exceed our existing coverages and may make future coverages significantly more expensive, if available at all.

Available Information

Effective June 18, 2018, Pulse Biosciences reincorporated as a Delaware Corporation. We were originally incorporated in Nevada on May 19, 2014 under the name Electroblate, Inc. and changed our name to Pulse Biosciences, Inc. effective December 8, 2015. Our corporate offices are located at 601 Brickell Key Drive, Suite 1080, Miami, Florida, 33131. Our telephone number is (510) 906-4600.

Our website is located at www.pulsebiosciences.com. The information that can be accessed through our website is not incorporated into this Annual Report on Form 10-K, and the inclusion of our website address is an inactive textual reference only. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge through the "Investor Relations" section of our website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission ("SEC").

Additionally, we use our website as a channel for distribution of important company information. Important information, including press releases, analyst presentations and financial information regarding us, as well as corporate governance information, is routinely posted and accessible on the "Investor Relations" section of the website, which is accessible by clicking "Investors" on our website home page.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report, including our financial statements and related notes, which could have a material adverse effect on our business, financial condition, results of operations, and prospects. The risks described below are not the only risks facing us. Risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially affect our business, financial condition, results of operations, and prospects. In addition, any worsening of the economic environment or political landscape may exacerbate the risks described below, any of which could have a material impact on us.

Risks Relating to Our Business, Industry and Financial Condition

Because we have had a limited operating history and no significant revenue stream, it is difficult to evaluate the future of our business.

We are a novel ablation company with no significant revenue producing operations at present. To date, our operations on a consolidated basis have consisted almost entirely of the continued development and clinical studies of our technologies and implementation of the early parts of our business plan. We have incurred significant operating losses in each year since our inception and we may continue to incur additional losses for the next several years. In addition, a high percentage of our expenses will continue to be fixed; accordingly, our losses may be greater than expected and our operating results may suffer. We have limited historical financial data upon which we may base our projected revenue and base our planned operating expenses. Our limited operating history makes it difficult to evaluate our technology, operations, and business prospects.

We have not generated significant revenue, and we may never become profitable.

To date, we have not generated significant revenue, and we have historically relied on financing from the sale of equity securities and loans to fund our operations. We expect that our future financial results will depend primarily on our success in launching, selling, and supporting our therapies and procedures using our NPS technology. We expect to expend significant resources on hiring of personnel, continued scientific and product research and development, potential product testing and preclinical and clinical investigation, intellectual property development and prosecution, capital expenditures, working capital, selling, general and administrative expenses, and fees and expenses associated with our capital raising efforts. We expect to incur costs and expenses related to consulting costs, laboratory development costs, hiring of scientists, engineers, sales representatives, and other operational personnel, and the continued development of relationships with potential partners. We are incurring significant operating losses, we expect to continue to incur additional losses for at least the next several years, and we cannot assure you that we will generate substantial revenue or be profitable in the future. We can give no assurances that our future products will be cleared or approved or become commercially viable or accepted for use. Even with commercially viable applications of our technology, which may include licensing, we may never recover our research and development expenses.

Investment in medical technology is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product will fail to demonstrate adequate efficacy or clinical utility. Investors should evaluate an investment in us in light of the uncertainties typically encountered by developing medical technology companies in a competitive environment. There can be no assurance that our efforts will be successful, either in cardiology or otherwise, or that we will ultimately be able to achieve profitability. Even if we achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable could adversely affect the market price of our common stock and could significantly impair our ability to raise capital, expand our business, or continue to implement our business plan.

We can give no assurance that our internal and external sources of liquidity will be sufficient for our cash requirements.

We must have sufficient sources of liquidity to fund our working capital requirements and execute on our strategic initiatives. Future new product launches or investments in other growth initiatives would likely demand increased working capital before any long-term return is realized from increased revenue. Our ability to achieve our business and cash flow plans is based on a number of assumptions which involve significant judgments and estimates of future performance, borrowing capacity and credit availability, and financing opportunities which cannot at all times be assured. There is no assurance that cash flows from operations and other internal and external sources of liquidity will at all times be sufficient for our cash requirements. If necessary, we may need to consider actions and steps to improve our cash position and mitigate any potential liquidity shortfall, such as modifying our business plans, pursuing additional financing to the extent available, reducing capital expenditures, suspending certain activities or programs, pursuing and evaluating other alternatives and opportunities to obtain additional sources of liquidity, and other potential actions to reduce costs. There can be no assurance that any of these actions would be successful, sufficient or available on favorable terms. Any inability to generate or obtain sufficient levels of liquidity to meet our cash requirements at the level and times needed could have a material adverse impact on our business, financial position or prospects.

If we are unable to obtain sufficient funding, we may be unable to execute our business plan and fund operations. We may not be able to obtain additional financing on commercially reasonable terms, or at all.

We have experienced operating losses and we expect to continue to incur operating losses for the next several years as we implement our business plan. Currently, we have limited revenue from operations and we do not have arrangements in place for all the anticipated financing that will likely be required to fully implement our business plan. Our prior losses, combined with expected future losses, have had, and will continue to have, for the foreseeable future, an adverse effect on our stockholders' equity and working capital.

We will need to raise additional capital in order to continue to execute our business plan. If we are unable to raise sufficient additional funds, we may need to scale back our future operations. Also, the ongoing armed conflicts in the Middle East, Ukraine, and elsewhere, as well as increasing tariffs on international trade, which have negatively impacted the global macroeconomic environment and capital markets, may make it more difficult for us to raise additional funds.

We cannot give any assurance that we will be able to obtain all the necessary funding that we may need. In addition, we believe that we will require additional capital in the future to fully develop and bring to market our technologies and planned products. We have pursued and may pursue additional funding through various financing sources, including the private sale of our equity securities, debt financings, licensing fees for our technology, joint ventures with capital partners, and project type financing. If we raise funds by issuing equity or equity-linked securities, dilution to some or all our stockholders would result. Any equity securities issued may also provide for rights, preferences or privileges senior to those of holders of our common stock. The terms of debt securities issued or borrowings could impose significant restrictions on our operations. We also may seek government-based financing, such as development and research grants. There can be no assurance that any such funds will be available on commercially reasonable terms, if at all.

Any future indebtedness could impose on us restrictive covenants, including further limitations on our ability to incur additional debt, limitations on our ability to issue additional equity, limitations on our ability to acquire or license intellectual property rights, and other operating restrictions that could adversely affect our ability to conduct our business. In addition, the issuance of additional equity securities by us, or the possibility of such issuance, may cause the market price of our common stock to decline. Also, in the event that we enter into collaborations or licensing arrangements to raise capital, we may be required to accept unfavorable terms. These agreements may require that we relinquish, or license to a third party on unfavorable terms, our rights to technologies or product candidates that we otherwise would seek to develop or commercialize ourselves or reserve certain opportunities for future potential arrangements when we might otherwise be able to achieve more favorable terms. In addition, we may be forced to work with a partner on one or more of our products or market development programs, which could lower the economic value of those programs to us.

If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, we may be required to, among other things, delay, scale back or eliminate some or all of our activities, reduce headcount, trim research and product development programs, discontinue clinical trials, stop all or some of our manufacturing operations, defer capital expenditures, deregister from being a publicly traded company and delist from Nasdaq, or license our potential products or technologies to third parties, possibly on terms that cannot sustain our current business, or curtail, suspend or discontinue our operations entirely. If any of these things were to occur, our ability to grow and support our business and to respond to market challenges could be significantly limited or we may be unable to continue operations, in which case you could lose your entire investment.

Because our business is not profitable, from time to time, we may undergo a reduction in force to reduce our operating expenses. However, any corporate restructuring or headcount reduction may not result in anticipated savings, could result in total costs and expenses and attrition that are greater than expected and could disrupt our business.

If we decide to reduce headcount to lower our operating expenses, we may not realize, in full or in part, the anticipated benefits, savings and improvements in our cost structure from such a restructuring because of unforeseen difficulties, delays or unexpected costs. If we are unable to realize the expected operational efficiencies and cost savings from such a restructuring, our operating results and financial condition would be adversely affected. Any restructuring activities would be disruptive to our operations and could result in material delays in our new product development programs. Also, any headcount reductions could yield unanticipated consequences, such as attrition beyond planned staff reductions, or increase difficulties in our day-to-day operations. Headcount reductions could also harm our ability to attract and retain qualified management, scientific, clinical, regulatory, manufacturing, engineering, and other personnel who are critical to our business. Any failure to attract or retain qualified personnel could prevent us from successfully developing and commercializing our new product candidates in the future.

Our revenue and future profitability are entirely dependent upon one family of products, the nPulse System, and one platform technology, Nano-pulse Stimulation.

Our revenue to date has been generated entirely from the nPulse System, which consists of a console, connectors and end-effectors, and these products and all our potential products under development are based upon the same patented platform technology, Nano-pulse Stimulation ("NPS"). Our future revenue is therefore dependent on the success of this platform technology and our single family of products under development, all of which reply on NPS energy for therapeutic effect. Reliance on a single family of products and single platform technology could negatively affect our results of operations and financial condition. Our ability to become profitable will depend upon the commercial success of these future products and platform technology.

In 2025 we began marketing the Vybrance Percutaneous Electrode System primarily to Otolaryngologists, Endocrine Surgeons, and Interventional Radiologists ("surgeons") who may be slow or fail to adopt our products or who may use our products in only a small percentage of their eligible patients for a variety of reasons, including but not limited to:

- lack of experience with our products;
- lack of adequate reimbursement of patient costs or lack of evidence showing that procedures using our devices are reimbursable by third party payers;
- lack of conviction regarding evidence supporting cost benefits or cost effectiveness of our products over existing alternatives;
- lack of clinical data showing longer-term patient benefits;
- the possible introduction of new technologies competitive to our products; and
- liability risks generally associated with the use of new products and procedures.

Moreover, our products, including our platform NPS technology, could be rendered obsolete or economically impractical by numerous factors, many of which are beyond our control, including but not limited to:

- entrance of new competitors into our markets;
- technological advancements of alternative technologies;
- loss of key relationships with suppliers, group purchasing organizations, or end-user customers;
- manufacturing or supply interruptions;
- product liability claims;
- trade tariffs;
- our reputation and product market acceptance;
- loss of existing regulatory approvals or the imposition of new requirements to maintain such approvals or to receive new approvals; and
- product recalls or safety alerts.

We may fail to meet our publicly announced guidance or other expectations about our business and future operating results, which could cause our stock price to decline.

The Company may, from time to time, provide financial guidance about its business and future operating results. In developing this guidance, the Company's management must make certain assumptions and judgments about its future operating performance, including but not limited to projected hiring of sales and marketing professionals, growth of revenue in the relevant device markets, increase or decrease of its market share, costs of production of its recently introduced products, and stability of the macro-economic environment in the Company's key markets. Furthermore, analysts and investors may develop and publish their own projections of the Company's business, which may form a consensus about the Company's anticipated future performance. However, the Company's business results may vary significantly from any such guidance or consensus due to a number of factors, many of which are outside of the Company's control, and which could adversely affect its operations and operating results. Furthermore, if the Company makes downward revisions of its own previously announced guidance, or if the Company's publicly announced guidance of future operating results fails to meet expectations of securities analysts, investors or other interested parties, the price of the Company's common stock could decline.

Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations; our product revenues are limited and our profit margins are uncertain.

Our quarterly and annual operating results, including future revenue and profit margins, may fluctuate significantly, which makes it difficult for us to predict our future operating results. These fluctuations may occur due to a variety of factors, many of which are outside of our control and may be difficult to predict, including:

- the timing and cost of, and level of investment in, research, development, and commercialization activities relating to our products and product candidates, which may change from time to time;
- the timing of receipt of approvals or clearances for our product candidates from regulatory authorities;
- the timing and status of enrollment for our clinical trials;
- coverage and reimbursement policies with respect to our product and product candidates, including the degree to which procedures using our products are covered and receive adequate reimbursement from third-party payors;
- the costs of manufacturing our products, as well as building out our supply chain, which may vary depending on the quantity of production and which will vary significantly depending upon the terms of our agreements with manufacturers;
- expenditures that we may incur to acquire, develop or commercialize additional product candidates and technologies;
- the level of demand for our products and any product candidates, if approved or cleared, which may vary significantly over time;
- litigation, including patent, employment, securities class action, stockholder derivative, general commercial, and other lawsuits;
- future accounting pronouncements or changes in our accounting policies; and
- the timing and success or failure of nonclinical studies and clinical trials for our product candidates or competing product candidates, or any other change in the competitive landscape of our industry, including consolidation among our competitors or partners.

Additionally, we may face pricing pressure that could reduce our revenues and margins, failure to achieve expected procedure volumes could adversely affect our revenue growth and gross margins, and our limited commercial history makes it difficult to forecast revenue growth. The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Investors should not rely on our limited past results as an indication of our future performance.

This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met our publicly stated revenue or earnings guidance.

Because we operate in highly competitive markets, we can expect to face competition from large well-established manufacturers of medical technologies, devices and similar products; we may not be able to compete effectively against companies with significantly more resources.

The medical technology, medical device, biotechnology, and pharmaceutical industries are characterized by intense and dynamic competition to develop new technologies and proprietary therapies. We face competition from several sources, such as pharmaceutical companies, medical device companies, generic drug companies, biotechnology companies, and academic and research institutions. Notably, all our medical products and products under development are for applications that are constantly under pressure from intense competition from rapidly evolving companies and new scientific discoveries. We compete against well-established incumbent medical device companies that already offer a wide range of commercial products to cardiac surgeons, cardiologists, electrophysiologists, oncologists, interventional radiologists, and others, including products for minimally invasive procedures. For example, Abbott Laboratories, AtriCure, Inc., Boston Scientific Corporation, Johnson & Johnson (Biosense Webster), Medtronic plc, and several other companies all sell ablation-based surgical, minimally invasive, and catheter-based medical devices for the treatment of heart arrhythmias, including AF, as well as products for soft tissue ablation, which could be used to surgically ablate benign thyroid nodules ("BTNs"). Additionally, many of these companies are also actively developing or already have microsecond PFA (micro-PFA) products for the treatment of AF. All of these companies currently have greater financial, technical, research, and/or other resources than we do and have larger and more established manufacturing capabilities and marketing, sales, and support functions, as well as broader and deeper customer relationships.

We will find ourselves in competition with one or more of these companies, all of which may have competitive advantages over us, such as:

- significantly greater name recognition;
- established relationships with healthcare professionals, customers, and third-party payers;
- competitive products with greater efficacy or better safety profiles;
- established distribution networks;
- additional lines of products and the ability to offer rebates, higher discounts, or incentives to gain a competitive advantage;
- greater experience in obtaining patents and regulatory approvals for product candidates;
- greater experience conducting new product research and development, manufacturing medical devices, conducting clinical trials, obtaining regulatory approval for products, and marketing approved products; and
- greater financial and human resources for product development, sales and marketing.

Additionally, the market for the treatment of BTNs is characterized by competition from established surgical procedures and minimally invasive thermal therapies. We compete primarily against the traditional surgical standard of care, including thyroid lobectomy and total thyroidectomy, as well as providers of thermal ablation technologies, most notably radiofrequency ablation ("RFA") and microwave ablation ("MWA"). For example, thermal ablation companies such as STARMED (a subsidiary of TaeWoong Medical), Cambridge Medical, and Merit Medical Systems, Inc. all market RFA systems specifically designed for the treatment of thyroid nodules. These companies have longer histories in the market than we do, providing them with more established clinical track records, larger installed bases of equipment, and more mature sales and support functions. We will find ourselves in competition with the existing surgical standard of care as well as these companies, which may have competitive advantages over us, such as:

- the status of thyroidectomy and lobectomy as the standard of care with proven clinical outcomes and physician familiarity;
- more established clinical adoption within the endocrinology, otolaryngology, and general surgery communities;
- established referral patterns with surgeons, specialized thyroid clinics, and hospitals;
- extensive long-term clinical data and longitudinal studies supporting the efficacy and safety of surgical and thermal interventions; and
- fully established reimbursement pathways for surgical procedures and thermal ablation.

Our future success in this market will depend on our ability to differentiate our nPulse technology from these incumbent treatments. Until recently, surgery was the primary option for symptomatic BTNs, but the adoption of thermal modalities like RFA has begun to change the landscape. However, thermal ablation relies on heat to destroy tissue, which presents inherent risks of collateral damage to critical structures near the thyroid, such as the recurrent laryngeal nerve, trachea, esophagus, and the carotid artery. We seek to establish nPulse technology as a competitive alternative to both surgical intervention and thermal ablation. While our clinical data suggests that our minimally invasive nonthermal solution should eliminate the need for surgical or thermal interventions for many patients, research and development by others may render our technology obsolete or lead to the development of other minimally-invasive therapies that are superior to our own.

We may also face increased competition in the future as new companies enter our markets and as scientific developments surrounding electro-signaling therapeutics continue to accelerate. For example, until recently the standard of care in cardiac tissue ablation for the treatment of AF had been the use of thermal ablation modalities, primarily the use of radiofrequency ablation. But in the span of just a few years, Boston Scientific's FARAPULSE cardiac catheter system, Medtronic's Pulse Select system, and other PFA systems using micro-PFA technology have dramatically changed the competitive landscape for the endocardial treatment of AF. These micro-PFA devices already account for over half of all EP procedures in the United States, and the speed of technological development in electrophysiology has been remarkable. While we will seek to expand our technological capabilities to remain competitive, and even though our clinical data suggests that nsPFA should have competitive advantages over micro-PFA technologies, such as deeper and more efficient ablations, research and development by others may render our technology or product candidates obsolete or noncompetitive or result in treatments or cures superior to any therapy developed by us.

We may rely on third parties for our sales, marketing, manufacturing, and/or distribution activities, and these third parties may not perform satisfactorily.

To be able to commercialize our products and planned products, we may elect to internally develop aspects of sales, marketing, large-scale manufacturing, or distribution, or we may elect to use third parties with respect to one or more of these functions. Our reliance on these third parties may reduce our control over these functions; however, reliance on third parties does not relieve us of our responsibility to ensure compliance with all required legal, regulatory, and scientific standards. Any failure of these third parties to perform satisfactorily and in compliance with relevant laws and regulations could lead to delays in the development of our products or planned products, including delays in our clinical trials, or failure to obtain necessary regulatory approvals, or failure to successfully commercialize our products or other future products. Some of these events could be the basis for FDA or other regulatory action, including injunction, recall, seizure, or total or partial suspension of production.

We believe that developing the commercialization aspects of a company will take a substantial amount of capital and commitment of time and effort. We may seek development and marketing partners and license our technology to others in order to avoid our having to provide the marketing, manufacturing, and distribution capabilities within our organization. There can be no assurance that we will find any development and marketing partners or companies that are interested in licensing our technology, however. If we are unable to establish and maintain adequate sales, marketing, manufacturing, and distribution capabilities, independently or with others, we will not be able to generate product revenue and may not become profitable.

If we lose key management personnel, our ability to identify, develop and commercialize new or next generation product candidates will be impaired, could result in loss of markets or market share and could make us less competitive.

We are highly dependent upon the principal members of our management team, including our Chief Executive Officer, Paul LaViolette, our Chief Financial Officer, Jon Skinner, our Chief Commercial Officer, Kevin Danahy, and our Chief Technology Officer, Darrin Uecker, and members of our scientific and engineering teams. These persons have significant experience and knowledge with sub-microsecond pulsed electric fields and more broadly in life sciences and medical technologies. The loss of any team member could impair our ability to design, identify, and develop new intellectual property and new scientific or product ideas. The loss of any key employee, the failure of any key employee to perform in their current position, or our inability to attract and retain skilled employees could result in our inability to continue to grow our business or to implement our business strategy. We compete for qualified management and scientific personnel with other life science companies, academic institutions, and research institutions. Our employees could leave our Company with little or no prior notice. They are free to work for a competitor. If one or more of our senior executives or other key personnel were unable or unwilling to continue in their present positions, we may not be able to replace them easily or at all, and other senior management may be required to divert attention from other aspects of the business. In addition, we do not have "key person" life insurance policies covering any member of our management team or other key personnel. The loss of any of these individuals or any inability to attract or retain qualified personnel, including scientists, engineers, and others, could prevent us from pursuing collaborations and materially and adversely affect our product development and commercialization efforts, business growth prospects, results of operations, and financial condition.

There is a limited talent pool of experienced professionals in our industry. If we are not able to retain and recruit personnel with the requisite technical skills, we may be unable to successfully execute our business strategy.

The specialized nature of our industry results in an inherent scarcity of experienced personnel in the field. Our future success depends upon our ability to attract and retain highly skilled personnel, including scientific, technical, commercial, business, regulatory, and administrative personnel, necessary to support our anticipated growth, develop our business and successfully commercialize our NPS products. Given the scarcity of professionals with the scientific knowledge we require and the intense competition that exists for qualified personnel among life science businesses, we may not succeed in attracting or retaining the personnel we require to continue or grow our operations.

We have had limited experience selling the nPulse System.

Successfully commercializing medical devices such as ours is a complex and uncertain process. We began marketing and selling the nPulse System in the United States, Canada, and certain limited European markets in late 2021 to dermatologists through a limited direct sales force. In January 2022, we established an operating company in the Netherlands to further enhance our operations in Europe. However, in 2022 and 2023, we eliminated all of our full-time sales and marketing positions and, as of December 31, 2025, we had no international sales force and very few employees in the Unites States with sales and marketing experience. We have only just recently begun to market and sell our Vybrance Percutaneous Electrode System. We therefore have had limited experience marketing and selling the nPulse System and our revenue and cash flows have been limited, volatile and difficult to predict.

We intend to hire and train a very limited number of sales representatives and clinical specialists with backgrounds and experience in the relevant markets, especially those familiar with energy-based therapies and who have existing relationships with electrophysiologists, otolaryngologists, endocrine surgeons, interventional radiologists, and cardiothoracic surgeons. However, we expect that our sales force will require lead time in the field to grow their network of accounts and achieve the productivity levels we expect them to reach in any individual territory.

While few in number, we expect our direct sales representatives to develop long-lasting relationships with the surgeons they serve. Furthermore, the use of our NPS products will often require or benefit from direct support from us. Our future success will depend on our ability to continue to hire, train, retain, and motivate skilled direct sales representatives with significant technical knowledge in various areas, such as cardiology, minimally invasive surgery, and ablation technologies. New hires require training and take time to achieve full productivity. If we fail to train new hires adequately, or if we experience high turnover in our sales force in the future, we cannot be certain that new hires will become as productive as may be necessary to maintain or increase our sales. Also, if our direct sales representatives or third-party distributors fail to adequately promote, market and sell our products or decide to leave or cease to do business with us, our sales could significantly decrease or grow at a rate too slowly to become profitable. In addition, our future sales will depend on our ability to increase our marketing efforts and adequately address our customers' needs. If we are unable to adequately address our customers' needs, we may not generate sufficient revenue to become profitable. If we are unable to expand our sales and marketing capabilities domestically and internationally, we may not be able to effectively commercialize our products, which would adversely affect our business, results of operations, and financial condition.

Rapidly changing technology in life sciences could make the products we are developing obsolete.

The life sciences industries are characterized by rapid and significant technological changes, frequent new product introductions and enhancements, and evolving industry standards. Our future success will depend on our ability to continually develop and then improve the products that we design and to develop and introduce new products that address the evolving needs of our customers on a timely and cost-effective basis. Also, we will need to pursue new market opportunities that develop as a result of technological and scientific advances. These new market opportunities may be outside the scope of our proven expertise or in areas which have unproven market demand. Any new products developed by us may not be accepted in their intended markets. Our inability to gain market acceptance of new products could harm our future operating results.

If we are unable to manage the anticipated growth of our business, our future revenue and operating results may be harmed.

