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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2025

OR

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

For the Transition Period From to

Commission file number: 001-36309

INOGEN, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**33-0989359** **(I.R.S. Employer Identification No.)**
859 Ward Drive **Goleta, CA** **(Address of principal executive offices)**	**93111** **(Zip Code)**

Registrant's telephone number, including area code: (805) 562-0500

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	**INGN**	**The NASDAQ Stock Market LLC (NASDAQ Global Select Market)**

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

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

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

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

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

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

As of October 31, 2025, the registrant had 27,148,482 shares of common stock, par value $0.001, outstanding.

TABLE OF CONTENTS

INOGEN, INC.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Inogen, Inc.
Consolidated Balance Sheets
(unaudited)
(amounts in thousands, except share and per share amounts)

	September 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 106,476	$ 113,795
Marketable securities	16,747	—
Restricted cash	1,281	3,620
Accounts receivable, net	40,374	29,563
Inventories, net	25,075	24,812
Prepaid expenses and other current assets	13,762	13,661
Total current assets	203,715	185,451
Property and equipment, net	37,331	44,400
Goodwill	10,695	9,465
Intangible assets, net	32,049	30,493
Operating lease right-of-use asset	17,199	18,295
Other assets	6,020	8,081
Total assets	$ 307,009	$ 296,185
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued expenses	$ 34,207	$ 27,153
Accrued payroll	11,860	17,189
Warranty reserve - current	9,785	9,736
Operating lease liability - current	3,122	2,812
Earnout liability	—	13,000
Deferred revenue - current	5,970	6,654
Income tax payable	—	142
Total current liabilities	64,944	76,686
Long-term liabilities		
Warranty reserve - noncurrent	17,816	16,350
Operating lease liability - noncurrent	15,099	16,594
Deferred revenue - noncurrent	4,081	5,747
Deferred tax liability	7,894	6,948
Total liabilities	109,834	122,325
Commitments and contingencies (Note 9)		
Stockholders' equity		
Common stock, $0.001 par value per share; 200,000,000 shares authorized; 27,148,482 and 23,902,338 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	27	24
Additional paid-in capital	361,921	328,174
Accumulated deficit	(168,457)	(152,837)
Accumulated other comprehensive income (loss)	3,684	(1,501)
Total stockholders' equity	197,175	173,860
Total liabilities and stockholders' equity	$ 307,009	$ 296,185

See accompanying condensed notes to the consolidated financial statements.

Inogen, Inc.
Consolidated Statements of Comprehensive Loss
(unaudited)
(amounts in thousands, except share and per share amounts)

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Revenue				
Sales revenue	$ 79,090	$ 74,929	$ 226,732	$ 212,449
Rental revenue	13,300	13,905	40,215	43,175
Total revenue	92,390	88,834	266,947	255,624
Cost of revenue				
Cost of sales revenue	42,925	39,592	124,477	113,156
Cost of rental revenue, including depreciation of $2,964 and $3,247, for the three months ended and $9,015 and $9,554 for the nine months ended, respectively	8,149	7,898	23,441	24,016
Total cost of revenue	51,074	47,490	147,918	137,172
Gross profit				
Gross profit-sales revenue	36,165	35,337	102,255	99,293
Gross profit-rental revenue	5,151	6,007	16,774	19,159
Total gross profit	41,316	41,344	119,029	118,452
Operating expense				
Research and development	4,840	3,518	14,083	15,712
Sales and marketing	25,439	26,361	74,586	78,914
General and administrative	18,153	19,257	51,261	54,956
Total operating expense	48,432	49,136	139,930	149,582
Loss from operations	(7,116)	(7,792)	(20,901)	(31,130)
Other income (expense)				
Interest income, net	1,070	1,041	3,222	3,777
Other income, net	606	687	1,663	964
Total other income, net	1,676	1,728	4,885	4,741
Loss before benefit for income taxes	(5,440)	(6,064)	(16,016)	(26,389)
Benefit for income taxes	(146)	(101)	(396)	(258)
Net loss	(5,294)	(5,963)	(15,620)	(26,131)
Other comprehensive income (loss), net of tax				
Change in foreign currency translation adjustment	(16)	1,654	5,765	333
Change in net unrealized gains on foreign currency hedging	1,442	—	746	—
Less: reclassification adjustment for net losses included in net loss	(652)	—	(1,391)	—
Total net change in unrealized gains (losses) on foreign currency hedging	790	—	(645)	—
Change in net unrealized gains on marketable securities	23	203	65	161
Total other comprehensive income, net of tax	797	1,857	5,185	494
Comprehensive loss	$ (4,497)	$ (4,106)	$ (10,435)	$ (25,637)
Basic net loss per share attributable to common stockholders (Note 6)	$ (0.20)	$ (0.25)	$ (0.59)	$ (1.11)
Diluted net loss per share attributable to common stockholders (Note 6)	$ (0.20)	$ (0.25)	$ (0.59)	$ (1.11)
Weighted average number of shares used in calculating net loss per share attributable to common stockholders:				
Basic shares of common stock	27,075,637	23,751,168	26,407,849	23,589,836
Diluted shares of common stock	27,075,637	23,751,168	26,407,849	23,589,836

See accompanying condensed notes to the consolidated financial statements.

