



CVRx Reports Second Quarter 2023 Financial and Operating Results

July 25, 2023

MINNEAPOLIS, July 25, 2023 (GLOBE NEWSWIRE) -- CVRx, Inc. (NASDAQ: CVRX) ("CVRx"), a commercial-stage medical device company focused on developing, manufacturing and commercializing innovative neuromodulation solutions for patients with cardiovascular diseases, today announced its financial and operating results for the second quarter of 2023.

Recent Highlights

- Total revenue for the second quarter of 2023 was \$9.5 million, an increase of 89% over prior year quarter
- U.S. Heart Failure (HF) revenue for the second quarter of 2023 was \$8.3 million compared to \$3.8 in the prior year quarter, an increase of 119% over the prior year quarter
- Active implanting centers in the U.S. grew to 140, an increase of 97% since June 30, 2022
- A PMA supplement was filed with the FDA for Barostim indication expansion in June 2023, in line with BeAT-HF executive steering committee's recommendation

"We are pleased to report another impressive quarter. Our success continues to be driven by our U.S. heart failure business, which saw revenue growth of nearly 120% compared to the prior year quarter. We are proud of our performance, which reflects the continued execution of our commercial strategy and the demand for Barostim in the market," said Nadim Yared, President and Chief Executive Officer of CVRx. "As we move forward, we remain determined to sustain this positive momentum throughout the year. We extend our gratitude to our exceptional team for their relentless dedication to our mission of giving each patient a fuller life."

Second Quarter 2023 Financial and Operating Results

Revenue was \$9.5 million for the three months ended June 30, 2023, an increase of \$4.5 million, or 89%, over the three months ended June 30, 2022.

Revenue generated in the U.S. was \$8.3 million for the three months ended June 30, 2023, an increase of \$4.4 million, or 111%, over the three months ended June 30, 2022. HF revenue units in the U.S. totaled 265 and 128 for the three months ended June 30, 2023 and 2022, respectively. HF revenue in the U.S. totaled \$8.3 million and \$3.8 million for the three months ended June 30, 2023 and 2022, respectively. The increases were primarily driven by continued growth in the U.S. HF business as a result of the expansion into new sales territories, new accounts and increased physician and patient awareness of Barostim.

As of June 30, 2023, the Company had a total of 140 active implanting centers, as compared to 122 as of March 31, 2023. Active implanting centers are customers that have completed at least one commercial HF implant in the last 12 months. The number of sales territories in the U.S. increased by three to a total of 32 during the three months ended June 30, 2023.

Revenue generated in Europe was \$1.2 million for the three months ended June 30, 2023, an increase of \$0.1 million, or 10%, over the three months ended June 30, 2022. Total revenue units in Europe increased to 56 for the three months ended June 30, 2023 from 52 in the prior year period. The number of sales territories in Europe remained consistent at six for the three months ended June 30, 2023.

Gross profit was \$8.0 million for the three months ended June 30, 2023, an increase of \$4.2 million, or 108%, over the three months ended June 30, 2022. Gross margin increased to 84% for the three months ended June 30, 2023 compared to 76% for the three months ended June 30, 2022. This increase was due primarily to a decrease in the cost per unit driven by an increase in the production volume.

R&D expenses increased \$0.9 million, or 39%, to \$3.3 million for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. This change was driven by a \$0.6 million increase in compensation expenses as a result of increased headcount, a \$0.1 million increase in non-cash stock-based compensation expense and a \$0.1 million increase in consulting fees.

SG&A expenses increased \$4.0 million, or 32%, to \$16.5 million for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. This change was primarily driven by a \$2.5 million increase in compensation expenses, mainly as a result of increased headcount, a \$0.8 million increase in marketing and advertising expenses associated with the commercialization of Barostim in the U.S., a \$0.4 million increase in travel expenses, and a \$0.3 million increase in non-cash stock-based compensation expense.

Interest expense increased \$0.5 million for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. This increase was driven by the interest expense on borrowings under the loan agreement entered into on October 31, 2022.

Other income, net was \$0.6 million for the three months ended June 30, 2023 compared to other expense, net of \$34,000 for the three months ended June 30, 2022. The income in the second quarter of 2023 was primarily driven by interest income on interest-bearing accounts.

Net loss was \$11.7 million, or \$0.56 per share, for the three months ended June 30, 2023, compared to a net loss of \$11.1 million, or \$0.54 per share, for the three months ended June 30, 2022. Net loss per share was based on 20,711,850 weighted average shares outstanding for three months ended June 30, 2023 and 20,505,228 weighted average shares outstanding for the three months ended June 30, 2022.

As of June 30, 2023, cash and cash equivalents were \$90.8 million. Net cash used in operating and investing activities was \$12.95 million for the quarter ended June 30, 2023, which included our annual premium for our directors and officers insurance of approximately \$2 million. This is compared to net cash used in operating and investing activities of \$10.5 million for the three months ended March 31, 2023.

Business Outlook

For the full year of 2023, the Company now expects:

- Total revenue between \$37.0 million and \$38.5 million; up from previously issued guidance of \$35.5 million and \$38.0 million
- Gross margin between 83.0% and 84.0%; up from previously issued guidance of 80.0% and 83.0%;
- Operating expenses between \$78.0 million and \$80.0 million; up from previously issued guidance of \$76.0 million and \$80.0 million.