Recent and future growth imposes significant added responsibilities on management, including the need to identify, recruit, train, and integrate additional employees. Rapid expansion of our workforce could result in less experienced people carrying out important activities at our Company, which could result in inefficiencies and unanticipated costs, reduced quality, and disruptions to our operations. In addition, rapid and significant growth may strain our administrative and operational infrastructure, and the failure to continue to upgrade our technical, administrative, operating, and financial control systems, or the occurrence of other unexpected expansion difficulties, could have a material adverse effect on our business, financial condition and results of operations, and our ability to timely execute our business plan. Our ability to manage our growth properly will require us to continue to improve our operational, financial and management controls, as well as our reporting systems and procedures. We may implement new enterprise software systems in a number of areas affecting a broad range of business processes and functional areas. The time and resources required to implement these new systems is uncertain and failure to complete this in a timely and efficient manner could harm our business. We cannot guarantee that any of the personnel, systems, procedures, and controls we put in place will be adequate to support the manufacture and distribution of our products. If we are unable to manage our growth effectively, it may be difficult for us to execute our business strategy and our business could be harmed.

We must successfully educate and train surgeons and their staff on the proper use of the nPulse System; if our customers do not adopt our technology into their medical practices, or adopt our technology slower than expected, our business could suffer.

Although many surgeons may have adequate knowledge on how to use our novel nPulse System based on their clinical training and experience, we believe that the most effective way to introduce and build market demand for our products is by directly training surgeons and other physicians in the use of our products. Convincing them to dedicate the time and energy necessary for adequate training is challenging, and we cannot assure you that we will succeed in these efforts. If surgeons and other physicians are not properly trained, they may not use our products and, as a result, we may not maintain or grow our sales or achieve or sustain profitability. If surgeons and other physicians are not properly trained, they may also misuse or ineffectively use our products, which may result in unsatisfactory patient outcomes, patient injury, negative publicity, or lawsuits against us, any of which could have a significant adverse effect on our business, financial condition and results of operations.

Additionally, our strategy includes educating key opinion leaders in the industry. If these key opinion leaders determine that alternative technologies are more effective or that the benefits offered by our products are not sufficient to justify their cost, or if we encounter difficulty promoting adoption or establishing these systems as a standard of care, our ability to achieve market acceptance of the products we introduce could be significantly limited and our business could suffer.

We may encounter manufacturing problems or delays that could result in lost revenue or slower than anticipated product development. Additionally, we currently rely on third-party suppliers for critical components needed to manufacture the nPulse System and related applicators. Any problems experienced by these suppliers could result in a delay or interruption of their supply to us and, as a result, we may face delays in the development and commercialization of products.

We currently rely upon third-party suppliers to manufacture and supply components for the nPulse System and for our products under development. We perform final assembly of our nPulse Console and other devices at our facility in California. The manufacture of the nPulse components in compliance with the FDA's regulations requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls. Manufacturers of medical device products often encounter difficulties in production, including difficulties with production costs and yields, quality control, quality assurance testing, shortages of qualified personnel, as well as compliance with applicable regulations, both foreign and domestic.

We do not control the manufacturing process of, and are completely dependent on, our contract manufacturing partners for their own compliance with applicable regulatory requirements, and if our contract manufacturers cannot successfully manufacture the components needed for our products and products under development in a manner that conforms to our specifications and these strict regulatory requirements, we may not be able to rely on their manufacturing facilities in the future. In addition, we have limited control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority finds these facilities inadequate for the manufacture of our components or if such facilities are subject to enforcement action in the future or are otherwise inadequate with respect to complying with applicable regulatory requirements, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop and market our product or to obtain regulatory approval or clearance for our product candidates.

We currently purchase components for our products under purchase orders and do not have long-term contracts with most of the suppliers of these materials. If suppliers were to delay or stop producing our components, or if the prices they charge us were to increase significantly, or if they elected not to sell to us, we would need to identify other suppliers and we may not be able to secure alternative suppliers on favorable terms, or at all. Any failure of these suppliers to perform satisfactorily could adversely impact our business and results of operations and we may experience delays in manufacturing of our devices while finding another acceptable supplier.

We may not become commercially viable if our ultimate commercialized products or related treatments fail to obtain an adequate level of reimbursement by Medicare and other third-party payers.

We believe that the commercial viability of the nPulse System and any potential devices and products and related treatments, and therefore our commercial success as a company, may be affected by the availability of government reimbursement and medical insurance coverage and reimbursement for newly approved medical therapies, technologies, and devices. Insurance coverage and reimbursement are not assured. It typically takes a period of use in the marketplace before coverage and reimbursement are granted, if it is granted at all. In the United States and in many other jurisdictions, surgeons and other physicians and other healthcare providers generally rely on insurance coverage and reimbursement for their revenue, therefore this is an important factor in the overall commercialization plans of any proposed product and whether it will be accepted for use in the marketplace. Without insurance coverage and reimbursement for our planned products, we would expect to earn only limited revenue, if any revenue is earned.

Medicare, Medicaid, health maintenance organizations, and other third-party payers are increasingly attempting to contain healthcare costs by limiting both the scope of coverage and the level of reimbursement of new medical technologies and products. As a result, they may not cover or provide adequate payment for the use of the nPulse Vybrance Percutaneous Electrode System or any of our other products or products in development. In order to obtain satisfactory reimbursement arrangements, we may have to agree to reduce our fee or sales price below what we currently expect to charge customers, which could adversely affect our profit margins. Moreover, each plan may separately require us to provide scientific and clinical support for the use of our products and, as a result, the coverage determination process is often a time-consuming and costly process with no assurance that coverage and adequate reimbursement will be applied consistently or obtained at all. Even if Medicare and other third-party payers decide to cover procedures involving the nPulse System and our proposed devices and products, we cannot be certain that the reimbursement levels will be adequate. Accordingly, even if these products are approved for commercial sale, unless government and other third-party payers provide adequate coverage and reimbursement for our devices and products, some surgeons and other physicians may be discouraged from using them, and our sales would suffer.

Medicare reimburses for medical technologies and products in a variety of ways, depending on where and how the item is used. However, Medicare only provides reimbursement if CMS determines that the item should be covered and that the use of the device or product is consistent with the coverage criteria. A coverage determination can be made at the local level by the Medicare administrative contractor, a private contractor that processes and pays claims on behalf of CMS for the geographic area where the services were rendered, or at the national level by CMS through a national coverage determination. There are statutory provisions intended to facilitate coverage determinations for new technologies, but it is unclear how these provisions might apply to the nPulse Vybrance Percutaneous Electrode System or to any of our proposed devices and products, as they are still largely in the development stages. Coverage presupposes that the technology, device, or product has been cleared or approved by the FDA and further, that the coverage will be consistent with the approved intended uses of the device or product as approved or cleared by the FDA, but coverage can be narrower. A coverage determination may be so limited that relatively few patients will qualify for a covered use of a device or product.

Obtaining a coverage determination, whether local or national, is a time-consuming, expensive and highly uncertain proposition, especially for a new technology, and inconsistent local determinations are possible. On average, Medicare coverage determinations for medical devices and products lag behind FDA approval or clearance. The Medicare statutory framework is also subject to administrative rulings, interpretations and discretion that affect the amount and timing of reimbursement made under Medicare. Medicaid coverage determinations and reimbursement levels are determined on a state-by-state basis, because Medicaid, unlike Medicare, is administered by the states under a state plan filed with the Secretary of the U.S. Department of Health and Human Services ("HHS"). Medicaid generally reimburses at lower levels than Medicare. Moreover, Medicaid programs and private insurers are frequently influenced by Medicare coverage determinations.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.

We have incurred net losses since our inception and anticipate that we may continue to incur significant losses for the foreseeable future. If not utilized, some of our federal and state net operating losses ("NOLs") carryforwards will begin to expire in various years beginning after 2034. Under the Internal Revenue Code of 1986, as amended, or the Code, and certain similar state tax provisions, we are generally allowed to carry forward our NOLs from a prior taxable year to offset our future taxable income, if any, until such NOLs are used or expire, subject to certain limitations. The same is true of other unused tax attributes, such as tax credits.

In addition, under Section 382 of the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change NOLs to offset future taxable income. We believe that we have had one or more ownership changes prior to 2018, but recently performed a Section 382 study to analyze fiscal years 2018 through 2024, and we do not believe that we have had any additional ownership changes over that period. Possible future changes in our stock ownership could result in limitations.

We have a substantial amount of goodwill and intangible assets which over time may have to be written down as we make the required periodic assessments as to their value as reflected in our financial statements.

A portion of our total assets are comprised of goodwill and intangibles that arose from our 2014 business acquisitions. We review goodwill for impairment at least annually or whenever changes in circumstances indicate that the carrying value of the goodwill may not be recoverable. We also review our intangible assets for impairment at each fiscal year end or when events or changes in circumstances indicate the carrying value of these assets may exceed their current fair values. If we take an impairment charge for either goodwill or intangible assets, the overall assets will be reduced. Such an impairment charge may result in a change in the perceived value of the Company and ultimately may be reflected as a reduction in the market price of our securities. Additionally, an impairment charge may also adversely influence our ability to raise capital in the future.

Risks Related to Product Development and Product-Related Risks

Our nPulse System and any future product candidates may cause serious adverse side effects or have other properties that could delay or prevent their regulatory approval, limit their commercial desirability or result in significant negative consequences.

The risk of failure of clinical development is high. For example, the vast majority of our in vivo data has been a result of animal testing outside of cardiac animal models, and we have only completed a limited number of feasibility studies in humans. Undesirable side effects caused by the nPulse System, NPS pulses, or any of our planned future products could cause us, any partners of ours, or regulatory authorities to interrupt, delay or halt clinical trials or to revoke previously granted regulatory approvals. Undesirable side effects could also result in more restrictive labeling requirements or the delay or denial of regulatory approval of planned future products by the FDA or other comparable foreign regulatory authority.

Additionally, if we or others identify undesirable side effects caused by the nPulse System, a number of potentially significant negative consequences could result, including:

- we may be forced to recall such product and suspend the marketing of such product;
- regulatory authorities may withdraw their approvals of such product;
- regulatory authorities may require additional warnings on the label and/or narrow the indication of use for the product which could diminish the usage or otherwise limit the commercial success of such product;
- the FDA or other regulatory authorities may issue safety alerts, "Dear Healthcare Provider" letters, press releases, or other communications containing warnings about such product;
- the FDA may restrict distribution of our product and impose burdensome implementation requirements on us;
- we may be required to change the way the product is administered or conduct additional clinical trials;
- we could be sued and held liable for harm caused to subjects or patients; and
- our reputation could suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the nPulse System or of any future particular planned product, if approved.

Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure or delay can occur at any time during the clinical trial process. For example, success in nonclinical studies and early feasibility clinical studies does not ensure that the expanded clinical trials needed to support regulatory submissions will be successful. Setbacks can be caused by, among other things, nonclinical findings made while clinical trials are underway, safety or efficacy observations made in clinical trials, including previously unreported adverse events, or post-approval observations. Even if our clinical trials are completed, the results may not be sufficient to obtain regulatory approval or clearance for our product candidates or to expand the existing approvals or clearances for our existing products. To date, we have had only limited clinical experience treating AF with our nPulse Cardiac Catheter and our nPulse Cardiac Surgery Clamp and only limited clinical and commercial experience treating benign thyroid nodules with our Vybrance Percutaneous Electrode System; our past successes in dermatology may not translate into similar results in cardiology or in any other medical field.

Our long-term growth depends on our ability to develop marketable products to treat AF, tumors and nodules through our research and development efforts, and if we fail to do so we may be unable to compete effectively or we may decide to scale back or eliminate some or all of our activities or otherwise curtail, suspend or discontinue our operations entirely.

The medical device industry is characterized by intense competition, rapid technological changes, new product introductions and enhancements, and evolving industry standards. Our business prospects depend on our ability to develop new products and applications for our NPS technology, including in new markets that develop as a result of technological and scientific advances. New technologies, techniques or products could emerge that might offer better combinations of price and performance than our products. It is important that we anticipate changes in technology and market demand, as well as physician, hospital, and healthcare provider practices to successfully develop, obtain clearance or approval, if required, and successfully introduce new, enhanced and competitive technologies to meet our prospective customers' needs on a timely and cost-effective basis.

If we do not develop and obtain regulatory clearances or approvals for new products or product enhancements in time to meet market demand, or if there is insufficient demand for these products or enhancements, our results of operations will suffer. Our research and development efforts may require a substantial investment of time and resources before we are adequately able to determine the commercial viability of a new product, technology, material, or other innovation. In addition, even if we are able to develop enhancements or new generations of our products successfully, these enhancements or new generations of products may not produce sales in excess of the costs of development and they may be quickly rendered obsolete by changing customer preferences or the introduction by our competitors of products embodying new technologies or features.

Moreover, if our technology cannot be used to successfully treat AF, tumors and nodules, we may decide to, among other things, delay, scale back or eliminate some or all of our activities, reduce headcount, trim research and product development programs, discontinue clinical trials, stop all or some of our manufacturing operations, defer capital expenditures, deregister from being a publicly traded company and delist from Nasdaq, or license our products, potential products or technologies to third parties, possibly on terms that cannot sustain our current business, or curtail, suspend or discontinue our operations entirely.

Interim "top-line" and preliminary results from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publish interim top-line or preliminary results from our clinical trials. Interim results from clinical trials that we may announce are subject to the risk that one or more of the clinical outcomes may materially change as more follow-up data are gathered, patient enrollment continues and more patient data become available. Preliminary or top-line results, including our preliminary data from our feasibility thyroid nodule study, our first-in-human cardiac clamp study, and our first-in-human cardiac catheter study, also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published or announced. As a result, interim and preliminary data should be viewed with caution until the final data are available. Differences between preliminary or interim data and final data could significantly harm our business prospects and may cause the trading price of our common stock to fluctuate significantly.

If we fail to maintain necessary regulatory clearance for our products, or if clearances or approvals for future devices and indications are delayed or not issued, the commercial prospects for our nPulse System and other NPS technologies would be harmed.

Our product candidates under development are medical devices that are subject to extensive regulation by the FDA in the United States and by regulatory agencies in other countries where we do business. Government regulations specific to medical devices are wide-ranging and govern, among other things:

- device design, development and manufacture;
- laboratory, preclinical and clinical testing, labeling, packaging, and storage;
- premarketing clearance or approval;
- record keeping;
- device marketing, promotion and advertising, sales and distribution; and
- post-marketing surveillance, including reporting of deaths and serious injuries and recalls and correction and removals.

Before a new medical device, or a new intended use for an existing device, can be marketed in the United States, the device's manufacturer must first submit and receive either 510(k) clearance or Premarket Approval ("PMA") from the FDA, unless an exemption applies. In the 510(k)-clearance process, the FDA will determine that a proposed device is "substantially equivalent" to a device legally on the market, known as a "predicate" device, with respect to intended use, technology and safety and effectiveness, in order to clear the proposed device for marketing. Clinical data is sometimes required to support substantial equivalence. The PMA pathway requires an applicant to demonstrate reasonable safety and effectiveness of the device based on extensive data, including, but not limited to, technical, preclinical, clinical trial, manufacturing, and labeling data. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life-sustaining, life-supporting, or implantable devices. Products that are approved through a PMA application generally need FDA approval before they can be modified. Similarly, some modifications made to products cleared through a 510(k) may require a new 510(k). Either process can be expensive, lengthy and unpredictable.

The FDA may not approve or clear our 510(k), de novo, or PMA applications on a timely basis or at all. Such delays or refusals could have a material adverse effect on our business operations and financial condition. The FDA may also change its clearance and approval policies, adopt additional regulations or revise existing regulations, or take other action which may prevent or delay approval or clearance of our products under development. Any of these actions could have a material adverse effect on our business operations and financial condition.

The FDA and the U.S. Federal Trade Commission ("FTC") also regulate the advertising and promotion of our devices to ensure that the claims we make are consistent with our regulatory clearances or approvals, that there are adequate and reasonable data to substantiate the claims and that our promotional labeling and advertising is neither false nor misleading in any respect. If the FDA or the FTC determines that any of our advertising or promotional claims are misleading, not substantiated or not permissible, we may be subject to enforcement actions, including FDA warning letters, and we may be required to revise our promotional claims and make other corrections or restitutions.

The FDA and state authorities have broad enforcement powers. Our failure to comply with applicable regulatory requirements could result in enforcement action by the FDA or state agencies, which may include any of the following sanctions, among others:

- adverse publicity, warning letters, fines, injunctions, consent decrees, and civil penalties;
- obligations to repair, replace, refund, or recall our marketed devices, or government seizure of them;
- operating restrictions, partial suspension, or total shutdown of production;
- refusing our requests for 510(k) clearance or premarket approval of new devices, new intended uses or modifications to existing devices;
- withdrawing 510(k) clearance or premarket approvals that have already been granted; and
- criminal prosecution.

If any of these events were to occur, our business and financial condition would be harmed.

The mechanism of action of our NPS technology platform has not been fully determined or validated.

The exact mechanism(s) of action(s) of our NPS technology platform, including nsPFA, is not fully understood, and data are still being gathered regarding its use. Furthermore, there are only a relatively small number of scientists and researchers who can be considered experts in the use of this emerging technology. Insofar as potential regulators, partners or investors value a clear understanding of a technology's mechanism of action, this limitation could make it more challenging for us to obtain requisite regulatory approvals, investments or a partnership on favorable terms as a result.

We may find it difficult to enroll patients in our clinical trials. If we cannot enroll a sufficient number of eligible patients to participate in our clinical trials, we may not be able to initiate or continue them, which could delay or prevent development of our product candidates.

Identifying and qualifying patients to participate in clinical trials of our product candidates is critical to our success. The timing of our clinical trials depends on the speed at which we can recruit patients to participate in testing our product candidates as well as completion of required follow-up periods. In general, if patients are unwilling to participate in our trials because of negative publicity from adverse events in the health care industry or for other reasons, including competitive clinical trials for similar patient populations, the timeline for recruiting patients, conducting trials and obtaining regulatory approval or clearance of planned products may be delayed. If there are delays in accumulating the required patients and patient data, there may be delays in completing the trial. Further, if any of our clinical trial sites fail to comply with required good clinical practices, we may be unable to use the data gathered at those sites. Also, if our clinical investigators fail to carry out their contractual duties or regulatory obligations or fail to meet expected deadlines, or if the quality or accuracy of the clinical data they obtain is compromised due to their failure to adhere to our clinical protocols or for other reasons, our clinical trials may be delayed, suspended, or terminated. These delays could result in increased costs, delays in advancing our product development, delays in testing the effectiveness of our technology or termination of the clinical trials altogether, and delays in obtaining regulatory authorization for our products.

Laboratory conditions differ from commercial conditions and field conditions, and the safety and effectiveness of our product candidates may depend on the technique of the user.

Observations and developments that may be achievable under laboratory circumstances may not be replicable in broader research and development phases, in commercial settings, or in the use of any of any product or product candidates in the field. Furthermore, our NPS technologies will be administered by healthcare professionals and will require a degree of training and practice to administer correctly. Treatment results achieved in the laboratory or in clinical trials conducted by us or by other investigators may not be representative of the results actually encountered during commercial use of our products due to variability in administration technique. Moreover, the training and skills of investigators in our clinical trials may not be representative of the training and skills of future product users, which could negatively affect treatment results and the reputation of the Company or its products. In addition, there may be a selection bias in the patients and/or sites of administration chosen for any clinical trials that would positively affect treatment results that may not be representative or predictive of real-world experience with our products, including the nPulse System.

Issues with our firmware and software may negatively affect the function of our devices.

The safety and effectiveness of nsPFA procedures and therapies may depend, in part, on the function of firmware run by the microprocessors embedded in the device and associated software. This firmware and software is proprietary to us. While we have made efforts to test the firmware and software extensively, both are potentially subject to malfunction which in turn may harm patients. Further, our proprietary firmware and software may be vulnerable to physical break-ins, hackers, improper employee or contractor access, computer viruses, programming errors, data breaches, or similar problems. Any of these might result in harm to patients or the unauthorized release of confidential medical, business or other information belonging to us or to other persons.

Risks Related to Intellectual Property, Cybersecurity, Data Privacy, & Litigation

If we are unable to protect our intellectual property, then our financial condition, results of operations and the value of our technology and products could be adversely affected.

Patents and other proprietary rights are essential to our business and our ability to compete effectively with other companies is dependent upon the proprietary nature of our technologies. Similarly, our future success partnering our NPS technologies, including our nPulse System, will depend greatly on the perceived strength and reach of the patents protecting those technologies against unlicensed competitors. We also rely upon trade secrets, know-how, continuing technological innovations, and licensing opportunities to develop, maintain and strengthen our competitive position. We seek to protect these, in part, through confidentiality agreements with employees, consultants and other parties. Our success will depend in part on the ability of our licensors and us to obtain, to maintain (including making periodic filings and payments) and to enforce patent protection for the licensed intellectual property, in particular, those patents to which we have secured rights. We may not successfully prosecute or continue to prosecute the patent applications which we have licensed. Even if patents are issued in respect of these patent applications, we may fail to maintain these patents or may determine not to pursue litigation against entities that are infringing upon these patents. Without adequate protection for the intellectual property that we own or license, other companies might be able to offer substantially identical products for sale, which could unfavorably affect our competitive business position and harm our business prospects. Even if issued, patents may be challenged, invalidated, or circumvented, which could limit our ability to stop competitors from marketing similar products or limit the length of term of patent protection that we may have for our products.

Litigation or third-party claims of intellectual property infringement or challenges to the validity of our patents would require us to use resources to protect our technology and may prevent or delay our development, regulatory approval or commercialization of our product candidates.

If we are the target of claims by any third party asserting that our products or intellectual property infringe upon the rights of others, we may be forced to incur substantial expenses or divert substantial employee resources from our business. If successful, such claims could result in our having to pay substantial damages or could prevent us from developing one or more products or product candidates. Further, if a patent infringement suit were brought against us or our collaborators, we or they could be forced to stop or delay research, development, manufacturing, or sales of the product or product candidate that is the subject of the suit.

If we, or our collaborators, experience patent infringement claims, or if we elect to avoid potential claims others may be able to assert, we or our collaborators may choose to seek, or be required to seek, a license from the third party and would most likely be required to pay license fees or royalties or both. These licenses may not be available on acceptable terms, or at all. Even if we or our collaborators were able to obtain a license, the rights may be nonexclusive, which would give our competitors access to the same intellectual property. Ultimately, we could be prevented from commercializing a product, or be forced to cease some aspect of our business operations if, as a result of actual or threatened patent infringement claims, we or our collaborators are unable to enter into licenses on acceptable terms. This could harm our business significantly. The cost to us of any litigation or other proceeding, regardless of its merit, even if resolved in our favor, could be substantial. Some of our competitors may be able to bear the costs of such litigation or proceedings more effectively than we can because of their having greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace. Intellectual property litigation and other proceedings may, regardless of their merit, also absorb significant management time and employee resources.

Our intellectual property rights will not necessarily provide us with competitive advantages.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us or our future commercial partners to maintain a competitive advantage. The following examples are illustrative:

- others may be able to make products that are similar to our product candidates but that are not covered by the claims of the patents that we own or have exclusively licensed;
- others may independently develop similar or alternative technologies without infringing on our intellectual property rights;
- issued patents that we own or have exclusively licensed may not provide us with any competitive advantages, or may be held invalid or unenforceable, as a result of legal challenges by our competitors;
- we may obtain patents for certain products many years before we obtain marketing approval for products utilizing such patents, and because patents have a limited life, which may begin to run prior to the commercial sale of the related product, the commercial value of our patents may be limited;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may fail to develop additional proprietary technologies that are patentable;
- the laws of certain foreign countries may not protect our intellectual property rights to the same extent as the laws of the United States, or we may fail to apply for or obtain adequate intellectual property protection in all the jurisdictions in which we operate; and
- the patents of others may have an adverse effect on our business, for example by preventing us from marketing one or more of our product candidates for one or more indications.