Inogen, Inc.
Consolidated Statements of Stockholders' Equity
(unaudited)
(amounts in thousands, except share amounts)

Three months ended September 30, 2025 and September 30, 2024

	Common stock Shares	Amount	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total stockholders' equity
Balance, June 30, 2024	23,718,774	$ 24	$ 324,826	$ (137,117)	$ (138)	$ 187,595
Stock-based compensation	—	—	1,474	—	—	1,474
Stock issued	98,930	—	441	—	—	441
Net loss	—	—	—	(5,963)	—	(5,963)
Other comprehensive income	—	—	—	—	1,857	1,857
Balance, September 30, 2024	23,817,704	$ 24	$ 326,741	$ (143,080)	$ 1,719	$ 185,404
Balance, June 30, 2025	27,040,390	$ 27	$ 359,740	$ (163,163)	$ 2,887	$ 199,491
Stock-based compensation	—	—	1,763	—	—	1,763
Stock issued	116,135	—	482	—	—	482
Tax withholding related to vesting of restricted stock units	(8,043)	—	(64)	—	—	(64)
Net loss	—	—	—	(5,294)	—	(5,294)
Other comprehensive income	—	—	—	—	797	797
Balance, September 30, 2025	27,148,482	$ 27	$ 361,921	$ (168,457)	$ 3,684	$ 197,175

Nine months ended September 30, 2025 and September 30, 2024

	Common stock Shares	Amount	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total stockholders' equity
Balance, December 31, 2023	23,324,750	$ 23	$ 320,513	$ (116,949)	$ 1,225	$ 204,812
Stock-based compensation	—	—	5,704	—	—	5,704
Stock issued	533,499	1	810	—	—	811
Tax withholding related to vesting of restricted stock units	(40,545)	—	(286)	—	—	(286)
Net loss	—	—	—	(26,131)	—	(26,131)
Other comprehensive income	—	—	—	—	494	494
Balance, September 30, 2024	23,817,704	$ 24	$ 326,741	$ (143,080)	$ 1,719	$ 185,404
Balance, December 31, 2024	23,902,338	$ 24	$ 328,174	$ (152,837)	$ (1,501)	$ 173,860
Stock-based compensation	—	—	6,203	—	—	6,203
Stock issued	696,138	—	971	—	—	971
Tax withholding related to vesting of restricted stock units	(76,419)	—	(634)	—	—	(634)
Issuance of common stock from securities purchase agreement	2,626,425	3	27,207	—	—	27,210
Net loss	—	—	—	(15,620)	—	(15,620)
Other comprehensive income	—	—	—	—	5,185	5,185
Balance, September 30, 2025	27,148,482	$ 27	$ 361,921	$ (168,457)	$ 3,684	$ 197,175

See accompanying condensed notes to the consolidated financial statements.

Inogen, Inc.
Consolidated Statements of Cash Flows
(unaudited)
(amounts in thousands)

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cash flows from operating activities		
Net loss	$ (15,620)	$ (26,131)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	15,624	15,924
Loss on rental units and other assets	2,693	3,075
Gain on sale of former rental assets	—	(164)
Provision for sales revenue returns and doubtful accounts	4,866	9,397
Provision for inventory losses	721	(243)
Loss on purchase commitments	344	(334)
Stock-based compensation expense	6,203	5,704
Deferred income taxes	30	(244)
Change in fair value of earnout liability	—	1,830
Changes in operating assets and liabilities:		
Accounts receivable	(14,725)	(1,154)
Inventories	(1,055)	(2,048)
Income tax receivable	—	(288)
Prepaid expenses and other current assets	132	4,083
Operating lease right-of-use asset	2,470	1,323
Other noncurrent assets	1,299	351
Accounts payable and accrued expenses	5,616	(2,947)
Accrued payroll	(5,513)	3,195
Warranty reserve	1,515	2,197
Deferred revenue	(2,350)	(2,788)
Income tax payable	(138)	(27)
Operating lease liability	(2,563)	(1,779)
Earnout liability	(9,822)	—
Net cash provided by (used in) operating activities	(10,273)	8,932
Cash flows from investing activities		
Purchases of available-for-sale securities	(22,682)	(32,333)
Maturities of available-for-sale securities	6,000	20,500
Investment in intangible assets	—	(2,090)
Investment in property and equipment	(1,544)	(3,031)
Production and purchase of rental equipment	(6,467)	(8,833)
Proceeds from sale of former assets	—	272
Net cash used in investing activities	(24,693)	(25,515)

(continued on next page)

See accompanying condensed notes to the consolidated financial statements.