For the third quarter of 2023, the Company expects to report total revenue between \$9.5 million and \$10.2 million.

Webcast and Conference Call Information

The Company will host a conference call to review its results at 5:30 p.m. Eastern Time today. A live webcast of the investor conference call will be available online at the investor relations page of the Company's website at ir.cvr.com. To listen to the conference call on your telephone, please dial 1-877-704-4453 for U.S. callers, or 1-201-389-0920 for international callers, approximately ten minutes prior to the start time.

About CVRx, Inc.

CVRx is a commercial-stage medical device company focused on developing, manufacturing and commercializing innovative neuromodulation solutions for patients with cardiovascular diseases. Barostim™ is the first medical technology approved by FDA that uses neuromodulation to improve the symptoms of patients with heart failure. Barostim is an implantable device that delivers electrical pulses to baroreceptors located in the wall of the carotid artery. The therapy is designed to restore balance to the autonomic nervous system and thereby reduce the symptoms of heart failure. Barostim received the FDA Breakthrough Device designation and is FDA-approved for use in heart failure patients in the U.S. It has also received the CE Mark for heart failure and resistant hypertension in the European Economic Area. To learn more about Barostim, visit www.cvr.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts are forward-looking statements, including statements regarding our future financial performance (including our financial guidance regarding full year and third quarter 2023 results), our anticipated growth strategies, anticipated trends in our industry, our business prospects and our opportunities. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "outlook," "guidance," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words.

The forward-looking statements in this press release are only predictions and are based largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition, and results of operations. These forward-looking statements speak only as of the date of this press release and are subject to a number of known and unknown risks, uncertainties and assumptions, including, but not limited to, our history of significant losses, which we expect to continue; our limited history operating as a commercial company and our dependence on a single product, Barostim; our ability to establish and maintain sales and marketing capabilities; our ability to demonstrate to physicians and patients the merits of our Barostim; any failure by third-party payors to provide adequate coverage and reimbursement for the use of Barostim; our competitors' success in developing and marketing products that are safer, more effective, less costly, easier to use or otherwise more attractive than Barostim; any failure to receive access to hospitals; our dependence upon third-party manufacturers and suppliers, and in some cases a limited number of suppliers; a pandemic, epidemic or outbreak of an infectious disease in the U.S. or worldwide, including the outbreak of the novel strain of coronavirus, COVID-19; any failure of clinical studies for future indications to produce results necessary to support regulatory clearance or approval in the U.S. or elsewhere; product liability claims; future lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and ultimately unsuccessful; any failure to retain our key executives or recruit and hire new employees; and other important factors that could cause actual results, performance or achievements to differ materially from those that are found in "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022, as such factors may be updated from time to time in our other filings with the Securities and Exchange Commission. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

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

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 90,815	\$ 106,194
Accounts receivable, net of allowances of \$602 and \$679, respectively	6,726	5,504
Inventory	10,928	6,957
Prepaid expenses and other current assets	3,543	4,223
Total current assets	112,012	122,878
Property and equipment, net	1,821	1,698
Operating lease right-of-use asset	1,113	334
Other non-current assets	27	27
Total assets	\$ 114,973	\$ 124,937
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,933	\$ 1,719
Accrued expenses	5,992	6,369
Total current liabilities	8,925	8,088
Long-term debt	14,253	6,747
Operating lease liability, non-current portion	946	117
Other long-term liabilities	885	805
Total liabilities	25,009	15,757
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value, 200,000,000 authorized as of June 30, 2023 and December 31, 2022; 20,750,910 and 20,663,736 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	208	207
Additional paid-in capital	549,150	545,362
Accumulated deficit	(459,207)	(436,182)
Accumulated other comprehensive loss	(187)	(207)
Total stockholders' equity	89,964	109,180
Total liabilities and stockholders' equity	\$ 114,973	\$ 124,937

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

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Revenue	\$ 9,500	\$ 5,031	\$ 17,479	\$ 9,107
Cost of goods sold	1,517	1,201	2,845	2,150
Gross profit	7,983	3,830	14,634	6,957
Operating expenses:				
Research and development	3,280	2,355	6,696	4,613
Selling, general and administrative	16,455	12,489	31,852	23,266
Total operating expenses	19,735	14,844	38,548	27,879
Loss from operations	(11,752)	(11,014)	(23,914)	(20,922)

Interest expense	(481)	—	(721)	—
Other income (expense), net	616	(34)	1,678	(91)
Loss before income taxes	(11,617)	(11,048)	(22,957)	(21,013)
Provision for income taxes	(34)	(23)	(68)	(49)
Net loss	(11,651)	(11,071)	(23,025)	(21,062)
Cumulative translation adjustment	17	(7)	20	(13)
Comprehensive loss	\$ (11,634)	\$ (11,078)	\$ (23,005)	\$ (21,075)
Net loss per share, basic and diluted	\$ (0.56)	\$ (0.54)	\$ (1.11)	\$ (1.03)
Weighted-average common shares used to compute net loss per share, basic and diluted	20,711,850	20,505,228	20,702,589	20,479,427