Any of the aforementioned threats to our competitive advantage could harm our business.

If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology and products could be adversely affected.

In addition to patented technology, we rely upon, among other things, unpatented proprietary technology, processes, trade secrets, and know-how. Any involuntary disclosure to, or misappropriation by, third parties of our confidential or proprietary information could enable competitors to duplicate or surpass our technological achievements, potentially eroding our competitive position in our market. We seek to protect confidential and proprietary information in part by confidentiality agreements with our employees, consultants and third parties. While we require, as a matter of company policy, that all of our employees, consultants, advisors, and any third parties who have access to our proprietary know-how, information or technology to enter into confidentiality agreements, we cannot be certain that this know-how, information and technology will not be improperly disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. These confidentiality agreements may be terminated or breached, and we may not have adequate remedies for any such termination or breach. Furthermore, these agreements may not provide meaningful protection for our trade secrets and know-how in the event of unauthorized use or disclosure.

If we are unable to protect the intellectual property used in our products, others may be able to copy our innovations which may impair our ability to compete effectively in our markets.

Evaluating the strength and enforceability of our patents involves complex legal and scientific questions and can be uncertain. Both our patents and patent applications can be challenged by third parties, and our patent applications may fail to result in issued patents. Moreover, both our existing and future patents may be too narrow to prevent third parties from developing or designing around our intellectual property and, in that event, we may lose competitive advantage and our business may suffer.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our current or future product candidates, if any, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

If our information technology systems or data, or those of third parties upon whom we rely, are or were compromised, we could experience adverse consequences resulting from such compromise, including, but not limited to, regulatory investigations and actions; litigation (including class claims); fines and penalties; a disruption of our business operations such as our clinical trials; reputational harm; loss of revenue and profits; and other adverse consequences.

We depend on our information technology systems for the efficient functioning of our business, including the manufacture, distribution and maintenance of our products, as well as for accounting, data storage, compliance, purchasing, inventory management, and other related functions. We do not have redundant information technology in all aspects of our systems at this time. Despite the implementation of security and back-up measures, our information technology systems as well as those of our third-party partners, consultants, contractors, suppliers, and service providers, may be vulnerable to attack, damage and interruption from physical or electronic break-ins, accidental or intentional exposure of our data by employees or others with authorized access to our networks, computer viruses, malware, ransomware, malicious code, phishing attacks and other social engineering schemes, denial or degradation of service attacks, attacks by sophisticated nation-state and nation-state-supported actors, supply chain attacks, natural disasters, terrorism, war, telecommunication and electrical failure, denial of service, and other cyberattacks or disruptive incidents that could result in unauthorized access to, use or disclosure of, corruption of, or loss of sensitive, and/or proprietary data, including health-related and other personal information.

In the ordinary course of our business, we (and third parties upon whom we rely) may collect, receive, store, use, transfer, make accessible, protect, secure, dispose of, transmit, disclose or otherwise process proprietary, confidential and sensitive information, including personal data, such as health-related data and participant study related data, intellectual property, and trade secrets (collectively, "sensitive data"). We may share or receive sensitive data with or from third parties whose information security measures may not be adequate. In particular, the COVID-19 pandemic caused us to modify our information technology practices, such as by allowing most of our employees to work remotely, on a full-time basis or from time to time, which increases the risk of data breaches. Additionally, the prevalent use of mobile devices that access our sensitive data increases the risk of data breaches.

While we do not believe that we have experienced any significant system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our business operations, whether due to a loss, corruption or unauthorized disclosure of our trade secrets, personal information or other proprietary or sensitive information or other similar disruptions. The costs to us to attempt to protect against such breaches can be significant and could potentially require us to modify our business, including non-clinical and clinical trial activities. While we have implemented security measures designed to protect our information technology systems and to identify and remediate potential vulnerabilities, such measures may not be successful. We may not be able to detect vulnerabilities in our information technology systems because such threats and techniques used by threat actors change frequently are sophisticated in nature and may not be detected until after a security incident has occurred.

If we, or others upon whom we rely, experience or are perceived to have experienced a breach, we may experience adverse consequences. These consequences may include: government enforcement actions (for example, investigations, fines, penalties, audits and inspections), interruptions in our operations (including disruptions to our clinical trials), interruptions or restrictions on processing sensitive data (which could result in delays in obtaining, or our inability to obtain, regulatory approvals and significantly increase our costs to recover or reproduce the sensitive data), unauthorized, unlawful or accidental loss, corruption, access, modification, destruction, alteration, acquisition or disclosure of sensitive data, such as clinical trial data, reputational harm, litigation (including class-action claims), indemnification obligations, monetary fund diversions, financial loss and other harms. In particular, ransomware attacks are becoming increasingly prevalent and severe and can lead to significant disruptions to operations, loss of data and income, reputational harm and diversion of funds. Additionally, theft of our intellectual property or proprietary business information could require substantial expenditures to remedy. Such theft could also lead to loss of intellectual property rights through disclosure of our proprietary business information, and such loss may not be capable of remedying. In addition, such a breach may require notification of the breach to relevant stakeholders. Such disclosures are costly and the disclosure or the failure to comply with such requirements could lead to adverse consequences. We maintain cyber liability insurance; however, this insurance may not be sufficient to cover the financial, legal, business or reputational losses that may result from an interruption or breach of our systems.

Implementation of artificial intelligence and machine learning technologies may result in legal and regulatory risks, reputational harm, or other adverse consequences to our business.

We have incorporated, and continue to explore ways to further incorporate, artificial intelligence ("AI") technologies, including generative AI and machine learning, into certain of our internal operations. AI tools are complex and rapidly evolving and may prove flawed, incomplete, biased, or inaccurate in their outputs, which could adversely affect business decisions, expose us to legal claims, and harm our reputation; additionally, employees using AI tools could inadvertently disclose Company confidential information or trade secrets. Also, as a small company with limited resources, we may be unable to access or deploy the most advanced AI tools available, potentially placing us at a competitive disadvantage relative to better-resourced competitors. Moreover, the regulatory landscape governing AI use is subject to rapid and ongoing change, and this risk is particularly acute for us as a medical device company operating in the healthcare industry, where AI regulation is developing especially quickly — including through the EU AI Act, emerging U.S. state AI laws, executive orders imposing transparency requirements on AI used in certified health information technology, and evolving FDA guidance. Our limited resources may make it especially difficult to monitor and achieve timely compliance with new or evolving obligations, and failure to do so could subject us to enforcement actions, fines, or litigation.

Product liability lawsuits against us could cause us to incur substantial liabilities and limit commercialization of our products or any future products that we may develop.

We face an inherent risk of product liability exposure related to the sale of our products and the future sale of planned products and the use of these in human clinical studies. For example, we may be sued if our products or any of our product candidates, including any that are developed in combination therapies, allegedly cause injury, or are found to be otherwise unsuitable during product testing, manufacturing, marketing, or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability, or a breach of warranties. We may also be subject to liability for a misunderstanding of, or inappropriate reliance upon, the information we provide. If we cannot successfully defend ourselves against claims that our products or planned products caused injuries, we may incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in, among other things:

- decreased demand for our product or any planned products that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of patients from our clinical studies or cancellation of studies;
- significant costs to defend the related litigation and distraction to our management team;
- substantial monetary awards to patients;
- loss of revenue;
- government investigations or enforcement actions; and
- the inability to commercialize any future products that we may develop.

For example, during the course of treatment, patients may suffer adverse events for reasons that may or may not be related to the nPulse System or our NPS technology. Such events could subject us to costly litigation, require us to pay substantial amounts of money to injured patients, delay, negatively impact, or end our opportunity to receive or maintain regulatory approval to market those products, or require us to suspend or abandon our commercialization efforts. Even if we do not believe that an adverse event is related to our products, the investigation into the circumstance may be time-consuming or inconclusive. These investigations may interrupt our sales efforts, delay our regulatory approval processes, or impact and limit the type of regulatory approvals our products could receive or maintain. As a result of these factors, a product liability claim, even if successfully defended, could harm our business.

We currently maintain product liability insurance coverage, which may not be adequate to cover all liabilities that we may incur. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

Risks Related to Government Regulation

We are subject to stringent domestic and foreign regulation. Any unfavorable regulatory action or adverse change in law may materially and adversely affect our future financial condition and business operations and prospects.

The nPulse System and any other potential devices and products we develop are, and will continue to be, subject to extensive, rigorous, and ongoing regulation by numerous government agencies, including the FDA and similar foreign regulatory authorities. To varying degrees, each of these agencies monitors and enforces our compliance with laws and regulations governing the development, testing, manufacturing, labeling, marketing, distribution, and the safety and effectiveness of our medical technology. The process of obtaining and maintaining marketing approval or clearance from the FDA and similar foreign regulatory authorities for new devices and products, or for enhancements, expansion of the indications or modifications to existing products, could:

- take a significant indeterminate amount of time;
- require the expenditure of substantial resources;
- involve rigorous preclinical and clinical testing, and possibly post-market surveillance;
- involve modifications, repairs or replacements of our products;
- require design changes of our products;
- result in limitations on the indicated uses of our products; and
- result in our never being granted the regulatory approval or clearance we seek.

If we experience any of these occurrences, our operations may suffer and we might experience harm to our competitive standing, which could adversely affect our financial condition.

We are subject to, and will have ongoing responsibilities under, FDA and international regulations, both before and after a product is approved or cleared and commercially released. Compliance with applicable regulatory requirements is subject to continual review and is monitored rigorously through periodic inspections. If an inspection were to conclude that we are not in compliance with applicable laws or regulations, or that any of our devices are ineffective or pose an unreasonable health risk, the FDA or similar foreign regulatory authorities could ban such devices or products, detain or seize such devices or products, order a recall, repair, replacement, or refund of such devices or products, or require us to notify health professionals and others that the therapies, devices or products present unreasonable risks of substantial harm to the public health. Additionally, the FDA or similar foreign regulatory authorities may impose other operating restrictions, enjoin and restrain certain violations of applicable law pertaining to our devices and products or assess civil or criminal penalties against our officers, employees, or us. The FDA and similar foreign regulatory authorities have been increasing their scrutiny of the industry and governments are expected to continue to scrutinize the industry closely with inspections and possibly enforcement actions. Any adverse regulatory action, depending on its magnitude, may restrict us from effectively manufacturing, marketing and selling our devices and products, including the nPulse System. In addition, negative publicity and product liability claims resulting from any adverse regulatory action could have a material adverse effect on our financial condition and results of operations.

Changes in healthcare policy could increase our costs, decrease our revenue, and impact sales of, and reimbursement for, our current and future products. For example, the Affordable Care Act substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted our industry, while recent changes in U.S. federal law and policy, including the expiration of enhanced Affordable Care Act subsidies and reductions in Medicaid funding, as well as Congressional deadlock over healthcare funding, have increased the likelihood that fewer patients in the United States will be insured and that insured patients will face higher out-of-pocket costs, which could result in downward pressure on prices for medical products such as ours. There will continue to be proposals by legislators at both the federal and state levels, regulators, and third-party payors to reduce costs while expanding individual healthcare benefits. Certain of these changes could impose additional limitations on the prices we will be able to charge for our current and future products or the amounts of reimbursement available for our current and future products from governmental agencies or third-party payors.

Disruptions in the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire and retain key leadership and other personnel or otherwise prevent new product candidates and services from being developed or commercialized in a timely manner, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new product candidates to be reviewed or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical employees and stop critical activities. If a prolonged government shutdown occurs, such as those that occurred in October and November 2025, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

In addition, disruptions may result from events similar to the COVID-19 pandemic. During the COVID-19 pandemic, a number of companies announced receipt of complete response letters due to the FDA's inability to complete required inspections for their applications. In the event of a similar public health emergency in the future, the FDA may not be able to continue its current pace and review timelines could be extended. Regulatory authorities outside the United States facing similar circumstances may adopt similar restrictions or other policy measures in response to a similar public health emergency and may also experience delays in their regulatory activities.

Furthermore, given changes to the U.S. government's policies and priorities since January 2025, there is substantial uncertainty as to how, if at all, the current administration will seek to modify or revise the requirements and policies of the FDA and other regulatory agencies with jurisdiction over our product candidates. There is also uncertainty as to how other measures being implemented by the current administration across the government will impact our activities and those of the FDA and its operations. For example, the potential loss of FDA personnel could lead to further disruptions and delays in FDA review of our product candidates and FDA guidance regarding our or our collaborators' clinical development programs. Similarly, efforts by the new administration to substantially reduce federal funding of medical research could have substantial indirect impacts on our research activities.

Accordingly, if a prolonged government shutdown or other disruption occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Future shutdowns or other disruptions could also affect other government agencies such as the SEC, which may also impact our business by delaying review of our public filings, to the extent such review is necessary, and our ability to access the public markets.

All our product development depends upon maintaining strong working relationships with physicians.

The development, marketing, and sale of any future products in development depends upon our ability to maintain strong working relationships with physicians. We rely on these professionals to provide us with considerable knowledge and experience regarding the development, marketing, and sale of our products. Physicians assist us in clinical trials and as researchers, marketing and product consultants and public speakers. If we cannot maintain our strong working relationships with these professionals and continue to receive their advice and input, the development and marketing of our products could suffer, which could harm our business, financial condition and results of operations. The medical device industry's relationship with physicians is under increasing scrutiny by the Office of Inspector General ("OIG"), the Department of Justice ("DOJ"), state attorneys general, and other foreign and domestic government agencies. Our failure to comply with laws, rules and regulations governing our relationships with physicians, or an investigation into our compliance by the OIG, DOJ, state attorneys general, and other government agencies, could significantly harm our business, including compromising the use or integrity of our clinical data in regulatory submissions to the FDA or similar regulatory authorities.

We are subject to healthcare and other laws and regulations relating to our business and could face substantial penalties if we are determined not to have fully complied with such laws, which could have an adverse impact on our business.

We are exposed to the risk that our employees and independent contractors, including principal investigators, consultants, any commercial collaborators, service providers and other vendors may engage in misconduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or other unauthorized activities that violate applicable laws or regulations. There are many federal and state laws and regulations prohibiting fraud and abuse in the healthcare industry that can result in significant criminal and civil penalties. These laws may constrain the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell, and distribute our products for which we obtain marketing approval or clearance. Such laws include:

- U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving, or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program, such as Medicare and Medicaid. The term "remuneration" has been broadly interpreted to include anything of value, and the government can find a violation of the Anti-Kickback Statute without proving that a person or entity had actual knowledge of the law or a specific intent to violate it. In addition, the government may assert that a claim including items or services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;

- U.S. federal civil and criminal false claims laws and civil monetary penalties laws, including the civil False Claims Act, which, among other things, impose criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the U.S. government, claims for payment or approval that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the U.S. government;

- HIPAA imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items or services. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH"), and its implementing regulations, also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information without appropriate authorization by covered entities subject to the rule, such as health plans, healthcare clearinghouses and healthcare providers as well as their business associates that perform certain services for or on their behalf involving the use or disclosure of individually identifiable health information;

- the U.S. Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to the government information related to payments or other "transfers of value" made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, and requires applicable manufacturers and group purchasing organizations to report annually to the government ownership and investment interests held by these physicians and their immediate family members;

- anti-bribery, anti-corruption, and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, or FCPA, and the U.K. Anti-Bribery Act, and similar anti-bribery laws in other non-U.S. jurisdictions, as well as export control laws, customs laws, sanctions laws and other laws governing our operations, all of which expose us to trade and economic sanctions and other restrictions imposed by the United States, the European Union, and other governments and organizations, as we grow our international presence and global operations; additionally, the FCPA imposes accounting standards and requirements on publicly traded U.S. corporations and their foreign affiliates, which are intended to prevent the diversion of corporate funds to the payment of bribes and other improper payments, and numerous other laws restrict, and in some cases prohibit, U.S. companies from directly or indirectly selling goods, technology or services to people or entities in certain countries;

- the California Consumer Privacy Act ("CCPA") and California Privacy Rights Act ("CPRA"), which require covered companies, such as companies with over $25 million in annual gross revenue, to, among other things, provide certain disclosures to California consumers and afford such consumers certain abilities to opt-out of certain sales of personal information, conduct and document data protection assessments for high-risk processing, maintain systems to respond to consumer requests, and provide detailed privacy notices explaining data collection, use, retention, and disclosure practices;

- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and

- analogous state and non-U.S. laws and regulations, such as state anti-kickback and false claims laws, which may apply to our business practices, including, but not limited to, research, distribution, sales, and marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state laws that require device companies to comply with the industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the U.S. government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws and regulations that require manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information; and state and non-U.S. laws governing the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

We have implemented compliance related programs and procedures consistent with our stage of development to help identify and deter healthcare and other violations by employees and other third parties that perform services for us. Notwithstanding our efforts, however, it is possible that governmental authorities may conclude that our business practices do not comply with current or future statutes, regulations, agency guidance, or case law involving applicable healthcare or other applicable laws.

Also, any material changes to any of the laws or regulations applicable to our business could harm our business, financial condition and results of operations.

To obtain the necessary device approvals or clearances from regulatory authorities for our future product candidates, we will have to conduct various preclinical and clinical tests, which may be costly and time consuming, and may not provide results that will allow us to seek regulatory approval or clearance.

The number of preclinical and clinical tests that will be required for regulatory clearance or approval varies depending on the disease or condition to be treated, the method of treatment, the nature of the device, the jurisdiction in which we are seeking approval or clearance and the applicable regulations. Regulatory agencies, including those in the United States, Canada, Europe, and other jurisdictions where medical devices and products are regulated can delay, limit or deny approval of a product for many reasons. For example, regulatory agencies:

- may not deem a technology or device to be reasonably safe or effective for any intended use or indication;
- may interpret data from preclinical and clinical testing differently than we do;
- may determine our manufacturing facility or processes do not comply with quality system regulations;
- may conclude that our products do not meet quality standards for durability, long-term reliability, biocompatibility, electromagnetic compatibility, or electrical safety; or
- may change their approval or clearance policies or adopt new regulations in a manner that is adverse to us.

These regulators may make requests or disagree with us regarding the design or conduct of our clinical trials, resulting in an increased risk of difficulties or delays in obtaining regulatory approval or clearance on future product candidates, or expanded indications of use for our existing products, and increased costs.

Even if a potential device or product ultimately is cleared or approved by regulatory authorities, it may be cleared or approved only for narrow indications which may render it commercially less viable.

Even if we complete clinical testing and a potential device or product of ours is cleared or approved, it may not be cleared or approved for the indications that are necessary or desirable for a successful commercialization. Regulators may grant marketing authorization contingent on the performance of costly additional clinical trials which may be required after approval or clearance. Regulators also may approve or clear our lead product candidates, including the nPulse System, for a more limited indication or a narrower patient population than we originally requested. Our preference will be to obtain as broad an indication as possible for use in connection with the particular disease or treatment for which it is designed. However, the final indication or labeling may be more limited than we originally seek. Any limitation on use may make the device or product commercially less viable and more difficult, if not impractical, to market. Therefore, we may not obtain the revenue that we seek in respect of the proposed product, and we will not be able to become profitable and provide an investment return to our investors.

We will be subject to ongoing requirements and inspections that could lead to the restriction, suspension or revocation of our clearance.

We, as well as any potential third-party manufacturer, will be required to adhere to FDA quality systems requirements, which include testing, control, and documentation requirements. We will be subject to similar regulations in foreign countries. Even when regulatory approval or clearance of a product is granted, the approval or clearance may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval or clearance, or contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the product. Ongoing compliance with quality system regulations and other applicable regulatory requirements is strictly enforced in the United States through periodic inspections by state and federal agencies, including the FDA, and in international jurisdictions by comparable agencies. Failure to comply with regulatory requirements could result in, among other things, warning letters, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, failure to obtain premarket clearance or premarket approval for devices, withdrawal of approvals or clearances previously obtained, and criminal prosecution. The restriction, suspension or revocation of regulatory approvals or clearances, or any other failure to comply with regulatory requirements would limit our ability to operate and could materially increase our costs.

Our employees, collaborators and other personnel may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements and insider trading.

We are exposed to the risk of fraud or other misconduct by our employees, collaborators and other personnel, which could include intentional, reckless and/or negligent conduct or disclosure that violates: (i) the laws of the FDA and other similar foreign regulatory bodies, including those laws requiring the reporting of true, complete and accurate information to such regulators; (ii) manufacturing standards; or (iii) healthcare fraud and abuse laws in the United States and similar foreign fraudulent misconduct laws. These laws may impact, among other things, future sales, marketing and education programs. The promotion, sales and marketing of healthcare items and services, as well as certain business arrangements in the healthcare industry, are subject to extensive laws designed to prevent fraud and abuse, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, structuring and commissions, certain customer incentive programs, and other business arrangements generally. Activities subject to these laws also involve the use of information obtained in the course of patient recruitment for clinical trials.

We adopted a code of conduct applicable to all of our employees, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent unlawful activities may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions. Whether or not we are successful in defending against any such actions or investigations, we could incur substantial costs, including legal fees, and divert the attention of management in defending ourselves against any of these claims or investigations, which could have a material adverse effect on our business and financial condition.

We are subject to environmental regulations and any failure to comply with applicable laws could subject us to significant liabilities and harm our business.

We are subject to a variety of local, state, federal, and foreign government regulations relating to the storage, discharge, handling, emission, generation, manufacture, and disposal of toxic or other hazardous substances used in the manufacture of our products. The failure to comply with past, present, or future laws could result in the imposition of fines, third-party property damage and personal injury claims, investigation and remediation costs, the suspension of production, or a cessation of operations. We also expect that our operations will be affected by other new environmental and health and safety laws on an ongoing basis. Although we cannot predict the ultimate impact of any such new laws, they will likely result in additional costs and may require us to change how we manufacture our products, which could have a material adverse effect on our business.

Risks Related to Owning Our Common Stock

The price of our common stock has been, and we expect it to continue to be, highly volatile, and you may be unable to sell your shares at or above the price you paid to acquire them.

The market price of our common stock has been highly volatile, and we expect it to continue to be highly volatile for the foreseeable future in response to many risk factors listed in this section, and others beyond our control, including:

- results of clinical trials of our planned products or those of our competitors;
- actions by regulatory bodies, such as the FDA, that affect our business or have the effect of delaying or rejecting approval or clearance of our planned products;
- actual or anticipated fluctuations in our financial condition and operating results;
- announcements by our customers, partners or suppliers relating directly or indirectly to our products, services or technologies;
- announcements of technological innovations by us or our competitors;
- changes in laws or regulations applicable to the nPulse System or to our planned end-effectors;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures, capital commitments, or achievement of significant milestones;
- additions or departures of key personnel;
- competition from existing products or new products that may emerge;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- disputes or other developments related to proprietary rights, including patents, litigation matters or our ability to obtain intellectual property protection for our technologies;

- actual or alleged security breaches;
- announcements or expectations of additional financing efforts;
- sales of our common stock by us or our stockholders;
- stock price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- reports, guidance and ratings issued by securities or industry analysts;
- overall conditions in our industry and market, including the negative impact of armed conflicts, health epidemics and climate change on the global economy and markets; and
- general economic and market conditions.

Any of the above may cause our stock price or trading volume to decline. Stock markets in general, and the market for companies in our industry in particular, have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies, including ours. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our common stock. Investors may not realize any return on their investment in us and may lose some or all of their investment. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. The high volatility of our stock price, the composition of our Board and governance practices, including our Co-Chairman's repeated interest in acquiring additional shares in our Company through related party transactions, as well as countless other factors not identified above, increase the risk of securities litigation or shareholder derivative litigation against the Company and its Directors. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns and adversely impact our ability to raise capital to fund our operations, which could seriously harm our business.

Sales or purchases of shares of our common stock may adversely affect the market for our common stock.