Inogen, Inc.
Consolidated Statements of Cash Flows (continued)
(unaudited)
(amounts in thousands)

	Nine months ended September 30, 2025		Nine months ended September 30, 2024	
Cash flows from financing activities				
Proceeds from employee stock purchases		971		811
Payment of employment taxes related to release of restricted stock		(634)		(286)
Payments of accrued earnout		(3,178)		—
Proceeds from issuance of common stock from securities purchase agreement		27,210		—
Net cash provided by financing activities		24,369		525
Effect of exchange rates on cash		939		(153)
Net decrease in cash, cash equivalents and restricted cash		(9,658)		(16,211)
Cash, cash equivalents and restricted cash, beginning of period		117,415		125,492
Cash, cash equivalents and restricted cash, end of period	$	107,757	$	109,281
Supplemental disclosures of cash flow information				
Cash paid during the period for income taxes, net of refunds received	$	318	$	348
Supplemental disclosure of non-cash transactions				
Property and equipment in accounts payable and accrued expenses		154		62

See accompanying condensed notes to the consolidated financial statements.

Inogen, Inc.
Condensed Notes to the Consolidated Financial Statements
(unaudited)
(amounts in thousands, except share and per share amounts)

1. Business overview

Inogen, Inc., or the Company, is a medical technology business that primarily focuses on respiratory health. The Company develops, manufactures, and markets innovative respiratory health products, including portable oxygen concentrators, or POCs, used to deliver supplemental long-term oxygen therapy to patients suffering from chronic respiratory conditions and the Simeox® product for airway clearance treatment. The Company's proprietary Inogen One® and Inogen Rove® systems concentrate the air around the patient to offer a source of supplemental oxygen 24 hours a day, seven days a week with a battery and can be plugged into an outlet when at home, in a car, or in a public place with outlets available. While often used concomitantly with stationary oxygen concentrators and oxygen compressed gas tanks, the Company's POCs are designed to reduce the patient's reliance on stationary concentrators and scheduled deliveries of tanks with a finite supply of oxygen, thereby improving patient quality of life and fostering mobility. The Company's Simeox product is a technology-enabled airway clearance and mucus management device predominantly aimed at serving patients requiring airway clearance, such as those with bronchiectasis – a condition characterized by damaged and widened bronchi that can occur in patients with cystic fibrosis, chronic obstructive pulmonary disease, or COPD, or other chronic respiratory diseases.

The Company was incorporated in Delaware on November 27, 2001. On February 14, 2014, the Company completed an initial public offering of common stock and began trading on the Nasdaq Global Select Market, trading under the ticker symbol "INGN".

The Company incorporated Inogen Europe Holding B.V., a Dutch limited liability company, on April 13, 2017. On May 4, 2017, Inogen Europe Holding B.V. acquired all issued and outstanding capital stock of MedSupport Systems B.V., or MedSupport, and began operating under the name Inogen Europe B.V. The Company merged Inogen Europe Holding B.V. and Inogen Europe B.V. on December 28, 2018. Inogen Europe B.V. is the remaining legal entity. The Company completed the acquisition of New Aera, Inc., or New Aera, on August 9, 2019. On September 14, 2023, the Company completed the acquisition of all of the issued and outstanding capital stock of Physio-Assist SAS, or Physio-Assist, and its wholly-owned subsidiary PhysioAssist GmbH.

On January 25, 2025, the Company entered into a Strategic Collaboration Agreement, or the Collaboration Agreement, with Jiangsu Yuyue Medical Equipment & Supply Co., Ltd., or Yuwell. The collaboration with Yuwell is expected to broaden the Company's product portfolio through distribution of certain respiratory products in the United States and select other territories, expand and enhance the Company's innovation pipeline through research and development collaboration, and accelerate the entry of the Company's brand into the Chinese market. Pursuant to the Collaboration Agreement, the Company has agreed to distribute certain products supplied by Yuwell in the United States and specified countries and Yuwell has agreed to distribute certain products supplied by the Company in specified Asia Pacific countries.

2. Basis of presentation and summary of significant accounting policies

Basis of presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP.