If we or our stockholders, particularly our directors, executive officers and significant stockholders, sell or purchase, register for sale, or indicate an intent to sell or purchase, shares of our common stock in the public market, it may have a material adverse effect on the market price of our common stock. In particular, Robert W. Duggan, our majority stockholder and Co-Chairman, is not subject to any contractual restrictions with us on his ability to sell or transfer the shares of our common stock that he holds, and these sales or transfers could create substantial declines in the price of our securities or, if these sales or transfers were made to a single buyer or group of buyers, could contribute to a transfer of control of our Company to a third party. All of Mr. Duggan's shares in the Company have been registered for resale pursuant to an effective registration statement on Form S-3. Sales by Mr. Duggan of a substantial number of shares, or the expectation of such sales, could cause a significant reduction in the market price of our common stock.

We do not know whether an active, liquid and orderly trading market will exist for our common stock and as a result it may be difficult for you to sell your common stock.

Prior to our initial public offering in May 2016, there was no public market for our common stock. Although our common stock is listed on The Nasdaq Capital Market ("Nasdaq"), the market for our shares has demonstrated varying levels of trading activity. As a result of these and other factors, you may not be able to sell your common stock quickly, at or above the price paid to acquire the stock or at all. Further, an inactive market may also harm our ability to raise capital by selling additional common stock and may harm our ability to enter into strategic collaborations or acquire companies or products by using our common stock as consideration.

Concentration of ownership by our principal stockholder limits the ability of others to influence the outcome of director elections and other transactions requiring stockholder approval, or create the potential for conflicts of interest.

A majority percentage of our outstanding stock is held by Robert W. Duggan, Co-Chairman of our Board, who beneficially owns approximately 72% of our common stock outstanding as of December 31, 2025. As a result, Mr. Duggan has control over corporate actions requiring stockholder approval, including the following actions:

- to elect or defeat the election of our directors;
- to amend or prevent amendment of our certificate of incorporation or bylaws;
- to effect or prevent a merger, sale of assets or other corporate transaction; and
- to control the outcome of any other matter submitted to our stockholders for vote.

Mr. Duggan's controlling interest in the Company also creates the potential for conflicts of interest which could be viewed unfavorably by minority stockholders, thereby hurting our stock price. For example, in November 2021, we engaged outside legal counsel to represent the Company even though the same legal counsel currently represents Mr. Duggan personally in other matters. In prior years, this legal counsel represented Mr. Duggan in certain related party transactions with the Company and could represent both the Company and Mr. Duggan in future related party transactions. Three of our directors, including Mr. Duggan and Manmeet Soni, our Lead Independent Director and Audit Committee Chairman, are executives at Summit Therapeutics Inc., another company in which Mr. Duggan holds a controlling equity interest. There are no family relationships among any of our directors or executive officers, except that Mr. Duggan and Dr. Zanganeh are married and their beneficial ownership together exceeds 74%.

Additionally, because Mr. Duggan owns a majority of our outstanding shares, we are considered to be a "controlled" company under applicable Nasdaq rules. As such, we may voluntarily elect not to comply with certain of Nasdaq's corporate governance requirements, such as certain rules concerning the setting of executive compensation and the appointment of directors. Accordingly, during the period we remain a controlled company and during any transition period following a time when we are no longer a controlled company, other stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the Nasdaq Stock Market. As a member of our Board, Mr. Duggan will adhere to the corporate governance standards adopted by the Company.

Even though we have not yet elected to take advantage of any of these corporate governance exemptions permitted by Nasdaq, Mr. Duggan's stock ownership and our status as a "controlled" company may discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company, which in turn could reduce our stock price or prevent our stockholders from realizing a premium over our stock price. In addition, Mr. Duggan is not subject to any contractual restrictions on his ability to acquire additional shares of common stock and any such purchases, including purchases of equity securities in connection with any rights offerings or any alternative equity or equity-linked offering that we may conduct, could result in his acquisition of a larger percentage of our common stock.

Management currently beneficially holds a small percentage of our common stock. Other than their positions as directors or officers, and the restriction on the stockholders being able to call a special meeting limited to holders of 15% or more of the outstanding shares of common stock, our management will not be able to greatly influence corporate actions requiring stockholder approval.

Robert W. Duggan's controlling ownership position may impact our stock price and may deter or prevent efforts by others to acquire us, which could prevent our stockholders from realizing a control premium.

Robert W. Duggan is our Co-Chairman, and he beneficially owns approximately 72% of our common stock outstanding as of December 31, 2025. In addition, Mr. Duggan is not subject to any contractual restrictions on his ability to acquire additional shares of common stock, and any such purchases, including purchases of equity securities in connection with any rights offerings or any alternative equity or equity-linked offering that we may conduct, could result in his acquisition of a majority of our common stock. As a result of Mr. Duggan's controlling ownership and position as Co-Chairman, others may be less inclined to pursue an acquisition of us and therefore we may not have the opportunity to be acquired in a transaction that stockholders might otherwise deem favorable, including transactions in which our stockholders might realize a substantial premium for their shares. In addition, public speculation regarding Mr. Duggan, as well as our relationship with Mr. Duggan, could cause our stock price to fluctuate.

We have incurred and will continue to incur costs as a result of operating as a public company and our management has been and will be required to devote substantial time to public company compliance initiatives.

As a public company, listed in the United States, we have incurred and will continue to incur significant legal, accounting and other expenses due to our compliance with regulations and disclosure obligations applicable to us, including compliance with the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, as well as rules implemented by the SEC and Nasdaq. The SEC and other regulators have continued to adopt new rules and regulations and make additional changes to existing regulations that require our compliance.

Stockholder activism, the current political environment, and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact, in ways we cannot currently anticipate, the manner in which we operate our business. Our management and other personnel have and will continue to devote a substantial amount of time to these compliance programs and monitoring of public company reporting obligations and, as a result of the new corporate governance and executive compensation related rules, regulations, and guidelines prompted by the Dodd-Frank Wall Street Reform and Protection Act, or the Dodd-Frank Act, and further regulations and disclosure obligations expected in the future, we will likely need to devote additional time and costs to comply with such compliance programs and rules. New laws and regulations as well as changes to existing laws and regulations affecting public companies, including the provisions of the Sarbanes-Oxley Act, the Dodd-Frank Act, and rules adopted by the SEC and Nasdaq, will likely result in increased costs to us as we respond to their requirements.

Furthermore, these and future rules and regulations could make it more difficult or more costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as our executive officers.

We are a "smaller reporting company"; we cannot be certain if the applicable reduced disclosure requirements will make our common stock less attractive to investors.

We qualify as a "smaller reporting company," as defined in the Exchange Act, and so long as we remain a smaller reporting company, we benefit from and may take advantage of scaled disclosure requirements. We cannot know if investors find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile and it may be difficult for us to raise additional capital as and when we need it. Investors may be unable to compare our business with other companies in our industry if they believe that our reporting is not as transparent as other companies in our industry. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected.

We have not paid dividends in the past and have no plans to pay dividends.

For the foreseeable future, we plan to reinvest all of our earnings, to the extent we have earnings, into our product research and development efforts, so we have no plans to pay any cash dividends with respect to our securities. We cannot assure you that we would, at any time, generate sufficient surplus cash that would be available for distribution to the holders of our common stock as a dividend. Therefore, you should not expect to receive cash dividends on our outstanding common stock.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Certain anti-takeover provisions of Delaware law and provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. These provisions could also make it difficult for stockholders to elect directors that are not nominated by the current members of our board of directors or take other corporate actions, including effecting changes in our management. Our certificate of incorporation and bylaws include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, up to 50,000,000 shares of preferred stock and up to approximately 500,000,000 shares of authorized but unissued shares of common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairman of our board of directors, any of our officers, or any stockholder holding at least fifteen percent (15%) of the voting power of the capital stock issued and outstanding and entitled to vote;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors;
- require the affirmative vote of holders of at least 66 2/3% of the voting power of all the then outstanding shares of our voting stock, voting together as a single class, to amend provisions of our certificate of incorporation or our bylaws;
- give our board of directors the ability to amend our bylaws by majority vote; and
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board, which is responsible for appointing the members of our management. Furthermore, our bylaws provide that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of us, (b) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of us to us or our stockholders, (c) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, or (d) any action asserting a claim governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein; provided that, if and only if the Court of Chancery dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in Delaware. Our bylaws further provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. These exclusive-forum provisions may discourage lawsuits against us or our directors, officers, and employees. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to engage in certain types of transactions with us.

General Risk Factors

Unfavorable global economic or political conditions could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets, including the negative impact of armed conflicts, health epidemics and climate change on the global economy and markets. A global financial crisis or a banking crisis or a global or regional political disruption could cause extreme volatility in the capital and credit markets. The Company places its cash equivalents and investments with high credit quality financial institutions and, by policy, limits the amounts invested with any one financial institution or issuer and restricts the Company's investments to U.S. treasuries and money market instruments. However, in general the Company's deposits held with banks exceed the amount of insurance provided on such deposits. Despite our low-risk investment policies, a severe or prolonged economic downturn or political disruption could result in a variety of risks to our business, including our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy, banking crisis or political disruption could also strain our manufacturers or suppliers, possibly resulting in supply disruption, or cause our customers to delay making payments for our products. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the political or economic climate and financial market conditions could adversely impact our business.

The global financial markets and economy may also be adversely affected by the current or anticipated impact of military conflict, such as the ongoing Russian-Ukrainian war, the war on terrorism, and lingering hostilities in the Middle East, as well as other geopolitical events. Sanctions imposed by the United States and other countries in response to such conflicts, including the Russian-Ukrainian war, may also adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others could exacerbate market and economic instability.

Recently, the U.S. government has been changing its approach to international trade policy and in some cases it has been renegotiating or terminating certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries. In addition, the U.S. government has initiated or is considering imposing tariffs on certain foreign goods. Related to this action, certain foreign governments have instituted or are considering imposing tariffs on certain U.S. goods. It remains unclear what the U.S. government or foreign governments will or will not do with respect to tariffs or other international trade agreements and policies. A trade war or other governmental action related to tariffs or international trade agreements or policies has the potential to disrupt our research activities, affect our suppliers and/or the U.S. or global economy or certain sectors thereof and, thus, could adversely impact our businesses.

If we experience material weaknesses in the future or otherwise fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective. The identification of one or more material weaknesses would preclude a conclusion that we maintain effective internal control over financial reporting. Accordingly, there could continue to be a reasonable possibility that a material misstatement of our financial statements would not be prevented or detected on a timely basis.

We are required to disclose changes made in our internal control and procedures on a quarterly basis. However, our independent registered public accounting firm will not be required to report on the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until we are no longer a "small reporting company." At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Our remediation efforts may not enable us to avoid a material weakness in the future. If we are unable to assert that our internal control over financial reporting is effective, or when required in the future, if our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be adversely affected, and we could become subject to litigation risk and to investigations by Nasdaq, the stock exchange on which our securities are listed, by the SEC, and by other regulatory authorities, which could require additional financial and management resources.

If the interpretations, estimates or judgments we use to prepare our financial statements prove to be incorrect, investors and others may lose confidence in our financial data, which could cause our stock price to decline.

We, like all publicly traded companies, are subject to complex securities laws and regulations and accounting principles and interpretations. The preparation of our financial statements requires us to interpret accounting principles and guidance and to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements, as well as the reported expenses incurred during the reporting periods. We base our interpretations, estimates and judgments on our historical experience, appropriate accounting guidance and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for the preparation of our financial statements. However, accounting guidance can sometimes be conflicting, especially with respect to accounting for complex corporate transactions. Moreover, generally accepted accounting principles presentation is subject to interpretation by the SEC, the Financial Accounting Standards Board ("FASB") and various other bodies formed to interpret and create appropriate accounting principles and guidance. If one of these bodies disagrees with our accounting recognition, measurement or disclosure or any of our accounting interpretations, estimates or assumptions, we may have to retroactively revise our previously reported results and our investors could lose confidence in the accuracy and completeness of our financial reports, which could cause our stock price to decline.

We may become involved in litigation that may materially adversely affect us.

From time to time, we may be involved in a variety of claims, lawsuits, investigations, or proceedings relating to securities laws, product liability, patent infringement, contract disputes, and other matters relating to various claims that arise in the normal course of our business in addition to governmental and other regulatory investigations and proceedings. In addition, third parties may, from time to time, assert claims against us. Such matters can be time-consuming, divert management's attention and resources, cause us to incur significant expenses or liability and/or require us to change our business practices. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we have meritorious claims or defenses, by agreeing to settlement agreements. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business, financial condition, results of operations and prospects.

Our facilities in California are located near known earthquake faults, and the occurrence of an earthquake or other catastrophic disaster could cause damage to our facilities and equipment, which could require us to cease or curtail operations.

Our facilities in Hayward, California are located near known earthquake fault zones and are vulnerable to damage from earthquakes. We are also vulnerable to damage from other types of disasters, including fire, floods, power loss, communications failures, and similar events. If any disaster were to occur, our ability to operate our business at our facilities would be seriously, or potentially completely, impaired. In addition, the nature of our activities could make it difficult for us to recover from a natural disaster. The insurance we maintain may not be adequate to cover our losses resulting from disasters or other business interruptions. Accordingly, an earthquake or other disaster could materially and adversely harm our ability to conduct business.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

To combat ever-present cyber risks, the Company maintains a comprehensive cybersecurity program, which includes employee training, annual risk assessments and a comprehensive cybersecurity environment meant to detect, prevent, and limit unauthorized or harmful actions across our information technology environment. However, we operate in the medical device sector, which is subject to various cybersecurity risks that could adversely affect our business, financial condition, and results of operations, including intellectual property theft; fraud; extortion; harm to patients, customers, and employees; violation of privacy laws and other litigation and legal risk; and reputational risk.

We have implemented a risk-based approach to identify and assess the cybersecurity threats that could affect our business and information systems. We use recognized commercially reasonable measures, tools and methodologies to manage cybersecurity risk that are tested on a regular cadence. We also monitor and evaluate our cybersecurity posture on an ongoing basis through regular vulnerability scans, penetration tests and third-party reviews. Other key components of our cybersecurity program include, but are not limited to, asset management, encryption, data loss prevention technology, access controls, identity and access management (IAM), such as multi-factor authentication (MFA), vulnerability management, endpoint threat detection and response (EDR), logging and monitoring involving the use of security information and event management (SIEM), privileged access management (PAM), email and web gateway protection, multi-faceted backup and data recovery solutions, anti-malware, firewalls, IDS and IPS, auditing and monitoring, regular policy updates, security awareness training, anti-phishing campaigns, intrusion detection and prevention, vulnerability and patch management, and third-party risk management. We also subscribe to third-party threat intelligence tools and services that support monitoring, analyzing, and responding to emerging risks and threats. We require third-party service providers with access to personal, confidential, or proprietary information to implement and maintain comprehensive cybersecurity practices consistent with applicable legal standards, although currently we do not audit this. While we believe our cybersecurity practices are comparable to those of similarly situated companies, the Company does not currently audit its third-party service providers' cybersecurity practices, except through its regulatory and quality control auditing of vendors engaged in clinical trials or the manufacture of products used in the assembly of our medical devices. We also rely on industry leading third party service providers to provide the systems required to effectively run our clinical trials and require that these third-party service providers implement and maintain standard cybersecurity practices. We have business continuity plans that we regularly review and update in line with our evolving applications architecture. We believe our cybersecurity practices comply with applicable legal requirements, including those established by the FDA.

To date, we have not experienced any material security incidents or data breaches as a result of a compromise of our information systems and are not aware of any cybersecurity incidents that have had a material impact or are reasonably likely to materially affect our business strategy, operating results, or financial condition.

Cybersecurity Governance

One of the key functions of our board of directors is informed oversight of our compliance program, including the processes used to mitigate risks associated with cybersecurity threats. Our Board is responsible for monitoring and assessing strategic risk exposure generally, and our executive officers are responsible for the day-to-day management of the material risks we face. Our Board administers its enterprise-level oversight of risks associated with cybersecurity threats directly as a whole, as well as through delegation of responsibility to our Audit Committee, which serves and functions as the Board's primary oversight body to monitor the Company's cybersecurity and related information technology risk. The Audit Committee receives periodic reports from management personnel responsible for enterprise risk management, which also evaluates cybersecurity among other enterprise level risks on an annual basis. It also assesses the experience of management personnel responsible for preventing, mitigating, detecting, and remediating any cyber incidents, including applicable third-party providers. The Audit Committee also oversees the Company's disclosure of any cybersecurity incident deemed material as required by the SEC or any other governmental authority, as applicable.

At the operational level, the Company has established an information security team, including a Privacy and Security Council ("PSC"), consisting of representatives from IT, Legal, HR, and Finance, to help provide governance and strategic direction for managing cyber risks, maintaining IT regulatory compliance, and optimizing technology initiatives for alignment with our company goals and objectives. Pursuant to various policies adopted by the Company since 2021, including the Company's Privacy Policy, the Company's senior most IT employee, our Information Security Coordinator (our "ISC"), is a member of the PSC and has frontline responsibility for assessing, identifying and managing material risks from cybersecurity threats. The PSC convenes not less than annually, and meetings include updates on cybersecurity matters provided by the information security team.

Our ISC has expertise in the following areas which assist in assessing and managing applicable cybersecurity risk: 28 years of IT experience including endpoint detection, security, incident management and response, vulnerability management and response, event management and response, and network security segmentation. The ISC provides regular reports on ongoing risk and mitigation practices, including information about cyber risk management governance and status updates on various projects intended to enhance the overall cybersecurity posture of the Company, to our Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, and General Counsel, who then report to the Audit Committee and the Board.

Our incident response plan designates our ISC as primarily responsible for identifying and evaluating any cybersecurity incident or suspected incident and reporting any such incidents to our General Counsel in order for management to evaluate materiality, and to report to our Audit Committee, our Board and make public disclosures, as applicable. Our General Counsel is responsible for routinely updating both the Board and the Audit Committee on the Company's cybersecurity personnel, practices and processes and, pursuant to our data breach response policy, which is updated from time to time, he must report to the Board in the event of any detected material incident and regularly update the Board on any mitigation and remediation steps being taken in connection with the Company's response. The Company has, from time to time, engaged external experts, including cybersecurity assessors, consultants, auditors, and legal counsel, in evaluating and testing our risk management systems and on a project-specific basis to assist us with projects that will improve our IT infrastructure, strengthen our products' security posture, and improve our cyber readiness. This enables us to leverage specialized knowledge and insights, ensuring our cybersecurity strategies and processes remain current.

Item 2. Properties

We currently lease approximately 50,300 square feet of premises located in Hayward, California, which is used for our principal operating facility. The term of the lease extends through October 2029.

We also currently lease approximately 2,000 square feet of premises located in Miami, Florida, which is used for our corporate headquarters. The term of the lease is 65 months and it commenced on November 8, 2024.

We believe that our existing and expanded facilities will be sufficient to meet our needs for the foreseeable future.

Item 3. Legal Proceedings

From time to time, we may be involved in various legal proceedings arising in the ordinary course of business. We are not presently a party to any legal proceedings that, in the opinion of management, could have a material adverse effect on our results of operations or financial condition. Regardless of outcome, however, any litigation could have an adverse impact on us because of defense and settlement costs, diversion of management resources, negative publicity, reputational harm, and other factors.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is listed on Nasdaq and has been traded under the symbol "PLSE" since May 18, 2016.

Holders of Record

As of February 1, 2026, there were approximately 11 stockholders of record of our common stock. We believe the actual number of stockholders is greater than this number of record holders and includes stockholders who are beneficial owners, but whose shares are held in "street" name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividend Policy

We have never declared or paid any cash dividend on our common stock and have no present plans to do so. We intend to retain earnings for use in the operation and expansion of our business.

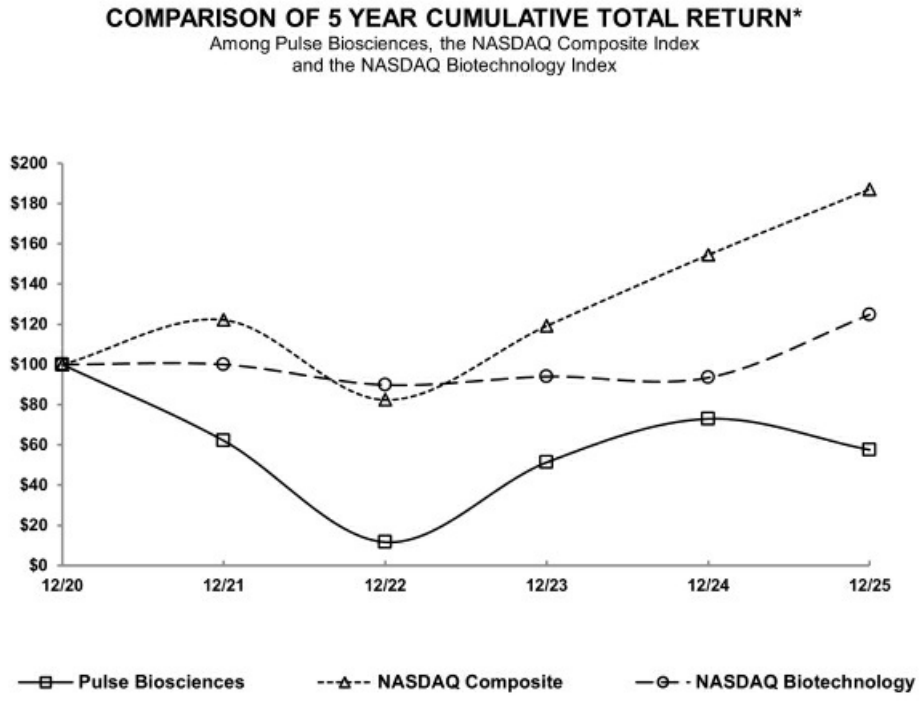
Sales of Unregistered Securities

There were no unregistered sales of equity securities during the period covered by this Annual Report on Form 10-K.

Performance Graph

The performance graph included in this Annual Report on Form 10-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), or incorporated by reference into any filing of Pulse Biosciences, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

The following graph matches our cumulative 5-year total shareholder return on common stock with the cumulative total returns of the Nasdaq Composite Index and the Nasdaq Biotechnology Index. The graph tracks the performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends) from December 31, 2020, to December 31, 2025. Such returns are based on historical results and are not intended to suggest future performance.



Item 6. Selected Financial Data

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

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes thereto included in Item 8 under the heading "Financial Statements and Supplementary Data". Some of the information contained in this discussion and analysis or set forth elsewhere in this Form 10-K contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements relate to expectations concerning matters that are not historical facts. The words "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "might," "plans," "projects," "will," "would," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include, but are not limited to, statements related to our expected business, new product introductions, results of clinical studies, expectations regarding regulatory clearance and the timing of FDA or non-US filings or approvals including meetings with FDA or non-US regulatory bodies, procedures and procedure adoption, future results of operations, future financial position, our ability to generate revenue, our financing plans and future capital requirements, anticipated costs of revenue, anticipated expenses, the effect of recent accounting pronouncements, our anticipated cash flows, our ability to finance operations from cash flows or otherwise, and statements based on current expectations, estimates, forecasts, and projections about the economies and markets in which we operate and intend to operate and our beliefs and assumptions regarding these economies and markets. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. You should read the "Risk Factors" section of this Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. We do not assume any obligation to update any forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report, and although we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted a thorough inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements. This Annual Report and any documents incorporated by reference may contain market data that we obtain from industry sources. These sources do not guarantee the accuracy or completeness of the information. Although we believe that our industry sources are reliable, we do not independently verify the information. The market data may include projections that are based on other projections. While we believe these assumptions and projections are reasonable and sound, as of the date of this Annual Report, actual results may differ from the projections.

Overview

We are a novel ablation company committed to health innovation using our patented Nano-pulse Stimulation ("NPS") technology, a revolutionary energy modality that delivers nanosecond-duration pulses of electrical energy, each less than a millionth of a second long, to nonthermally clear or kill targeted cells. NPS technology, also referred to as Nanosecond Pulsed-Field Ablation ("nsPFA") technology when used to ablate cellular tissue, can be used to treat a variety of medical conditions for which an optimal solution remains unfulfilled. We developed our proprietary nPulse System (formerly known as CellFX), a novel nsPFA delivery platform, and commercialized the initial application of its nsPFA technology to treat benign lesions of the skin. In parallel, we have designed a variety of applicators, or disposables, to explore the potential use of the nPulse platform to treat disorders in other medical specialties, such as cardiology, gastroenterology, gynecology, and otolaryngology. These applicators include devices for open surgical procedures, endoscopic or minimally invasive procedures, and endoluminal catheters, and each has been used in preclinical studies. Based on our preclinical experience and the potential to significantly improve outcomes for patients in a large and growing market, we decided in 2022 to focus our primary efforts on the use of nsPFA energy and the nPulse platform in the treatment of atrial fibrillation, where approximately 1.9 million patients in the United States are diagnosed annually. This potentially represents a greater than $3.0 billion addressable market within electrophysiology alone combined with long-term double-digit growth. Additionally, we are also pursuing the treatment of atrial fibrillation via a surgical approach as well as select other markets where nsPFA technology could have a profound positive impact on healthcare for both patients and providers, such as surgical soft tissue ablation.

nPulse Vybrance Percutaneous Electrode System

Our first product for soft tissue ablation in a surgical setting, the Vybrance Percutaneous Electrode System, consists of a disposable, percutaneous, needle electrode for use with our proprietary nPulse Console. This novel electrode is designed to harness and deliver the key advantages of nsPFA energy, enabling precise nonthermal removal of cellular tissue without inducing thermal necrosis.

After years of preclinical development and testing, in June 2023, we initiated a first-in-human study using our proprietary nsPFA-enabled percutaneous electrode. This study was conducted by Professor Stefano Spiezia at the Ospedale del Mare in Naples, Italy, to help us better understand and confirm the mechanism of action and tissue response of nsPFA energy in internal organs such as the thyroid. Thirty study subjects were treated, all of whom tolerated the procedure well with no reported serious side effects. Ultrasound images post procedure showed treated portions of the benign thyroid nodules were mostly resorbed with no sign of scarring or fibrosis, which can be a side effect of other ablation modalities using thermal energies.

In parallel, in November 2023, we filed a premarket notification 510(k) with the FDA for clearance to commercialize our novel Vybrance Percutaneous Electrode System in the United States. In March 2024, we received FDA 510(k) clearance for our Vybrance Percutaneous Electrode System for use in the ablation of soft tissue in percutaneous and intraoperative surgical procedures. More recently, in August 2024, we received FDA 510(k) clearance for a second size of the percutaneous electrode needle, which we believe will provide our customers with an additional treatment option for their patients.

Since securing 510(k) clearance to market and sell the Vybrance Percutaneous Electrode System in the United States, we have engaged with experts in the field of soft tissue ablation to gather information to help shape our commercial endeavors (our "Pilot Program"). To date, we have placed our nPulse System at sites in the United States under either short-term evaluation, consulting or other early commercial agreements pursuant to which the sites have been performing initial patient treatments and evaluating the nPulse System as well as providing valuable feedback and support for our first launch of an nsPFA-enabled surgical product.

More recently, in September 2025, we commenced a clinical trial (PRECISE BTN) to generate clinical evidence to demonstrate the safety and effectiveness of this less-invasive thyroid-preserving procedure and support commercialization of the Vybrance Percutaneous Electrode System in the United States. In this study, benign thyroid nodule soft tissue ablation procedures will be performed on up to 50 patients at up to four sites. Study endpoints evaluated during the follow-up timepoints will include safety, targeted nodule volume reduction, symptom reduction, and improvements in quality of life and cosmesis over various follow-up periods. The pace of enrollment is encouraging and we expect enrollment to complete in the next few months. To date, these clinicians, together with those in the Pilot Program as well as our first commercial accounts, have completed more than 300 patient procedures. We expect to pursue more clinical evidenced-based milestones in connection with the limited market release of our percutaneous electrodes.

Our Cardiac Surgical Program

Atrial fibrillation ("AF") is a type of heart arrythmia, or irregular heartbeat, caused by faulty electrical signals in the heart. AF is a highly prevalent condition and is growing significantly with an ageing population. It is estimated that 43 million people worldwide are affected by AF. Treatment requires the precise and safe ablation of heart tissue to block or otherwise prevent these faulty electrical signals from causing the irregular heartbeat, and we believe nsPFA energy is uniquely suited to perform an integral role for this application and that it will prove to be highly differentiated from other energy modalities in use today.

The results of preclinical and clinical testing of both our nPulse cardiac products, namely our surgical ablation clamp and our endocardial ablation catheter, have exceeded our expectations and initial data have been presented at physician and industry conferences. While these devices serve different physicians, the application of nsPFA energy to safely and effectively ablate cardiac tissue to treat AF are the same, and we believe there will be important synergies realized through their contemporaneous development. The Company's cardiac surgical ablation clamp and cardiac endocardial ablation catheter both generate our proprietary nsPFA pulses of electrical energy. We discuss each of these products under development in more detail below.

nPulse Cardiac Surgical Clamp

Our surgical cardiac ablation clamp is designed for use by cardiac surgeons during the surgical treatment of AF. The standard of care surgical procedure for the treatment of AF is performed by cardiac surgeons and called the Cox-Maze procedure. The Cox-Maze procedure typically uses thermal ablation technologies, such as heat with radiofrequency ablation or cold with cryoablation, to create specific ablation lines in the heart muscle. These ablation lines block the conduction of electrical impulses and can cure patients of their AF.

We believe our nsPFA energy can provide important advantages over today's thermal modalities in creating these ablation lines. For example, surgeons using the nPulse System should be able to deliver faster ablations and through thicker tissue than thermal modalities because of the nonthermal mechanism of action that nsPFA employs, which is not affected by heatsinks such as blood in the heart. In preclinical and clinical studies, our nsPFA Cardiac Clamp has consistently achieved transmural ablations in less than three seconds, independent of tissue type or thickness. Moreover, thermal modalities can cause char formation on electrode surfaces which can cause gaps in the ablation lines that might lead to treatment failure. This should not be an issue with nsPFA ablation given its nonthermal nature. Also, because nsPFA ablation does not significantly impact acellular tissue, such as collagen or cartilage, our technology has the potential to offer significant safety advantages over thermal modalities by allowing surgeons to ablate near and into vessels and valves without concern of permanent damage. And finally, nsPFA ablation has been shown to spare nerves of any permanent damage, even when treated directly, which is another concern for thermal modalities. We believe these advantages will be important to cardiac surgeons, so we are working with leaders in the field to develop this technology quickly.

Over the last several years, we have been developing the cardiac ablation clamp from proof-of-concept to prototype, and we now have what we believe will be our initial commercial design. The device was designed with the input of key physicians in cardiac surgery, and we believe it will offer a highly differentiated option relative to the standard of care thermal modalities. Today, we plan to pursue a PMA application for FDA approval to market the cardiac clamp specifically as a surgical way to treat AF. Seeking an AF indication through a PMA application will require pivotal clinical data to support the application.

In July 2024, we received Breakthrough Device Designation from the FDA for our nsPFA Cardiac Surgery System for the treatment of AF. The FDA's Breakthrough Devices Program is a voluntary program for certain medical devices that potentially provide for more effective treatment or diagnosis of a life-threatening or irreversibly debilitating disease or condition. More recently, our Cardiac Surgery System was enrolled in the FDA's Total Product Life Cycle (TPLC) Advisory Program (TAP). The FDA's Center for Devices and Radiological Health (CDRH) launched the TAP program to help generate more rapid development of high-quality, safe, effective, and innovative medical devices that are critical to public health. TAP's primary goal is to expedite patient access to innovative medical devices by providing early, frequent and strategic communications with the FDA and facilitating engagement with other key parties for developers of devices of public health importance. Both programs are designed to expedite the development, assessment, and review of medical devices for premarket approval, 510(k) clearance, or de novo marketing authorization. Breakthrough Devices, even those enrolled in the FDA's TAP Program, must still meet the FDA's rigorous standards for device safety and effectiveness in order to be authorized for marketing, however.

In September 2025, we received approval of our Investigational Device Exemption (IDE) to initiate our pivotal clinical trial of the cardiac surgical clamp and clinicians have already enrolled and treated the first patient in the study. This single-arm prospective study is designed to demonstrate primary effectiveness of the nsPFA Cardiac Surgical System for the treatment of AF in concomitant surgical procedures. Up to twenty sites, including two outside the United States, are planned to enroll up to 136 patients. Upon PMA approval, we would expect to commercialize the nPulse Cardiac Surgical System in the United States specifically as a treatment for AF. Separately, we have already enrolled more than 50 patients in our first-in-human clinical feasibility study of the cardiac clamp, a multi-center study of AF in the Netherlands, Poland and Austria. All of the patients in our first-in-human study have tolerated the procedure well and acute data have been encouraging.

nPulse Cardiac Catheter System

We believe our endocardial catheter ablation device will have many of the same advantages that the surgical ablation clamp appears to have with respect to both performance and safety compared to standard thermal modalities. Our nPulse Cardiac Catheter System is uniquely designed to provide a circumferential, or circular, ablation in a single treatment cycle. We believe this will enable faster treatment times compared to what is currently performed with thermal modalities, especially when ablating around the pulmonary veins, a common treatment approach for AF.

In recent years, Pulsed Field Ablation ("PFA") has gained attention in electrophysiology for the treatment of AF because of its safety profile and speed. Current clinical products employing PFA in AF treatment differ from nsPFA technology in that the pulse widths are longer, typically in the microsecond domain. We believe nsPFA technology, which delivers pulses of electrical energy that are each less than a millionth of a second long, can offer similar safety advantages as PFA and may provide improved efficacy advantages based on the circumferential design of our catheter and because it appears nsPFA technology can create deeper ablations. We believe these advantages will be important to electrophysiologists, so we are working with leaders in the field to develop this technology quickly.

Similar to the cardiac ablation clamp, our proprietary catheter has been in development for several years and we have been working with leaders in the electrophysiology field to test the catheter in preclinical studies. After seeing encouraging preclinical results, in December 2023, we initiated a first-in-human clinical study in Prague, Czech Republic, to test our nPulse Cardiac Catheter System in patients with AF and both the acute data and initial remapping data from this study were compelling. We therefore expanded the initial clinical protocol in 2024 to include participation by two additional sites, including a clinical site in Rome, Italy, with Dr. Andrea Natale M.D., F.A.C.C., F.H.R.S., F.E.S.C., a world recognized leader in the world of electrophysiology and the current Executive Director at the Texas Cardiac Arrhythmia Institute. To date, nine clinical investigators at these European sites, including Dr. Natale and Dr. Vivek Reddy, Director of Cardiac Arrhythmia Services at the Mount Sinai Fuster Heart Hospital in New York, have enrolled and treated more than 165 patients in this first-in-human study. More recently, in February 2026, at the AF Symposium, Dr. Reddy presented 6- and 12-month follow up data for the first 150 patients from this study. These data show 96% procedural success of evaluable patients at one year as well as early indications of the disruptive market potential for our nPulse catheter, such as total procedure times in the study of approximately 65 minutes per patient.

Given the compelling data seen in the first-in-human study of our nPulse Cardiac Catheter, in July 2025, we submitted an Investigational Device Exemption (IDE) application for review by the FDA to conduct a single-arm, multicenter, prospective study designed to demonstrate primary safety and effectiveness of the nsPFA Cardiac Catheter System for the treatment of recurrent drug-resistant symptomatic paroxysmal AF. In December 2025, the FDA approved our IDE submission, and we have begun clinical site qualifications to begin enrollment. This IDE study is expected to enroll up to 155 patients at up to 30 sites, including three sites outside the United States. We continue to believe we will need PMA approval from the FDA to market and sell our catheter in the United States.

The nPulse Console

The nPulse Console is a tunable, software-enabled, console-based platform, designed to accommodate the clinical workflow preferred by physicians. The nPulse Console is configured to accept a variety of disposable applicators or electrodes across a range of clinical applications. In February 2021, we received 510(k) clearance from the FDA for the nPulse System for dermatologic procedures requiring ablation and resurfacing of the skin. In January 2021, we received Conformité Européene ("CE") marking approval for the nPulse System, which allows for marketing of the system in the European Union ("EU"). Shortly after these regulatory clearances, we began commercializing the nPulse System in dermatology for the treatment of benign skin lesions. However, in September 2022, we announced a shift in our focus from dermatology to cardiology and soft tissue ablation. We have ceased all commercial sales efforts and marketing operations in dermatology, and in 2022 we stopped manufacturing new dermatologic treatment tips for the nPulse System. At the present time, we continue to support our remaining commercial users and remain open to a potential commercial partnership. The nPulse Console is being used for our current efforts in the treatment of AF and as part of the Vybrance Percutaneous Electrode System.

We continue to believe nsPFA ablation, as well as NPS technology more broadly, has the potential to provide superior outcomes across a variety of medical disciplines and we may seek partnership opportunities to develop additional applications.

Financing Our Business

Over the past few years, Robert Duggan, our majority stockholder and Co-Chairman, has made significant investments in our Company to fund its operations. In June 2024, for example, when we completed a rights offering of units to our existing stockholders to raise $60.0 million in aggregate, Mr. Duggan purchased approximately 88% of the shares offered through the offering. Mr. Duggan may or may not elect to participate in any number of future fundraisings by the Company, whether similar to those described above or otherwise, and he may choose to invest more than his current pro rata share in any of these fundraisings, or alternatively he may offer to provide additional debt financing as may be needed to maintain the Company as a going concern.

Critical Accounting Policies and Estimates

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The preparation of these financial statements requires us to make estimates and assumptions that affect 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, liabilities, and equity and the amount of revenues and expenses, which are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

While our significant accounting policies are described in the notes to our financial statements included elsewhere in this Annual Report on Form 10-K, we believe that the following critical accounting policies and estimates are most important to understanding and evaluating our reported financial results.

Revenue from Contracts with Customers

A contract with a customer is accounted for when the rights and obligations of the parties are identifiable, the contract has commercial substance, and the collectability of the consideration to be received from the customer is considered probable. Contracts with customers are for the sale of the nPulse Vybrance system, which includes system components, software, and system accessories. Instruments and other accessories may also be included with the system or may be sold on a standalone basis. These products are considered performance obligations to the extent they are separately identifiable from other products in the contract and when the customer can either benefit from the product on its own or with other goods or services that are readily available to the customer. We recognize revenue at a point in time when we satisfy performance obligations by transferring control of promised goods to our customers. Transfer of control is based on shipping terms as contractually negotiated. The amount of revenue recognized is equal to the consideration which we are entitled to in exchange for the promised goods, excluding any amounts assessed by government authorities for taxes which might be collected from a customer.

The transaction price is the consideration to which we expect to be entitled in exchange for providing the promised goods to customers. Though most customer orders are for a fixed amount of consideration, we evaluate the possible impact of variable consideration in determining the transaction price, in particular the possibility of future returns. Sales agreements allow for a right of return only if the product does not conform to the agreed upon quality standards or if the product was shipped due to our error. We anticipate such returns will be minimal and have made no adjustments to the transaction price for any estimated returns. The transaction price is determined at contract execution and updated each quarter for any changes in circumstances (e.g., changes in estimated return amount).

When there are multiple performance obligations present, the total transaction price shall be allocated to each of the performance obligations based upon the relative standalone selling price ("SSP") of those performance obligations. We establish SSPs based on multiple factors including prices charged by us for similar offerings, product-specific business objectives, and the estimated cost to provide the performance obligation.

Sales contracts often involve the sale and delivery of multiple products, each of which typically represent a separate performance obligation in the contract. While we sell these products on a stand-alone basis at their respective SSP, initial customer contracts will likely involve the bundling of products which will be delivered concurrently to the customer for a single price. The initial limited market release period will also include evaluation agreements with customers that allow either the customer or us to terminate the contract at any point without penalty. The termination right limits the effective contract term to the period for which the contract was not terminated. Payment terms may be extended to customers upon which we will perform a necessary credit evaluation to ensure future collectability of the outstanding balance.

Stock-Based Compensation

Our stock-based compensation programs include stock options and an employee stock purchase program. We periodically issue stock options to officers, directors, employees, and consultants for their services to the Company. Such issuances vest and expire according to terms established at the issuance date. In general, stock-based payments to officers, directors and employees, including grants of employee stock options, are recognized in the financial statements based on their grant date fair values, which are estimated using the Black-Scholes option-pricing model or Monte Carlo simulation model. We account for forfeitures as they occur. We have granted stock options with time-based, performance-based, market-based, and both market-based and performance-based vesting conditions.

For stock options with time-based and performance-based vesting conditions, the grant date fair value of each grant is determined using the Black-Scholes option pricing model which requires a number of assumptions. Each of these assumptions is subjective and generally requires significant judgment and estimation by management.

Expected Term - Our expected term represents the period that our stock-based awards are expected to be outstanding and is determined using the simplified method (based on the mid-point between the vesting date and the end of the contractual term). We utilize this method due to lack of historical exercise data of our stock-based awards.

Expected Volatility - The computation of expected volatility was based on a calculation using the historical volatility of our common stock.

Risk-Free Interest Rate - The risk-free interest rate is based on the Treasury Constant Maturities as provided by the Federal Reserve in effect at the time of grant for periods corresponding with the expected term of option.

Expected Dividend - We have never paid dividends on our common stock and have no plans to pay dividends on our common stock. Therefore, we used an expected dividend yield of zero.

Stock-based compensation expense for stock options with time-based vesting conditions is recognized on a straight-line basis over the requisite service period, which is generally the vesting period. For stock options with performance-based vesting conditions, compensation expense is not recognized until it is probable that the performance-based vesting condition will be achieved. The analysis to determine such probability involves estimates and judgements from management related to certain financial measures and achievements of strategic and operational milestones, which involves inherent risk and uncertainty regarding the future outcomes of the milestones. If actual results are not consistent with our estimates or assumptions, we may be exposed to changes in stock-based compensation expense that could be material.

For stock options with market-based vesting conditions, the conditions relate to the achievement of certain market capitalization targets of the Company. Using a Monte Carlo simulation model, we estimated the fair value of the market-based options on the grant date or modification date, with the associated stock-based compensation expense recognized over the requisite service period. The requisite service period is the service period derived from the Monte Carlo simulation model. If the market capitalization targets are met sooner than the derived service period, the recognition of stock-based compensation expense will accelerate to reflect the cumulative expense associated with the vested shares.

For stock options with both market-based and performance-based vesting conditions, the vesting conditions relate to both the achievement of certain market capitalization targets of the Company, as well as the achievement of certain revenue and margin metrics. Using a Monte Carlo simulation model, we estimated the fair value of the market-based options on the grant date, along with a derived service period. Compensation expense for the awards is recognized over the requisite service period, which is the longer of the service period derived from the Monte Carlo simulation model or the implicit service period (the period when the performance condition is expected to be met). Compensation expense is recognized only once it becomes probable that the associated performance condition will be achieved and the employee is expected to render the requisite service. Once these criteria are met, we will recognize expense using the accelerated attribution method over the requisite service period. If, at any point, the performance condition is no longer probable of being achieved or the employee is no longer expected to complete the requisite service period, any previously recognized expense will be reversed. Additionally, if both the market and performance conditions are satisfied before the end of the requisite service period, any remaining unrecognized expense will be recognized immediately, provided that the employee is still providing service.

The Monte Carlo simulation models require us to make assumptions and judgements about the variables used in the calculations including the expected volatility, the risk-free interest rate, expected dividend yield, and the expected term. The assumptions used in the option-pricing model represent our best estimates. If factors change and different assumptions are used, our stock-based compensation expense could be materially different in the future.

Accrued Research and Development Expenses

We accrue liabilities for estimated costs of research and development activities conducted by our third-party service providers, which include the conduct of preclinical and clinical studies. We record the estimated costs of research and development activities based upon the estimated amount of services provided but not yet invoiced, and include these costs in accrued liabilities on the consolidated balance sheet and within research and development expense on the consolidated statements of operations and comprehensive loss.

We accrue for these costs based on factors, such as estimates of the work completed and budget provided and in accordance with agreements established with our third-party service providers. We make significant judgments and estimates in determining the accrued liabilities balance in each reporting period. As actual costs become known, we adjust our accrued liabilities. Changes in these estimates that result in material changes to our accruals could materially affect our financial condition and results of operations.

Results of Operations

Comparison of the Years ended December 31, 2025 and 2024

Our consolidated statements of operations as discussed herein are presented below:

	Year Ended December 31,		
(in thousands)	**2025**	**2024**	**$ Change**
Revenue:			
Product revenue	$ 350	$ —	$ 350
Cost and expenses:			
Cost of product revenue	539	—	539
Research and development	44,721	32,336	12,385
Selling, general and administrative	32,029	23,921	8,108
Total cost and expenses	77,289	56,257	21,032
Loss from operations	(76,939)	(56,257)	(20,682)
Other income (expense):			
Interest income	4,210	2,690	1,520
Other expense	(52)	(18)	(34)
Total other income	4,158	2,672	1,486
Net loss	$ (72,781)	$ (53,585)	$ (19,196)

Revenue

Product revenue was $0.4 million for the year ended December 31, 2025. There was no revenue for the year ended December 31, 2024. The total revenue generated was in connection with the limited market release commercial sales of the Vybrance Percutaneous Electrode System with the first commercial sale occurring in the third quarter of 2025.

Cost of Product Revenue

Cost of product revenue was $0.5 million for the year ended December 31, 2025. There was no cost of product revenue for the year ended December 31, 2024.

Research and Development

Research and development expenses consist of compensation and other employee-related expenses for research and development personnel, clinical trials and consulting costs related to the design, development and enhancement of our potential future products, prototype material and devices.

Research and development expenses increased by $12.4 million to $44.7 million for the year ended December 31, 2025, compared to $32.3 million for the year ended December 31, 2024, primarily due to increases of $5.5 million in paid services and external research, $3.3 million in stock-based compensation, $2.8 million in compensation and other employee-related expenses, and $0.7 million in supplies.

Selling, General and Administrative

Selling, general and administrative expenses consist of compensation and other employee-related expenses for sales, marketing, executives, finance, legal, human resources, information technology, and administrative personnel, professional fees, patent fees and costs, insurance costs and other general corporate expenses.

Selling, general and administrative expenses increased by $8.1 million to $32.0 million for the year ended December 31, 2025, compared to $23.9 million for the year ended December 31, 2024, primarily due to increases of $4.5 million in stock-based compensation, $4.2 million in compensation and other employee-related expenses, $1.9 million in paid services and administrative costs, partially offset by a decrease of $2.5 million in severance costs and legal settlement.

Interest Income

Interest income increased by $1.5 million to $4.2 million for the year ended December 31, 2025, compared to $2.7 million for the year ended December 31, 2024, driven by increased returns on higher cash balances held during 2025 relative to 2024 due to the 2024 Rights Offering.

Liquidity and Capital Resources

We have funded our business primarily through the issuance of equity securities and debt. To date, we have generated only limited revenue from product sales and we have incurred significant operating losses each year since our inception. Because we intend to continue our investments into new product research and development and the capabilities needed to commercialize our nPulse Vybrance Percutaneous Electrode System, we expect to continue to incur additional losses for the next several years. Accordingly, to fund our business, we may utilize some combination of public or private equity offerings, debt financings, or potential new revenue-generating collaborations with one or more investors or strategic partners. Over the past few years, Robert Duggan, our majority stockholder and Co-Chairman, has made significant investments in our Company to fund its operations. Mr. Duggan may or may not elect to participate in any number of future fundraisings by the Company, whether similar to those described herein or otherwise, or alternatively he may offer to provide additional debt financing as may be needed to maintain the Company as a going concern.

As of December 31, 2025, we had cash and cash equivalents of $80.7 million. We believe that our existing cash and cash equivalents will be sufficient to fund our projected operating requirements for at least the next twelve months from the filing date of this Annual Report on Form 10-K. However, we plan to raise additional capital in the near future. These expectations are based on our current operating and financing plans which are subject to change. The source, timing and availability of any future financing will depend largely upon market conditions and perceived progress in the Company's commercialization efforts, on-going product development initiatives, as well as future clinical and regulatory developments concerning the nPulse System and our other NPS-based technologies. There can be no assurance, however, that any additional financing or any revenue-generating collaboration will be available when needed or that we will be able to obtain financing or enter into a collaboration on terms acceptable to us. Lack of necessary funds may require us to, among other things, delay, scale back or eliminate some or all of our commercial activities, reduce headcount, trim research and product development programs, discontinue clinical trials, stop all or some of our manufacturing operations, defer capital expenditures, deregister from being a publicly traded company and delist from Nasdaq, or license our potential products or technologies to third parties, possibly on terms that cannot sustain our current business. In addition, global economic instability caused by armed conflicts, tariffs and interest rates, together with other market factors, could have an adverse impact on potential sources of future financing.

On July 3, 2024, we announced the closing of our 2024 Rights Offering. The 2024 Rights Offering resulted in the sale of six million 2024 Units, at a price of $10.00 per 2024 Unit. Each 2024 Unit consisted of one share of our common stock, par value $0.001 per share, and two warrants, each being a warrant to purchase one-half of one share of common stock. The common stock and warrants comprising the 2024 Units separated upon the closing of the 2024 Rights Offering and were issued individually. Upon the closing of the offering, we issued a total of 5,999,998 shares of common stock and warrants to acquire up to approximately an additional six million shares of common stock, at an exercise price of $11 per whole share, and we received aggregate gross proceeds of $60 million. Robert W. Duggan, the Company's majority stockholder and Co-Chairman, purchased approximately 88% of the units offered through the 2024 Rights Offering. Half of the warrants issued in the rights offering were redeemable by us if our volume-weighted average price ("VWAP") exceeded 150% of the exercise price, or $16.50, for twenty consecutive trading days. In December 2024, we delivered an irrevocable notice of redemption to redeem this first tranche of common stock warrants because the VWAP of our common stock over the twenty consecutive trading days before the notice was $18.85. Then, in February 2025, we redeemed 18,221 warrants, specifically the ones subject to the 150% redemption feature, on the announced redemption date. The other half of the warrants issued in the 2024 Rights Offering are redeemable by us if our VWAP exceeds 200% of the exercise price, or $22.00, for twenty consecutive trading days. As of December 31, 2025, there were no outstanding 2024 Rights Offering Warrants subject to the 150% redemption feature and there were 405,624 outstanding 2024 Rights Offering Warrants subject to the 200% redemption feature, entitling holders to purchase up to approximately 202,812 shares of common stock. During the year ended December 31, 2025, we have received a total of $14.1 million in gross proceeds from exercises of the 2024 Rights Offering Warrants. Cumulatively, as of December 31, 2025, we have received a total of $63.6 million in gross proceeds from exercises of the 2024 Rights Offering Warrants.

Furthermore, from time to time, we may raise additional equity or debt capital through private offerings of securities or through registered offerings of securities, such as offerings of debt or equity off of a shelf registration statement, including "at-the-market" offerings of common stock. In April 2024, we filed a shelf registration statement on Form S-3 with the SEC, which the SEC declared effective on April 8, 2024. Through this shelf registration statement we may, from time to time, sell up to an aggregate of $50 million worth of our common stock, preferred stock, debt securities, depositary shares, warrants, subscription rights, purchase contracts, or units, of which shelf approximately $50 million remains available for sale as of December 31, 2025. Under this shelf registration statement, in July 2024, we established an at-the-market offering program with Canaccord Genuity LLC and Needham & Company, LLC, as sales agents, in the amount of up to $60 million. However, in February 2026, we terminated this ATM program and instead entered into an at-the-market offering program with TD Cowen, as sales agent, in the amount of up to $60 million, of which approximately $60 million remains available. To the extent we raise additional capital through the sale of equity or convertible debt securities, the issuance of such securities will result in dilution to our stockholders.

Cash Flows

Our consolidated statements of cash flows as discussed herein are presented below:

	Year Ended December 31,	
(in thousands)	**2025**	**2024**
Net cash and cash equivalents (used in) provided by:		
Operating activities	$ (54,122)	$ (36,343)
Investing activities	(335)	(125)
Financing activities	17,154	110,141
Net (decrease) increase in cash and cash equivalents	$ (37,303)	$ 73,673

Operating Activities

For the year ended December 31, 2025, net cash used in operating activities was $54.1 million, which consisted of a net loss of $72.8 million and a net change of $5.0 million in net operating assets and liabilities, partially offset by $23.7 million in non-cash charges. The net change in our operating assets and liabilities was due to a net decrease in liabilities of $3.7 million and a net increase in assets of $1.3 million. Non-cash charges consisted of stock-based compensation of $21.5 million, lease expense of $1.1 million, and depreciation and amortization of $1.1 million.

For the year ended December 31, 2024, net cash used in operating activities was $36.3 million, which consisted of a net loss of $53.6 million, partially offset by $15.7 million in non-cash charges and a net change of $1.5 million in net operating assets and liabilities. Non-cash charges primarily consisted of stock-based compensation of $13.6 million, depreciation and amortization of $1.2 million, and lease expense of $0.9 million. The net change in our operating assets and liabilities was due to a net increase in liabilities of $1.9 million offset by a net increase in assets of $0.4 million.

Investing Activities

For the year ended December 31, 2025, cash used in investing activities was $0.3 million, which was primarily for the purchase of property and equipment.

For the year ended December 31, 2024, cash used in investing activities was $0.1 million, which was for the purchase of property and equipment.

Financing Activities

For the year ended December 31, 2025, cash provided from financing activities was $17.1 million, primarily due to $14.1 million of proceeds from the exercise of common stock warrants, $2.5 million of proceeds from the exercise of stock options, and $0.6 million from the sale of stock under our employee stock purchase plan.

For the year ended December 31, 2024, cash provided from financing activities was $110.1 million, primarily due to $59.6 million of net proceeds from the 2024 Rights Offering, $49.4 million of proceeds from the exercise of common stock warrants, $0.9 million of proceeds from the exercise of stock options, and $0.5 million from the sale of stock under our employee stock purchase plan, offset by $0.3 million of deferred issuance costs in relation to a future at-the-market equity offering.

Contractual Obligations

Operating Leases

We currently lease approximately 50,300 square feet of premises located in Hayward, California, which is used for our principal operating facility. The lease term is through October 2029.

In November 2024, we leased approximately 2,000 square feet of premises located in Miami, Florida, which is used for our corporate headquarters. The lease term is through April 2030.

The following table summarizes our contractual obligations as of December 31, 2025 (in thousands):

	Payments Due by Period			
(in thousands)	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**
Operating leases	$ 9,044	$ 2,221	$ 4,673	$ 2,150

Off-Balance Sheet Arrangements

As of December 31, 2025, we did not have any transactions, obligations or relationships that constitute off-balance sheet arrangements.

In the ordinary course of business, we enter into standard indemnification arrangements. Pursuant to these arrangements, we indemnify, hold harmless, and agree to reimburse the indemnified parties for losses suffered or incurred by the indemnified party in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third party with respect to its technology, or from claims relating to our performance or non-performance under a contract. The maximum potential amount of future payments we could be required to make under these agreements is not determinable because it involves claims that may be made against us in future periods, but have not yet been made. To date, we have not incurred costs to defend lawsuits or settle claims related to these indemnification agreements.

We also enter and have entered into indemnification agreements with our directors and officers that may require us to indemnify them against liabilities that arise by reason of their status or service as directors or officers, except as prohibited by applicable law. In addition, we may have obligations to hold harmless and indemnify third parties involved with our fundraising efforts and their respective affiliates, directors, officers, employees, agents or other representatives against any and all losses, claims, damages and liabilities related to claims arising against such parties pursuant to the terms of agreements entered into between us and such third parties in connection with such fundraising efforts. To date, we have not incurred costs to defend lawsuits or settle claims related to these indemnification agreements.

Trends, Events and Uncertainties

Research and development of new technologies are, by their nature, unpredictable. Although we undertake development efforts with commercially reasonable diligence, there can be no assurance that the net proceeds from our financings will be sufficient to enable us to develop our technology to the extent needed to generate future sales to sustain our operations. If we do not continue to have enough funds to sustain our operations, we will consider other options to continue the research and development of our technology, including, but not limited to, additional financing through follow-on stock offerings, debt financings, or co-development agreements and /or other alternatives.

We cannot assure investors that our technology will be adopted or that we will ever achieve sustainable revenue sufficient to support our operations. Even if we are able to generate revenue, there can be no assurances that we will be able to achieve profitability or positive operating cash flows. There can be no assurances that we will be able to secure additional financing in the future on acceptable terms or at all. If our technology cannot be used to successfully treat AF, tumors and nodules, or if our cash resources are insufficient to satisfy our ongoing cash needs, we would be required to, among other things, delay, scale back or eliminate some or all of our activities, reduce headcount, trim research and product development programs, discontinue clinical trials, stop all or some of our manufacturing operations, defer capital expenditures, deregister from being a publicly traded company and delist from Nasdaq, license our potential products or technologies to third parties, possibly on terms that cannot sustain our current business, or curtail, suspend or discontinue our operations entirely.

Other than as discussed above and elsewhere in this Annual Report, we are not currently aware of any trends, events or uncertainties that are likely to have a material effect on our financial condition in the near term, although it is possible that new trends or events may develop in the future that could have a material effect on our financial condition.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates.

Interest Rate and Market Risk

Our exposure to interest rate and market risk is confined to our cash and cash equivalents, all of which have maturities of less than one year. The goals of our investment policy are preservation of capital, fulfillment of liquidity needs and fiduciary control of our cash and cash equivalents. To achieve our goals, we may maintain a portfolio of cash equivalents in a money market fund of high credit quality. The money market fund is classified as available-for-sale and subject to minimal interest rate risk. We currently do not hedge interest rate exposure. Because of the short-term maturities of our cash equivalents, we do not believe that a hypothetical 10% change in market interest rates would have a material negative impact on the value of our cash equivalents. As of December 31, 2025, we did not hold any investments.

Foreign Exchange Risk

The majority of our expense and capital purchasing activities are transacted in U.S. dollars. While we currently have limited international operations, we may incur foreign exchange gains or losses in the future as we further commercialize and expand internationally.

Item 8. Financial Statements and Supplementary Data

PULSE BIOSCIENCES, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Pulse Biosciences, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Pulse Biosciences, Inc. and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows , for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Stockholders' Equity and Stock-Based Compensation –Market-based Options - Refer to Notes 2 and 10 to the financial statements

Critical Audit Matter Description

During 2025, the Company issued certain stock options with market-based vesting conditions. The vesting conditions relate to the achievement of certain market capitalization targets of the Company. Using a Monte Carlo simulation model, the Company estimates the fair value of the market-based options on the grant date, with the associated stock-based compensation expense recognized over the requisite service period. The requisite service period is the service period derived from the Monte Carlo simulation model. The determination of the fair value of market-based options is estimated using the expected volatility, the risk-free interest rate, expected dividend yield, and the expected term.

Given the significant judgments made by management to determine the grant date fair value of the market-based options, audit procedures required a high degree of subjective auditor judgment necessary in evaluating the Monte Carlo simulation model and the expected volatility used and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation of market-based options granted included the following, among others:

- We inspected stock option agreements and Board of Directors minutes to evaluate key terms and conditions of the market-based options granted.
- We tested the accuracy and completeness of the market-based options granted during the year by agreeing the underlying inputs, such as grant date, exercise price, and vesting conditions, among others, back to source documents, such as Board of Directors minutes and stock option agreements.
- With the assistance of our fair value specialists, we evaluated management's valuation of the market-based options by:
  - ○Evaluating the Monte Carlo simulation model and the reasonableness of the valuation assumptions, including the expected volatility.
  - ○Independently calculating a fair value estimate for the market-based options and comparing our estimate to the Company's estimate.

/s/ Deloitte & Touche LLP

San Francisco, California
February 19, 2026

We have served as the Company's auditor since 2018.

PULSE BIOSCIENCES, INC.
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 80,735	$ 118,038
Accounts receivable	274	—
Inventory	136	—
Prepaid expenses and other current assets	2,276	1,411
Total current assets	83,421	119,449
Property and equipment, net	1,051	1,160
Intangible assets, net	575	1,220
Goodwill	2,791	2,791
Right-of-use assets	6,010	7,163
Other assets	691	677
Total assets	$ 94,539	$ 132,460
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,777	$ 1,673
Accrued liabilities	3,576	7,027
Lease liability, current	1,570	1,355
Total current liabilities	7,923	10,055
Lease liability, less current portion	5,960	7,543
Total liabilities	13,883	17,598
Stockholders' equity:		
Preferred stock, $0.001 par value; authorized – 50,000,000 shares; no shares issued and outstanding	—	—
Common stock, $0.001 par value; authorized – 500,000,000 shares; issued and outstanding – 67,839,689 shares and 65,925,503 shares as of December 31, 2025 and 2024, respectively	68	66
Additional paid-in capital	543,869	505,296
Accumulated deficit	(463,281)	(390,500)
Total stockholders' equity	80,656	114,862
Total liabilities and stockholders' equity	$ 94,539	$ 132,460

See accompanying notes to the consolidated financial statements.

PULSE BIOSCIENCES, INC.
Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share data)

	Year Ended December 31,	
	2025	**2024**
Revenue:		
Product revenue	$ 350	$ —
Cost and expenses:		
Cost of product revenue	539	—
Research and development	44,721	32,336
Selling, general and administrative	32,029	23,921
Total cost and expenses	77,289	56,257
Loss from operations	(76,939)	(56,257)
Other income (expense):		
Interest income	4,210	2,690
Other expense	(52)	(18)
Total other income	4,158	2,672
Net loss	(72,781)	(53,585)
Comprehensive loss	$ (72,781)	$ (53,585)
Net loss per share, basic and diluted	$ (1.08)	$ (0.92)
Weighted average common shares outstanding, basic and diluted	67,395,339	58,397,597

See accompanying notes to the consolidated financial statements.

PULSE BIOSCIENCES, INC.
Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2023	55,144,374	$ 55	$ 381,220	$ (336,915)	$ 44,360
Issuance of common stock and warrants in connection with rights offering, net of issuance costs	5,999,998	6	59,630	—	59,636
Issuance of common stock upon exercise of warrants, net of issuance costs	4,501,447	5	49,511	—	49,516
Issuance of common stock upon exercise of stock options	160,847	—	871	—	871
Issuance of common stock under employee stock purchase plan	117,539	—	478	—	478
Issuance of shares in at-the-market offering, net of issuance costs	1,298	—	—	—	—
Issuance of equity-classified subscription rights as part of rights offering (Note 9)	—	—	47,700	—	47,700
Rights offering deemed pro-rata distribution to shareholders (Note 9)	—	—	(47,700)	—	(47,700)
Stock-based compensation expense	—	—	13,586	—	13,586
Net loss	—	—	—	(53,585)	(53,585)
Balance, December 31, 2024	65,925,503	$ 66	$ 505,296	$ (390,500)	$ 114,862
Issuance of common stock upon exercise of warrants, net of issuance costs	1,277,377	1	14,031	—	14,032
Issuance of common stock upon exercise of stock options	592,612	1	2,499	—	2,500
Issuance of common stock under employee stock purchase plan	44,197	—	586	—	586
Stock-based compensation expense	—	—	21,457	—	21,457
Net loss	—	—	—	(72,781)	(72,781)
Balance, December 31, 2025	67,839,689	$ 68	$ 543,869	$ (463,281)	$ 80,656

See accompanying notes to the consolidated financial statements.

PULSE BIOSCIENCES, INC.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,	
	2025	**2024**
Cash flows from operating activities:		
Net loss	$ (72,781)	$ (53,585)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	406	512
Amortization of intangible assets	665	666
Stock-based compensation	21,457	13,586
Non-cash lease expense	1,153	923
Loss on disposal of fixed assets	—	6
Changes in operating assets and liabilities:		
Accounts receivable	(274)	—
Inventory	(136)	—
Prepaid expenses and other current assets	(912)	(355)
Other non-current assets	(14)	(31)
Accounts payable	1,132	(201)
Accrued liabilities	(3,450)	3,212
Lease liabilities, net	(1,368)	(1,076)
Net cash used in operating activities	(54,122)	(36,343)
Cash flows from investing activities:		
Purchases of property and equipment	(315)	(125)
Purchases of intangible assets	(20)	—
Net cash used in investing activities	(335)	(125)
Cash flows from financing activities:		
Proceeds from issuance of common stock under employee stock purchase plan	586	478
Proceeds from exercises of warrants, net of issuance costs	14,081	49,424
Proceeds from exercises of stock options	2,487	871
Proceeds from issuance of common stock and warrants in relation to rights offering, net of issuance costs	—	59,649
Payment of deferred issuance costs in relation to at-the-market equity offering program	—	(281)
Net cash provided by financing activities	17,154	110,141
Net (decrease) increase in cash and cash equivalents	(37,303)	73,673
Cash and cash equivalents at beginning of period	118,038	44,365
Cash and cash equivalents at end of period	$ 80,735	$ 118,038
Supplemental disclosure of noncash investing and financing activities:		
Proceeds from exercise of warrants and stock options not yet received	$ 45	$ 92
Unpaid warrant issuance costs	$ 2	$ 13
Unpaid amounts related to purchase of equipment	$ 8	$ 26
Rights offering deemed pro-rata distribution to shareholders	$ —	$ 47,700
Right-of-use asset obtained in exchange for lease liability	$ —	$ 830

See accompanying notes to the consolidated financial statements.

PULSE BIOSCIENCES, INC.
Notes to Consolidated Financial Statements

1. Description of the Business

Pulse Biosciences, Inc. is a novel ablation company committed to health innovation using its patented Nano-pulse Stimulation ("NPS") technology, a revolutionary energy modality that delivers nanosecond-duration pulses of electrical energy, each less than a millionth of a second long, to nonthermally clear or kill targeted cells. NPS technology, also referred to as a Nanosecond Pulsed-Field Ablation ("nsPFA") energy when used to ablate cellular tissue, can be used to treat a variety of medical conditions for which an optimal solution remains unfulfilled. The Company developed its proprietary nPulse System (formerly known as CellFX), a novel nsPFA delivery platform, and commercialized the initial application of its nsPFA energy to treat benign lesions of the skin. In parallel, the Company has designed a variety of applicators, or disposables, to explore the potential use of the nPulse platform to treat disorders in other medical specialties, such as cardiology, gastroenterology, gynecology, and otolaryngology. These applicators include devices for open surgical procedures, endoscopic or minimally invasive procedures, and endoluminal catheters, and each has been used in preclinical studies. Based on its preclinical experience and the potential to significantly improve outcomes for patients in a large and growing market, the Company decided in 2022 to focus its primary efforts on the use of nsPFA energy and the nPulse platform in the treatment of atrial fibrillation ("AF"), and in a select few other markets where it could have a profound positive impact on healthcare for both patients and providers, such as surgical soft tissue ablation.

The Company is incorporated in the State of Delaware. It is located in Miami, Florida and continues to maintain its offices in Hayward, California. The Company maintains its website at www.pulsebiosciences.com where general information about the Company is available.

Liquidity and Capital Resources

The Company has incurred net operating losses and negative cash flows from operations since its inception and had an accumulated deficit of $463.3 million as of December 31, 2025. As of December 31, 2025, the Company had cash and cash equivalents of $80.7 million. The Company believes that the existing financial resources are sufficient to continue operating activities at least one year past the issuance date of these consolidated financial statements.

The Company has historically financed its operations primarily through the sale of common stock and debt. To date, the Company has generated limited revenue from product sales and has incurred significant operating losses in each year since inception. The Company may continue to incur additional losses for the next several years.

While the Company has been able to raise multiple rounds of financing, there can be no assurance that in the event the Company requires additional financing, such financing will be available on terms which are favorable or at all. Failure to raise sufficient capital when needed or generate sufficient cash flow from operations would impact the ability to pursue business strategies and could require the Company to delay, scale back or discontinue one or more product development programs, or other aspects of the Company's business objectives.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the United States Securities Exchange Commission (the "SEC"). The consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries and intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates that affect the amounts reported in the financial statements and accompanying notes to the financial statements. Estimates include, but are not limited to, the valuation and recognition of stock-based compensation, the valuation of equity-classified subscription rights, inventory valuation, income taxes, and the useful lives assigned to long-lived assets. The Company evaluates its estimates and assumptions based on historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results could differ materially from these estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents. The Company places its cash equivalents with high credit quality financial institutions and, by policy, limits the amounts invested with any one financial institution or issuer. Deposits held with banks may exceed the amount of insurance provided on such deposits. The Company has not experienced any losses since inception.

Fair Value of Financial Instruments

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, a three-tier fair value hierarchy has been established, which prioritizes the inputs used in measuring fair value as follows:

Level 1—Observable inputs, such as quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs which reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

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

Financial instruments carried at fair value include cash and cash equivalents. The carrying amounts of accounts receivable, prepaid expenses and other current assets, accounts payable and accrued liabilities approximate fair value due to their relatively short maturities.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less from the date of purchase to be cash and cash equivalents. Cash equivalents consist primarily of amounts invested in money market funds and are stated at fair value.

Accounts Receivable

Accounts receivable are recorded at invoice value, net of any allowance for credit losses. The allowance for doubtful accounts is based on the Company's assessment of the collectability of customer accounts. The Company's expected loss allowance methodology for receivables considers factors such as historical collection experience, credit quality, age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay. Specific allowance amounts are established to record the appropriate allowance for customers that have an identified risk of default. Balances are written off when they are ultimately determined to be uncollectible. The Company had no allowance for doubtful accounts as of December 31, 2025 and 2024.

Inventory

Inventory is stated at the lower of cost or net realizable value and based on standard costs approximating the purchase costs on a first-in, first-out basis. Inventory costs include direct materials, direct labor, and normal manufacturing overhead. The cost basis of the Company's inventory is reduced for any products that are considered excessive or obsolete based upon assumptions about future demand and market conditions. Additionally, the cost basis of the Company's inventory does not include any fixed overhead costs associated with abnormally low utilization of its manufacturing facility.

During the year ended December 31, 2025, the Company determined that costs had future economic benefit subsequent to receiving FDA approval, and as such, it began to capitalize inventory for its limited market release of percutaneous electrodes for its Vybrance Percutaneous Electrode System. Prior to capitalizing inventory, all direct and indirect manufacturing costs were charged to research and development expenses in the period incurred or written off as excess and obsolete inventory in 2022, including previously manufactured consoles.

Property and Equipment

Property and Equipment is recorded at cost and depreciated using the straight-line method over their estimated useful lives, ranging from three to five years. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or estimated useful life. Upon the sale or retirement of property and equipment, the costs and related accumulated depreciation and amortization are removed from the consolidated balance sheet and the resulting gain or loss is reflected in operating expenses. Maintenance and repairs are charged to operations as incurred.

Intangible Assets

The Company's intangible assets consist of acquired patents and licenses, which are amortized over their estimated useful lives of twelve years.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, consisting of property and equipment and intangible assets, for impairment during each fiscal year or when events or changes in circumstances indicate the carrying value of these assets may exceed their current fair values. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. No impairment losses were incurred during the periods presented.

Goodwill

The Company records goodwill when the consideration paid in a business acquisition exceeds the fair value of the net tangible assets and the identified intangible assets acquired. The Company reviews goodwill for impairment at the reporting unit level, of which there is one reportable unit, at least annually or whenever changes in circumstances indicate that the carrying value of the goodwill may not be recoverable. To date, there has been no impairment of goodwill.

Revenue from Contracts with Customers

The Company accounts for a contract with a customer when the rights and obligations of the parties are identifiable, the contract has commercial substance, and the collectability of the consideration to be received from the customer is considered probable. Contracts with customers are for the sale of the nPulse Vybrance system, which includes system components, software, and system accessories. Instruments and other accessories may also be included with the system or may be sold on a standalone basis. These products are considered performance obligations to the extent they are separately identifiable from other products in the contract and when the customer can either benefit from the product on its own or with other goods or services that are readily available to the customer.

The Company recognizes revenue at a point in time when it satisfies performance obligations by transferring control of promised goods to its customers. Transfer of control occurs based on shipping terms as contractually negotiated. The amount of revenue recognized is equal to the consideration to which the Company expects to be entitled in exchange for the promised goods. Though some products may be sold on a stand-alone basis, initial customer contracts will likely involve the bundling of products which will be delivered concurrently to the customer for a single price. The initial limited market release period will also include evaluation agreements with customers that allow either the Company or the customer to terminate the contract at any point without penalty. The termination right limits the effective contract term to the period for which the contract was not terminated. The Company generally extends payment terms to customers after the Company performs a necessary credit evaluation to ensure future collectability of the outstanding balance. Payment generally occurs within a relatively short period of time after delivery of products.

The transaction price is the consideration to which the Company expects to be entitled in exchange for providing the promised goods to customers. Though most customer orders are for a fixed amount of consideration, the Company evaluates the possible impact of variable consideration in determining the transaction price, in particular the possibility of future returns. Sales agreements allow for a right of return only if the product does not conform to the agreed upon quality standards or if the product was shipped due to Company error. The Company anticipates such returns will be minimal and has made no adjustments to the transaction price for any estimated returns. The transaction price is determined at contract execution and updated each quarter for any changes in circumstances (e.g., changes in estimated return amount).

The Company has made an accounting policy election to exclude from the measurement of the transaction price all taxes which are imposed on and concurrent with a specific revenue-producing transaction and collected by the entity from a customer.

When there are multiple performance obligations present, the total transaction price shall be allocated to each of the performance obligations based upon the relative standalone selling price ("SSP") of those performance obligations. The Company establishes SSPs based on multiple factors including prices charged by the Company for similar offerings, product-specific business objectives, and the estimated cost to provide the performance obligation.

Shipping and handling activities are not considered to be a separate performance obligation. The Company has made an accounting policy election to account for shipping and handling activities as fulfillment activities when these activities occur after the customer obtains control of the product.

The Company has determined that certain promises in the multiple-element arrangements, such as installation, training, and certain ancillary products, are immaterial in the context of the contract and do not represent separate performance obligations to which transaction price is allocated.

The Company utilizes the practical expedient under ASC 606 and does not disclose unsatisfied performance obligations for contracts as the contracts generally have an original duration of less than one year. Additionally, the Company does not currently have significant contract assets or deferred revenue.

The Company does not incur contract origination costs.

Research and Development Expenses

Research and development expenses consist primarily of compensation expenses, fees paid to consultants and outside service providers and organizations (including university research institutes), costs associated with clinical trials, development prototypes and other expenses relating to the acquisition, design, development and testing of the Company's product candidates, and certain facilities related costs. Research and development expenses incurred by the Company are expensed as incurred.

Accrued Research and Development Expenses

The Company accrues liabilities for estimated costs of research and development activities conducted by its third-party service providers, which include the conduct of preclinical and clinical studies. The estimated costs of research and development activities are recorded based upon the estimated amount of services provided but not yet invoiced, and these costs are included in accrued liabilities on the consolidated balance sheets and within research and development expense on the consolidated statements of operations and comprehensive loss.

These costs are accrued based on factors such as estimates of the work completed and budget provided and in accordance with agreements established with third-party service providers. Significant judgments and estimates are made in determining the accrued liabilities balance in each reporting period. Accrued liabilities are adjusted as actual costs become known. Changes in these estimates that result in material changes to the Company's accruals could materially affect its financial condition and results of operations. There have not been any material differences between accrued costs and actual costs incurred since the Company's inception.

Patent Expenses

The Company is the owner of numerous domestic and foreign patents. Due to the significant uncertainty associated with the successful development of one or more commercially viable products based on the Company's research efforts and any related patent applications, patent costs not related to acquired patents, including patent-related legal fees, filing fees and other costs, including internally generated costs, are expensed as incurred. During both of the years ended December 31, 2025 and 2024, patent expenses totaled $0.5 million, respectively. Patent expenses are included in selling, general and administrative expenses in the consolidated statements of operations and comprehensive loss.

Stock-Based Compensation

The Company's stock-based compensation programs include stock options and an employee stock purchase program. The Company periodically issues stock options to officers, directors, employees, and consultants for services rendered. Such issuances vest and expire according to terms established at the issuance date. In general, stock-based payments to officers, directors and employees, including grants of employee stock options, are recognized in the financial statements based on their grant date fair values, which are estimated using the Black-Scholes option-pricing model or the Monte Carlo simulation model. The Company accounts for forfeitures as they occur. The Company has granted stock options with time-based, performance-based, market-based, and both market-based and performance-based vesting conditions.

For stock options with time-based and performance-based vesting conditions, the grant date fair value of each grant is determined using the Black-Scholes option pricing model which requires a number of assumptions. Each of these assumptions is subjective and generally requires significant judgment and estimation by management.

Expected Term - The Company's expected term represents the period that the Company's stock-based awards are expected to be outstanding and is determined using the simplified method (based on the mid-point between the vesting date and the end of the contractual term). The Company utilizes this method due to lack of historical exercise data of the Company's stock-based awards.

Expected Volatility - The computation of expected volatility was based on a calculation using the historical volatility of the Company's common stock.

Risk-Free Interest Rate - The risk-free interest rate is based on the Treasury Constant Maturities as provided by the Federal Reserve in effect at the time of grant for periods corresponding with the expected term of option.

Expected Dividend - The Company has never paid dividends on its common stock and has no plans to pay dividends on its common stock. Therefore, the Company used an expected dividend yield of zero.

Stock-based compensation expense for stock options with time-based vesting conditions is recognized on a straight-line basis over the requisite service period, which is generally the vesting period. For stock options with performance-based vesting conditions, the Company does not recognize compensation expense until it is probable that the performance-based vesting condition will be achieved. The analysis to determine such probability involves estimates and judgements from management related to certain financial measures and achievements of strategic and operational milestones, which involve inherent risk and uncertainty regarding the future outcomes of the milestones. If actual results are not consistent with the Company's estimates or assumptions, the Company may be exposed to changes in stock-based compensation expense that could be material.

For stock options with market-based vesting conditions, the conditions relate to the achievement of certain market capitalization targets of the Company. Using a Monte Carlo simulation model, the Company estimated the fair value of the market-based options on the grant date or modification date, with the associated stock-based compensation expense recognized over the requisite service period. The requisite service period is the service period derived from the Monte Carlo simulation model. If the market capitalization targets are met sooner than the derived service period, the Company will accelerate the recognition of stock-based compensation expense to reflect the cumulative expense associated with the vested shares.

For stock options with both market-based and performance-based vesting conditions, the conditions relate to both the achievement of certain market capitalization targets of the Company, as well as the achievement of certain revenue and margin metrics. Using a Monte Carlo simulation model, the Company estimated the fair value of the market-based options on the grant date, along with a derived service period. Compensation expense for the awards is recognized over the requisite service period, which is the longer of the service period derived from the Monte Carlo simulation model or the implicit service period (the period when the performance condition is expected to be met). Compensation expense is recognized only once it becomes probable that the associated performance condition will be achieved and the employee is expected to render the requisite service. Once these criteria are met, the Company will recognize expense using the accelerated attribution method over the requisite service period. If, at any point, the performance condition is no longer probable of being achieved or the employee is no longer expected to complete the requisite service period, any previously recognized expense will be reversed. Additionally, if both the market and performance conditions are satisfied before the end of the requisite service period, any remaining unrecognized expense will be recognized immediately, provided that the employee is still providing service.

The Monte Carlo simulation models require the Company to make assumptions and judgements about the variables used in the calculations including the expected volatility, the risk-free interest rate, expected dividend yield, and the expected term. The assumptions used in the option-pricing model represent management's best estimates. If factors change and different assumptions are used, the Company's stock-based compensation expense could be materially different in the future.

Income Taxes

The Company accounts for income taxes using the liability method, whereby deferred tax asset and liability account balances are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance when it is more likely than not that some portion, or all of the Company's deferred tax assets will not be realized.

The Company accounts for income tax contingencies using a benefit recognition model. If it considers that a tax position is more likely than not to be sustained upon audit, based solely on the technical merits of the position, it recognizes the benefit. The Company measures the benefit by determining the amount that is greater than 50% likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. The Company is subject to taxation in the United States federal jurisdiction, and various state jurisdictions. The net operating loss and research and development credit carryforwards that are available for utilization in future years may be subject to examination by federal and state tax authorities. The Company's policy is to recognize interest expense and penalties related to income tax matters as a component of income tax expense. As of December 31, 2025 and 2024, there were no significant accruals for interest related to unrecognized tax benefits or tax penalties.

Comprehensive Loss

The Company displays comprehensive loss, and if applicable its components, as part of the consolidated statements of operations and comprehensive loss.

Net Loss Per Share

The Company calculates basic net loss per share by dividing net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by giving effect to all potential dilutive common stock equivalents outstanding during the period. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted net loss per share.

Reclassification

Certain reclassifications have been made to the prior period presentation of the cash flows from operating activities within the consolidated statements of cash flows to conform to current period presentation. Specifically, the presentation of operating lease expenses has been reclassified from "Right-of-use assets" within "Changes in operating assets and liabilities" to "Non-cash lease expense" within "Adjustments to reconcile net loss to net cash used in operating activities". Additionally, certain reclassifications have been made to the prior period presentation of other income within the consolidated statements of operations and comprehensive loss to conform to current period presentation. Specifically, the presentation of "Other expense" has been reclassified out of "Interest income, net." As a result of these changes, the presentation of these expenses in the comparative periods has been changed to conform to the current period. These reclassifications did not have an impact on the Company's results of operations and total cash flows from operating activities for the years ended December 31, 2025 and 2024, respectively, or the Company's financial position as of December 31, 2025 and 2024, respectively.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* This ASU requires greater disaggregation of information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. This ASU applies to all entities subject to income taxes and is intended to help investors better understand an entity's exposure to potential changes in jurisdictional tax legislation and assess income tax information that affects cash flow forecasts and capital allocation decisions. This ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company adopted this ASU retrospectively in the fiscal year ended December 31, 2025. See Note 12 for further details.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, which aims to improve the disclosures about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses in commonly presented expense captions. The guidance is effective for the Company's annual periods beginning in 2027 and interim periods beginning in the first quarter of fiscal year 2028. The Company is currently evaluating the impact of the new guidance on our consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides a practical expedient to measure credit losses on current accounts receivable and current contract assets under Accounting Standards Codification 606, Revenue from Contracts with Customers. The practical expedient assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. The guidance is effective for the Company's interim and annual periods beginning in 2026. The Company is currently evaluating the impact of the new guidance on our consolidated financial statements and related disclosures.

3. Fair Value Measurement

The Company measures and reports certain financial instruments as assets and liabilities at fair value on a recurring basis. The following tables set forth the fair value of the Company's financial assets, which consist of cash equivalents measured and recognized at fair value (in thousands):

		December 31, 2025			
Assets	**Classification**	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market funds	Cash and cash equivalents	$ 75,025	$ —	$ —	$ 75,025

		December 31, 2024			
Assets	**Classification**	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market funds	Cash and cash equivalents	$ 113,776	$ —	$ —	$ 113,776

During the years ended December 31, 2025 and 2024, the Company did not record impairment charges related to its cash equivalents. During the years ended December 31, 2025 and 2024, the Company did not have any transfers between Level 1, Level 2 or Level 3 of the fair value hierarchy. Additionally, the Company did not have any financial liabilities measured on a recurring basis as of December 31, 2025 or 2024.

4. Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	December 31,	
	2025	2024
Leasehold improvements	$ 2,519	$ 2,519
Laboratory equipment	1,632	1,342
Furniture, fixtures and equipment	982	966
Software	283	272
Construction in progress	9	29
Total property and equipment, gross	5,425	5,128
Less: Accumulated depreciation	(4,374)	(3,968)
Total property and equipment, net	$ 1,051	$ 1,160

Depreciation expense for the years ended December 31, 2025 and 2024, was $0.4 million and $0.5 million, respectively.

5. Intangible Assets, Net

Intangible assets primarily consist of acquired licenses to utilize certain patents, know-how and technology relating to the Company's NPS for biomedical applications acquired from Old Dominion University Research Foundation (ODURF), Eastern Virginia Medical School (EVMS), and the University of Southern California. In addition, the Company entered into a sponsored research agreement ("SRA") with Old Dominion University's Frank Reidy Research Center for Bioelectrics, a leading research organization in the field, which includes certain intellectual property rights arising from the research. The Company is amortizing the intangible assets straight-line over an estimated useful life of 12 years.

Intangible assets, net consisted of the following (in thousands):

	December 31,	
	2025	2024
Acquired patents and licenses	$ 8,005	$ 7,985
Less: Accumulated amortization	(7,430)	(6,765)
Total intangible assets, net	$ 575	$ 1,220

A schedule of the amortization of intangible assets as of December 31, 2025 is as follows (in thousands):

Fiscal Year	Amount
2026	$ 558
Thereafter	17
Total intangible assets, net	$ 575

6. Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	December 31,	
	2025	2024
Accrued compensation-related costs	$ 1,979	$ 4,097
Accrued research and development services	877	480
Accrued professional services	357	368
Accrued other	363	188
Accrued legal settlement	—	1,196
Accrued severance	—	698
Total accrued liabilities	$ 3,576	$ 7,027

7. Goodwill

In 2014, the Company acquired three companies (the "Acquisitions") for aggregate consideration of $5.5 million. In accordance with ASC Topic 805, *Business Combinations*, the Company recorded goodwill of $2.8 million in connection with the Acquisitions as the consideration paid exceeded the fair value of net tangible and intangible assets acquired.

In accordance with ASC Topic 350, *Intangibles-Goodwill and Other*, the Company reviews goodwill for impairment at least annually or whenever changes in circumstances indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. As of December 31, 2025, there were no indicators of impairment and it was determined that no impairment of goodwill existed.

8. Leases

Operating Leases

The Company leases office and laboratory facilities for its principal operations in Hayward, California, and office facilities for its corporate headquarters in Miami, Florida. These leases require monthly lease payments that may be subject to annual increases throughout the lease term. Certain of these leases also include renewal options at the election of the Company. These optional periods have not been considered in the determination of the right-of-use assets or lease liabilities associated with these leases as the Company did not consider it reasonably certain it would exercise the options. The Company conducted evaluations of its contracts and determined it has only operating leases. Variable lease expense for these leases primarily consists of common area maintenance and other operating costs.

Total lease costs and cash paid for the Company's leases were as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Cash paid for operating lease liabilities	$ 2,150	$ 1,938
Operating lease cost	1,933	1,786
Variable lease cost	626	667

The weighted-average remaining lease term and discount rates for the Company’s leases were as follows:

	Year Ended December 31,	
	2025	2024
Lease term (in years)	3.9	4.9
Discount rate	9.8%	9.8%

The maturities of the Company's lease liabilities as of December 31, 2025 were as follows (in thousands):

Fiscal Year	Amount
2026	$ 2,221
2027	2,296
2028	2,377
2029	2,077
2030	73
Total lease payments	9,044
Less imputed interest	(1,514)
Total lease liabilities	$ 7,530

9. Stockholders' Equity

Preferred Stock

The Company has authorized a total of 50,000,000 shares of preferred stock, par value $0.001 per share, none of which were outstanding as of December 31, 2025 and 2024. The Company's Board of Directors (the "Board") has the authority to issue preferred stock and to determine the rights, preferences, privileges, and restrictions, including voting rights, without any further vote or action by the Company's stockholders.

Common Stock

The Company has authorized a total of 500,000,000 shares of common stock, par value $0.001 per share.

2024 Rights Offering and Subscription Rights

On March 28, 2024, the Company announced that its Board unanimously approved plans to initiate a rights offering, whereby the Company would distribute non-transferable subscription rights at no charge to all holders of the Company's common stock, par value $0.001 per share (the "Common Stock"), as of the close of business on a record date to be determined. On May 20, 2024, the Company announced that the Board had set May 31, 2024 as the record date (the "Record Date"). All holders of Common Stock as of the Record Date received non-transferable subscription rights to purchase up to an aggregate of six million units (the "2024 Units") with an aggregate offering value of up to $60 million (the "2024 Rights Offering") at a price per 2024 Unit equal to the lesser of: (i) $10 (the "Initial Price") and (ii) the volume weighted average price of the Common Stock for the ten trading day period through and including the expiration date, June 26, 2024 (the "Expiration Date"), of the Rights Offering (the "Alternate Price"). Each subscription right entitled the holder to purchase 0.10864186 2024 Units for each share of Common Stock owned as of the Record Date. Each 2024 Unit consisted of one share of Common Stock and two warrants, each being a warrant to purchase one-half of one share of Common Stock. The subscription rights were to expire and have no value if they were not exercised prior to the Expiration Date. The Company determined that the equity-classified subscription rights represent a pro-rata distribution issued to existing stockholders as of the Record Date, which is based on a purchase price of $10 per 2024 Unit as compared to (1) the price of $11.55 per one share of Common Stock on the Record Date, plus (2) the value of the warrants on the Record Date. The Company determined the fair value of the equity-classified subscription rights as of the Record Date, which involved the use of a Monte Carlo simulation model to value the underlying warrants. The Monte Carlo simulation model was based on certain significant unobservable inputs, such as a risk-free interest rate, stock price volatility, dividend yield, and expected term of the rights offering. The fair value of the equity-classified subscription rights was $47.7 million and was recorded in equity on the balance sheet as part of additional paid-in capital. The deemed pro-rata distribution to shareholders of $47.7 million was reflected as an offsetting reduction in additional paid-in capital. The Company is in an accumulated deficit position and has elected a policy of recognizing the deemed pro-rata distribution to shareholders as a reduction to additional paid-in capital rather than a further increase to its accumulated deficit.

On July 3, 2024, the Company announced the closing of its 2024 Rights Offering. The 2024 Rights Offering resulted in the sale of six million 2024 Units, at a price of $10.00 per 2024 Unit. Each 2024 Unit consisted of one share of the Company's common stock, par value $0.001 per share, and two warrants, each being a warrant to purchase one-half of one share of common stock. The common stock and warrants comprising the 2024 Units separated upon the closing of the 2024 Rights Offering and were issued individually. A total of 5,999,998 shares of common stock and warrants to acquire up to approximately an additional six million shares of common stock were issued in the offering. The Company received aggregate gross proceeds from the 2024 Rights Offering of $60 million. See 2024 Rights Offering Warrants below for additional details of the warrants. Robert W. Duggan, the Company's majority stockholder and Co-Chairman, purchased approximately 88% of the units offered through the 2024 Rights Offering.

Common Stock Warrants

2024 Rights Offering Warrants

In connection with the 2024 Rights Offering, the Company issued 2024 Rights Offering Warrants to purchase a total of 5,999,999 shares of its common stock at an exercise price of $11.00 per whole share, which equaled 110% of the subscription price for the Units. The aggregate number of shares of our common stock issuable upon the exercise of each set of warrants included in a given subscription for Units was rounded up to the nearest whole share. Warrants are exercisable immediately and will expire on the fifth anniversary of the closing of the 2024 Rights Offering. Half of the warrants issued in the rights offering were redeemable for $0.01 per underlying share of common stock, on not less than thirty days' written notice, if the volume-weighted average price ("VWAP") of the Company's common stock equaled or exceeded 150% of the exercise price for the warrants, or $16.50, for twenty consecutive trading days. In December 2024, the Company delivered an irrevocable notice of redemption to redeem this first tranche of common stock warrants because the VWAP of the Company's common stock over the twenty consecutive trading days before the notice was $18.85. Accordingly, pursuant to the 150% redemption feature, the Company redeemed 36,442 warrants on the redemption date, February 5, 2025, which would have entitled holder to purchase up to 18,221 shares of common stock, and none of these warrants are still outstanding. The other half of the warrants issued in the rights offering remain redeemable for $0.01 per underlying share of common stock, on not less than thirty days' written notice, but only if the VWAP of the Company's common stock equals or exceeds 200% of the exercise price for the warrants, or $22.00, for twenty consecutive trading days. As of December 31, 2025, there were no outstanding 2024 Rights Offering Warrants subject to the 150% redemption feature and there were 405,624 outstanding 2024 Rights Offering Warrants subject to the 200% redemption feature, entitling holders to purchase up to approximately 202,812 shares of common stock. During the year ended December 31, 2025, we have received a total of $14.1 million in gross proceeds from exercises of the 2024 Rights Offering Warrants. Cumulatively, as of December 31, 2025, we have received a total of $63.6 million in gross proceeds from exercises of the 2024 Rights Offering Warrants.

A summary of total warrant activity for the year ended December 31, 2025 is presented below:

	Number of Warrants	Exercise Price	Remaining Contractual Life (in years)
Warrants outstanding as of December 31, 2024	2,996,967	$ 11.00	4.49
Exercised	(2,554,901)	11.00	
Redeemed/Cancelled	(36,442)	11.00	
Warrants outstanding as of December 31, 2025	405,624	$ 11.00	3.49

10. Stock-Based Compensation

2017 Equity Incentive Plan

In May 2017, the Company's Board of Directors (the "Board") adopted, and the Company's stockholders approved, the Company's 2017 Equity Incentive Plan (the "2017 Plan").

The 2017 Plan has a 10-year term, and provides for the grant of stock options, stock appreciation rights, restricted stock, RSUs, performance units, and performance shares to employees, directors and consultants of the Company and any parent or subsidiary of the Company.

Subject to an annual evergreen increase and adjustment in the case of certain capitalization events, the Company initially reserved 1,500,000 shares of the Company's common stock for issuance pursuant to awards under the 2017 Plan. In addition, shares remaining available under the Company's 2015 Equity Incentive Plan, as amended (the "2015 Plan"), and shares reserved but not issued pursuant to outstanding equity awards that expire or terminate without being exercised or that are forfeited or repurchased by the Company will be added to the shares of common stock available for issuance under the 2017 Plan. The 2017 Plan is administered by the Compensation Committee of the Board. The number of shares of the Company's common stock available for issuance under the 2017 Plan also include an annual increase on the first day of each fiscal year, equal to the least of (i) 1,200,000 shares, (ii) 4% of the Company's common stock outstanding at December 31 of the immediately preceding year, or (iii) such number of shares as determined by the Board. On September 30, 2025, the Company's stockholders approved an amendment to the 2017 Plan, which provided for an increase in the number of shares of common stock reserved for issuance thereunder by 2,000,000 shares. As of December 31, 2025, 1,215,439 shares of common stock remained available for issuance under the 2017 Plan.

2017 Inducement Equity Incentive Plan

In November 2017, the Board adopted the 2017 Inducement Equity Incentive Plan (the "Inducement Plan") without stockholder approval and initially reserved 1,000,000 shares of the Company's common stock for insurance pursuant to equity awards granted under the Inducement Plan. The Inducement Plan has a 10-year term and provides for the grant of equity-based awards, including non-statutory stock options, RSUs, restricted stock, stock appreciation rights, performance shares and performance units, and its terms are substantially similar to the 2017 Plan, including with respect to treatment of equity awards in the event of a "merger" or "change in control" as defined under the Inducement Plan. Options issued under the Inducement Plan may have a term up to ten years and have variable vesting provisions. New hire grants generally vest 25% per year starting upon the first anniversary of the grant. Equity-based awards issued under the Inducement Plan are only issuable to individuals not previously engaged as employees or non-employee directors of the Company prior to the Inducement Plan's adoption date. As of December 31, 2025, 2,304,109 shares of common stock were available for issuance under the Inducement Plan.

2017 Employee Stock Purchase Plan

In May 2017, the Board adopted, and the Company's stockholders approved, the Company's 2017 Employee Stock Purchase Plan (the "2017 ESPP").

The 2017 ESPP is a broad-based plan that provides employees of the Company and its designated affiliates with the opportunity to become stockholders through periodic payroll deductions that are applied towards the purchase of Company common shares at a discount from the then-current market price. Subject to adjustment in the case of certain capitalization events, a total of 250,000 common shares of the Company were available for purchase at adoption of the 2017 ESPP. Pursuant to the 2017 ESPP, the annual share increase pursuant to the evergreen provision is determined based on the least of (i) 450,000 shares, (ii) 1.5% of the Company's common stock outstanding as of December 31 of the immediately preceding year, or (iii) such number of shares as determined by the Board. As of December 31, 2025, 851,582 shares of common stock were available for issuance under the 2017 ESPP.

A summary of stock option activity under the 2015 Plan, 2017 Plan and Inducement Plan for the year ended December 31, 2025 is presented below:

	Stock Options Outstanding			
	Number of shares	Weighted average exercise price	Weighted average remaining life	Aggregate Intrinsic Value
			(in years)	(in thousands)
Balances — December 31, 2024	10,979,332	$ 9.59	7.11	$ 97,563
Options granted	2,909,743	18.64		
Options exercised	(592,612)	4.22		
Options canceled	(209,175)	7.71		
Options expired	(1,000)	6.84		
Balances — December 31, 2025	13,086,288	$ 11.87	6.99	$ 58,029
Exercisable — December 31, 2025	5,102,332	$ 13.34	5.17	$ 21,086

The aggregate intrinsic value of all stock options exercised during the years ended December 31, 2025 and 2024 was $7.3 million and $2.0 million, respectively. Intrinsic values of options exercised are calculated as the difference between the exercise price of the underlying options and the fair value of the common stock on the date of exercise. Intrinsic values of options outstanding are calculated as the difference between the exercise price of the underlying options and the fair value of the common stock as of the reporting date.

For the years ended December 31, 2025 and 2024, the weighted-average grant date fair value of options granted was $15.16 and $8.35, respectively.

The Company has granted stock options with time-based, performance-based, market-based, and both market-based and performance-based vesting conditions. The Company grants time-based options which vest and become exercisable, subject to the individual's continued employment or service through the applicable vesting date. Time-based options can have various vesting schedules, most commonly new hire grants, which generally vest 25% per year starting upon the first anniversary of the grant.

Performance-based stock options granted to certain Company executives and other employees contain performance conditions related to financial measures and achievements of strategic and operational milestones. The options will vest and become exercisable once the specific performance condition is fulfilled.

Market-based stock options granted to certain Company executives and other employees contain market conditions related to achievement of market capitalization targets. The options will vest and become exercisable once the specific market capitalization target is fulfilled.

Both market-based and performance-based stock options granted to certain Company executives contain market conditions related to the achievement of market capitalization targets as well as the achievement of revenue and margin metrics. The options will vest and become exercisable once both the specific market capitalization targets as well as the specific revenue and margin targets are fulfilled.

Modifications

In October 2024, the Board approved changes to the performance-based vesting conditions of certain unvested outstanding common stock option awards that were improbable of vesting. Specifically, 600,113 performance-based stock option awards were modified to time-based vesting criteria and 206,389 performance-based stock option awards were modified to market-based vesting criteria. The modified time-based awards will vest and become exercisable, subject to the individual's continued employment or service through the applicable vesting date, based upon individually specific vesting schedules with annual vesting milestones. The vesting schedules have a range from two to four years. The modified market-based awards will vest and become exercisable, subject to the individual's continued employment and service through the applicable vesting date, based upon the achievement of certain market capitalization targets.

Additionally, in October 2024, the Board approved a modification to certain market-based awards to adopt a uniform methodology for calculating its market capitalization whereas they aligned all awards to use consecutive calendar days and not consecutive trading days in the calculation. These modifications resulted in approximately $3.2 million of additional stock-based compensation expense for the year ended December 31, 2024.

Stock-Based Compensation Expense

Total stock-based compensation expense recorded in the consolidated statements of operations and comprehensive loss was as follows (in thousands):

	Year Ended December 31,	
	2025	**2024**
Cost of product revenue	$ 96	$ —
Research and development	9,555	6,293
Selling, general and administrative	11,806	7,293
Total stock-based compensation expense	$ 21,457	$ 13,586

As of December 31, 2025, not all of the performance conditions of the performance options are probable to be achieved. Stock-based compensation expense has only been recognized for those conditions that are assumed to be probable.

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

	Year Ended December 31,	
	2025	2024
Time-based options	$ 14,865	$ 10,343
Performance-based options	—	38
Market-based options	6,203	2,926
ESPP	389	279
Total stock-based compensation expense	$ 21,457	$ 13,586

As of December 31, 2025 and 2024, the Company had a total of $29.5 million and $18.1 million of unrecognized compensation cost for time-based stock options outstanding, respectively, which is expected to be recognized over a weighted average period of 5.3 and 5.4 years, respectively.

As of December 31, 2025 and 2024, the Company had a total of $27.6 million and $11.0 million of unrecognized compensation cost for performance-based, market-based, and both market-based and performance-based stock options outstanding, respectively, which is expected to be recognized over a weighted average period of 2.7 and 1.6 years, respectively.

The fair value of time-based and performance-based stock options granted under the 2017 Plan and Inducement Plan and the shares available for purchase under the ESPP were determined using the Black-Scholes option pricing model on the grant date and modification date. The Company estimated the fair value of market-based stock options and both market and performance-based stock options using a Monte Carlo simulation model on the grant date and modification date. The following summarizes the range of assumptions used in calculating the fair value of the awards with stock options grouped by valuation methodology:

	Year Ended December 31,	
	2025	2024
Time-Based and Performance-Based Stock Options		
Expected term (in years)	5.0 - 6.9	2.9 - 6.3
Expected volatility	93% - 100%	91% - 99%
Risk-free interest rate	3.8% - 4.6%	3.8% - 4.5%
Expected dividend yield	—	—
Market-Based Stock Options and Market and Performance-Based Stock Options[1]		
Expected term (in years)	1.0 - 7.8	1.4 - 4.3
Expected volatility	90%	90%
Risk-free interest rate	4.3% - 4.6%	3.5% - 3.7%
Expected dividend yield	—	—
ESPP		
Expected term (in years)	0.5 - 1.0	0.5 - 1.0
Expected volatility	53% - 98%	98%
Risk-free interest rate	3.8% - 4.9%	4.4% - 5.3%
Expected dividend yield	—	—

1 Assumptions for the year ended December 31, 2024, under this header apply only to market-based stock options as market and performance-based stock options were not outstanding during the year ended December 31, 2024.

11. Defined Contribution Plan

The Company sponsors a 401(k) retirement plan for its employees under which it may make discretionary contributions. The plan provides for tax-deferred salary deductions for all employees and employee contributions are voluntary. The Company did not make any employer matching contributions to the plan during the years ended December 31, 2025 and 2024.

12. Income Taxes

Total loss before income taxes for the years ended December 31, 2025 and 2024 were $72.8 million and $53.6 million, respectively. All losses were domestic and there were no foreign losses.

During the years ended December 31, 2025 and 2024, the Company did not recognize an income tax provision.

The provision for income taxes differs from the amount estimated by applying the statutory federal income tax rate to net loss before taxes as follows:

	Year Ended December 31,			
	2025		2024	
Tax at federal statutory rate	$ (15,284)	21.0%	$ (11,253)	21.0%
State income tax, net of federal tax benefit[1]	21	—	(2,993)	5.6
Research and development credits	(1,028)	1.4	(901)	1.7
Nontaxable or nondeductible items				
Stock-based compensation	1,043	(1.4)	561	(1.0)
Other	533	(0.7)	26	(0.1)
Changes in unrecognized tax benefits	494	(0.7)	3,444	(6.4)
Change in valuation allowance	14,221	(19.6)	11,116	(20.8)
Effective Tax Rate	$ —	—%	$ —	—%

1 State taxes in California comprise the majority (greater than 50 percent) of the state and local income taxes, net of federal effect category for both 2024 and 2025.

Deferred income taxes reflect the impact of carryforwards and temporary differences between the amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. The carryforwards and temporary differences, which give rise to a significant portion of the Company's deferred tax assets and liabilities as of December 31, 2025 and 2024, are as follows (in thousands):

	December 31,	
	2025	2024
Deferred tax assets		
Accruals	$ 503	$ 1,218
Net operating loss carryforwards	74,859	66,952
Tax credit carryforwards	12,008	10,838
Stock-based compensation	14,450	9,588
R&D capitalization	18,527	10,358
Lease liability	1,890	1,869
Property and equipment	43	35
Intangible assets	544	279
Gross deferred tax assets	122,824	101,137
Valuation allowance	(121,249)	(99,542)
Total deferred tax assets	1,575	1,595
Deferred tax liabilities		
Right-of-use assets	(1,575)	(1,595)
Total deferred tax liabilities	(1,575)	(1,595)
Net deferred tax assets/(liabilities)	$ —	$ —

The Company's unrecognized tax benefits as of December 31, 2025 and 2024 were $18.5 million and $17.4 million, respectively. If recognized, none of the unrecognized tax benefits would impact income tax expense to the extent that the Company continues to maintain a full valuation allowance against its deferred tax assets.

A reconciliation of the beginning and ending amounts of unrecognized tax benefit is as follows (in thousands):

	December 31,	
	2025	2024
Unrecognized tax benefits at beginning of year	$ 17,376	$ 10,170
Increases related to current year tax positions	1,405	4,366
Increases related to prior year tax positions	—	2,993
Decreases related to prior year tax positions	(255)	(153)
Unrecognized tax benefits at end of year	$ 18,526	$ 17,376

The Company's policy is to recognize interest and penalties related to income taxes as components of interest expense and other expense, respectively. The Company did not accrue interest and penalties related to unrecognized tax benefits as of December 31, 2025 and does not anticipate any significant change within twelve months of this reporting date.

The Company's valuation allowance increased by $21.7 million in the year ended December 31, 2025 and increased by $11.7 million in the year ended December 31, 2024.

As of December 31, 2025, the Company had federal and state net operating loss ("NOL") carryforwards of $575.0 million which begin to expire in 2034. Of the $281.9 million of federal NOLs, $256.3 million is carried forward indefinitely but is limited to 80% of the taxable income.

As of December 31, 2025, the Company had U.S. federal and California research and development ("R&D") tax credits of approximately $10.5 million, and $10.6 million, respectively. The federal R&D credits begin to expire in 2035, while California credits do not expire.

The Company is subject to taxation in the United States for Federal and State. All jurisdictions and tax years currently remain open for IRS examination. As of December 31, 2025, the Company was not under examination by the Internal Revenue Service or any state tax jurisdiction.

Internal Revenue Code Section 382 ownership change generally occurs if one or more stockholders or groups of stockholders who own at least 5% of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Similar rules may apply under state tax laws. We believe that we have had one or more ownership changes prior to 2018, but recently performed a Section 382 study to analyze fiscal years 2018 through 2024, and we do not believe that we have had any additional ownership changes over that period. Possible future changes in our stock ownership could result in limitations.

On July 4, 2025, H.R. 1, a U.S. budget reconciliation bill, was signed into law. The Company has assessed the provisions of the new legislation and has integrated the resulting impacts into its effective income tax rate. Management has concluded that the bill does not have an impact on the Company's consolidated financial statements for the current period.

13. Net Loss Per Share

The Company calculates basic net loss per share by dividing net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by giving effect to all potential dilutive common stock equivalents outstanding during the period. For purposes of this calculation, options to purchase common stock and warrants converted into common stock are considered common stock equivalents. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted net loss per share.

The following outstanding equity instruments were excluded from the computation of diluted net loss per share for the periods presented because including them would have had an anti-dilutive effect:

	Year Ended December 31,	
	2025	2024
Warrants converted into common stock	202,812	1,498,483
Common stock options	13,086,288	10,979,332
Estimated shares issuable under the employee stock purchase plan	58,015	29,922
Total	13,347,115	12,507,737

14. Segment Reporting

The Company conducts business as one operating and reportable segment relating to the research and development of the Company's NPS technology. The Company's chief executive officer, who is the chief operating decision maker ("CODM"), views the Company's operations and manages its business in one operating segment. The CODM uses the Company's consolidated net loss to monitor actual results as compared to the budget in assessing segment performance and allocation of resources. Managing and allocating resources on an entity-wide basis enables the CODM to assess the overall level of resources available and how to best deploy these resources across functions and research and development projects that are in line with the Company's long-term company-wide strategic goals. Consistent with this decision-making process, the CODM uses financial information for purposes of evaluating performance, forecasting future period financial results, allocating resources, and setting incentive targets. Operating expenses are used to monitor budget versus actual results. The CODM is regularly provided with more detailed expense information than what is included in our consolidated statement of operations and comprehensive loss. All product sales are in the United States and there are no significant groupings of product revenue the CODM considers or reviews when making operating decisions and assessing performance.

The table below shows a reconciliation of the Company's net loss, including the significant expense categories regularly provided to and reviewed by the CODM, as computed under U.S. GAAP to the Company's total net loss in the statements of operations (in thousands).

	Year Ended December 31,	
	2025	2024
Product revenue	$ 350	$ —
Adjusted cost of product revenue[1]	336	—
Cross platform research and engineering[2]	14,290	13,487
R&D manufacturing and engineering[3]	8,856	4,939
Clinical and regulatory[4]	8,389	4,052
General and administrative[5]	15,227	15,909
Sales and marketing[6]	7,663	3,106
Other segment items[7]	22,528	14,764
Total other income, net	(4,158)	(2,672)
Net loss	$ (72,781)	$ (53,585)

1 Adjusted cost of product revenue includes material costs, cash compensation costs, fees paid to consultants and outside service providers and organizations, and other expenses relating to manufacturing the Company's commercial products. It does not include stock-based compensation, depreciation, amortization, IT and facilities costs - see descriptions of Other segment items in footnote *7* and General and administrative in footnote *5* below.

2 Cross platform research and engineering includes compensation costs, fees paid to consultants and outside service providers and organizations, prototype spending and other expenses relating to the acquisition, design and development of the Company's clinical stage devices.

3 R&D manufacturing and engineering includes compensation costs, fees paid to consultants and outside service providers and organizations, and costs associated with the procurement of materials and the manufacturing of the Company's clinical stage devices.

4 Clinical and regulatory includes compensation costs, fees paid to consultants and outside service providers and organizations, and costs associated with clinical trials and regulatory approvals required for the development of the Company's clinical stage devices.

5 General and administrative includes compensation costs and fees paid to consultants and outside service providers and organizations in support of the administrative functions of the Company, including finance, legal, human resources, IT and facilities.

6 Sales and marketing includes compensation costs, fees paid to consultants and outside service providers and organizations, costs associated with marketing and sales strategy as well as execution of marketing and sales initiatives for the Company's products.

7 Other segment items includes stock-based compensation, depreciation and amortization.

As of December 31, 2025 and 2024, all of the Company's long-lived assets are located in the United States.

15. Related Party Transactions

On July 3, 2024, the Company announced the closing of its 2024 Rights Offering. The 2024 Rights Offering resulted in the sale of six million 2024 Units, at a price of $10.00 per 2024 Unit. Each 2024 Unit consisted of one share of the Company's common stock, par value $0.001 per share, and two warrants, each being a warrant to purchase one-half of one share of common stock. The common stock and warrants comprising the 2024 Units separated upon the closing of the 2024 Rights Offering and were issued individually. A total of 5,999,998 shares of common stock and warrants to acquire up to approximately an additional six million shares of common stock were issued in the offering. The Company received aggregate gross proceeds from the 2024 Rights Offering of $60 million. Robert W. Duggan, the Company's majority stockholder and Co-Chairman, purchased approximately 88% of the units offered through the 2024 Rights Offering. See Note 9 for further details.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, our principal executive and principal financial officers, respectively, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934, as amended, as of the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective (a) to ensure that information that we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and (b) to include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of senior management, including our Chief Executive Officer, Chief Financial Officer, and Vice President of Accounting and Global Corporate Controller, we evaluated the effectiveness of our internal control over financial reporting based on the framework in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the evaluation under that framework and applicable SEC rules, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal controls over financial reporting during the year ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 9B. Other Information

During our last fiscal quarter, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Regulation S-K Item 408.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information responsive to this item is incorporated herein by reference to our definitive proxy statement with respect to our 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 11. Executive Compensation

Information responsive to this item is incorporated herein by reference to our definitive proxy statement with respect to our 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

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

Information responsive to this item is incorporated herein by reference to our definitive proxy statement with respect to our 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

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

Information responsive to this item is incorporated herein by reference to our definitive proxy statement with respect to our 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 14. Principal Accounting Fees and Services

Information responsive to this item is incorporated herein by reference to our definitive proxy statement with respect to our 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Part IV

Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of, or incorporated by reference into, this Annual Report on Form 10-K:

1. *Financial Statements*: See Item 8 of this Annual Report on Form 10-K.

2. *Financial Statement Schedules*: All schedules are omitted because they are not required, are not applicable or the information is included in the consolidated financial statements or notes thereto.

(b) The following exhibits are filed as part of, or incorporated by reference into, this Annual Report on Form 10-K:

Exhibit Number	Exhibit Description	Incorporation by Reference			
		Form	File No.	Exhibit(s)	Filing Date
2.1	Plan of Conversion of Pulse Biosciences, Inc.	8-K12B	001-37744	2.1	June 18, 2018
3.1	Articles of Conversion	8-K12B	001-37744	3.1	June 18, 2018
3.2	Certificate of Conversion	8-K12B	001-37744	3.2	June 18, 2018
3.3	Certificate of Incorporation of Pulse Biosciences, Inc.	8-K12B	001-37744	3.3	June 18, 2018
3.4	Bylaws of Pulse Biosciences, Inc.	8-K12B	001-37744	3.4	June 18, 2018
4.1	Specimen Common Stock Certificate	8-K12B	001-37744	4.1	June 18, 2018
4.2	Form of Warrant	S-3	333-278494	4.3	April 3, 2024
4.3	Form of Warrant Agent Agreement	S-3	333-278494	4.4	April 3, 2024
10.1	Lease for facilities at 3955 Point Eden Way, Hayward, California, dated January 26, 2017	10-K	001-37744	10.1	March 20, 2017
10.2+	Employment Agreement between Mitchell E. Levinson and the Registrant	10-K	001-37744	10.4	March 31, 2022
10.3+	Employment Agreement between Kevin Danahy and the Registrant	10-K	001-37744	10.5	March 31, 2022
10.4+	2015 Stock Incentive Plan	S-1	333-208694	10.2	December 22, 2015
10.5+	2017 Inducement Equity Incentive Plan and forms of agreements thereunder	8-K	001-37744	10.1	November 28, 2017
10.6*	2017 Equity Incentive Plan and forms of agreements thereunder				
10.7+	2017 Employee Stock Purchase Plan and forms of agreements thereunder	8-K	001-37744	10.2	May 19, 2017
10.8+	Executive Employment Agreement between Darrin R. Uecker and the Registrant	S-1	333-208694	10.9	December 22, 2015
10.9+	Amendment to Employment Agreement between Darrin R. Uecker and Pulse Biosciences, Inc. dated October 5, 2016	8-K	001-37744	10.1	October 11, 2016
10.10+	Form of At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement for Employees	S-1	333-208694	10.10	December 22, 2015
10.11+	Form of Indemnification Agreement	8-K12B	001-37744	10.1	June 18, 2018
10.12	First Amendment to the lease for facilities at 3955 Point Eden Way, Hayward, California, dated May 28, 2019	8-K	001-37744	10.19	May 31, 2019
10.13	At-the-Market Equity Offering Sales Agreement	8-K	001-37744	1.1	July 15, 2024
10.14	Indemnification Letter, dated May 27, 2022, by and between Pulse Biosciences, Inc. and Robert W. Duggan	10-Q	001-37744	10.1	August 10, 2022
10.15	Loan Agreement, dated as of September 20, 2022, by and between Pulse Biosciences, Inc. and Robert W. Duggan	8-K	001-37744	10.1	September 23, 2022
10.16+	Amendment to Employment Agreement, between Darrin Uecker and Pulse Biosciences, Inc., dated September 20, 2022	8-K	001-37744	10.2	September 23, 2022
10.17+	Amendment to Employment Agreement, between Kevin Danahy and Pulse Biosciences, Inc., dated September 23, 2022	8-K	001-37744	10.1	September 28, 2022
10.18+	Amendment to Employment Agreement, between Kevin Danahy and Pulse Biosciences, Inc., dated May 4, 2023	8-K	001-37744	10.1	May 5, 2023
10.19+	Amendment to Employment Agreement, between Darrin Uecker and Pulse Biosciences, Inc., dated May 5, 2023	8-K	001-37744	10.2	May 5, 2023
10.20+	Third Amendment to Employment Agreement, between Kevin Danahy and Pulse Biosciences, Inc., dated March 26, 2024	10-K	001-37744	10.26	March 28, 2024
10.21+	Fourth Amendment to Employment Agreement, between Darrin Uecker and Pulse Biosciences, Inc., dated March 26, 2024	10-K	001-37744	10.27	March 28, 2024
10.22+	Employment Agreement between Paul A. LaViolette and Pulse Biosciences, Inc., dated January 9, 2025	8-K	001-37744	10.1	January 13, 2025
10.23+	Employment Agreement between Jon Skinner and Pulse Biosciences, Inc., dated January 31, 2025	8-K	001-37744	10.1	January 31, 2025
14.1*	Code of Business Conduct and Ethics				
19.1*	Insider Trading Policy of Pulse Biosciences, Inc. (as amended and restated on February 19, 2026)				
21.1*	List of Subsidiaries				
23.1*	Consent of Independent Registered Public Accounting Firm				
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1*	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).				
32.2*	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).				
97.1+	Section 10D Clawback Policy	10-K	001-37744	97.1	March 28, 2024

101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith
+ Indicates a management contract or compensatory plan or arrangement.
# Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a grant of confidential treatment.

Item 16. Form 10-K Summary

None.

Signatures

Pursuant to the requirements of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PULSE BIOSCIENCES, INC.

Date: February 19, 2026

By: /s/ Paul A. LaViolette
Paul A. LaViolette
Chief Executive Officer
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Paul A. LaViolette and Jon Skinner, jointly and severally, as his true and lawful attorney-in-fact and agent, with full power of substitution, each with power to act alone, to sign and execute on behalf of the undersigned any and all amendments to this Annual Report on Form 10-K, and to perform any acts necessary in order to file the same, with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requested and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or their or his or her substitutes, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Paul A. LaViolette Paul A. LaViolette	Chief Executive Officer and Co-Chairman of the Board of Directors (*Principal Executive Officer)*	February 19, 2026
/s/ Robert W. Duggan Robert W. Duggan	Co-Chairman of the Board of Directors	February 19, 2026
/s/ Darrin R. Uecker Darrin R. Uecker	Chief Technology Officer and Director	February 19, 2026
/s/ Manmeet S. Soni Manmeet S. Soni	Lead Independent Director	February 19, 2026
/s/ Maria Sainz Maria Sainz	Director	February 19, 2026
/s/ Richard A. van den Broek Richard A. van den Broek	Director	February 19, 2026
/s/ Mahkam Zanganeh Mahkam Zanganeh	Director	February 19, 2026
/s/ Jon Skinner Jon Skinner	Chief Financial Officer *(Principal Financial Officer)*	February 19, 2026
/s/ Steven Weber Steven Weber	VP, Accounting and Global Corporate Controller *(Principal Accounting Officer)*	February 19, 2026