The results of operations for the three and nine months ended September 30, 2025 shown in this report are not necessarily indicative of results to be expected for the full year ending December 31, 2025. In the opinion of the Company's management, the information contained herein reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the Company's results of operations, financial position, cash flows, and stockholders' equity. Certain footnote disclosures normally included in annual consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to Securities and Exchange Commission, or SEC, rules and regulations relating to interim financial statements. The accompanying consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K filed with the SEC on February 28, 2025. Except as further described below, there have been no significant changes in the Company's accounting policies from those disclosed in its Annual Report on Form 10-K filed with the SEC on February 28, 2025.

Basis of consolidation

The consolidated financial statements include the accounts of Inogen, Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated.

Accounting estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management bases these estimates and assumptions upon historical experience, existing and known circumstances, authoritative accounting pronouncements and other factors that management believes to be reasonable. Significant areas requiring the use of management estimates relate to revenue recognition, warranty reserves and expense, determining the stand-alone selling price, or SSP, and service period of performance obligations, rental asset valuations and write-downs, accounts receivable allowances for bad debts, returns and adjustments, impairment of goodwill, impairment of long-lived assets, stock-based compensation expense, income taxes, fair value of acquired intangible assets and goodwill, and financing receivable. Actual results could differ from these estimates.

Reclassifications

Certain reclassifications have been made to prior years' financial statements to conform to current period financial statements' presentation with no effect on previously reported results of operations, financial position, cash flows, or stockholders' equity. These changes consisted of reclassifications to certain line items in the accompanying consolidated balance sheets and did not change total assets, liabilities or stockholders' equity as previously reported.

Recently issued accounting pronouncements not yet adopted

In September 2025, the Financial Accounting Standards Board issued Accounting Standards Update No. 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*. This standard is intended to improve the operability and application of guidance related to capitalized software development costs and becomes effective January 1, 2028. The Company is currently evaluating the effect of the new guidance but does not expect it to have a material impact on the Company's consolidated financial statement presentation or results of operations.

3. Fair value measurements

Cash, cash equivalents, marketable securities and restricted cash

The following table summarizes fair value measurements by level for the assets measured at fair value on a recurring basis for cash, cash equivalents, marketable securities and restricted cash:

	As of September 30, 2025					
	Adjusted cost	Gross unrealized gains	Fair value	Cash and cash equivalents	Marketable securities	Restricted cash
Cash	$ 28,439	$ —	$ 28,439	$ 28,439	$ —	$ —
Level 1:						
Money market accounts	51,351	—	51,351	50,070	—	1,281
Level 2:						
Corporate bonds	8,698	7	8,705	—	8,705	—
U.S. Treasury securities	9,984	58	10,042	2,000	8,042	—
Institutional Insured Liquidity Deposit Savings	25,967	—	25,967	25,967	—	—
Total	$ 124,439	$ 65	$ 124,504	$ 106,476	$ 16,747	$ 1,281

	As of December 31, 2024				
	Adjusted cost	Gross unrealized gains	Fair value	Cash and cash equivalents	Restricted cash
Cash	$ 23,053	$ —	$ 23,053	$ 23,053	$ —
Level 1:					
Money market accounts	72,129	—	72,129	68,509	3,620
Level 2:					
Institutional Insured Liquidity Deposit Savings	22,233	—	22,233	22,233	—
Total	$ 117,415	$ —	$ 117,415	$ 113,795	$ 3,620

Derivative instruments and hedging activities

The Company records the assets or liabilities associated with derivative instruments and hedging activities at fair value based on Level 2 inputs in other current assets or other current liabilities, respectively, in the consolidated balance sheets. The Company had a related payable of $1,062 and a receivable of $351 as of September 30, 2025 and December 31, 2024, respectively.

Accumulated other comprehensive income (loss)

The components of accumulated other comprehensive income (loss) were as follows:

	Foreign currency translation adjustments	Unrealized gains on marketable securities	Unrealized losses on cash flow hedges	Accumulated other comprehensive income (loss)
Balance as of December 31, 2024	$ (1,501)	$ —	$ —	$ (1,501)
Other comprehensive income (loss)	5,765	65	(645)	5,185
Balance as of September 30, 2025	$ 4,264	$ 65	$ (645)	$ 3,684

Comprehensive income (loss) is the total net earnings and all other non-owner changes in equity. Except for net loss and unrealized gains and losses on cash flow hedges, the Company does not have any transactions or other economic events that qualify as comprehensive income (loss).

Earnout liability

The Company had obligations to pay up to $13,000 in an earnout payment related to the Physio-Assist acquisition in cash if certain future regulatory results were met. Such regulatory results were met with the clearance of the Simeox product on December 23, 2024, and the payment of accrued earnouts was made during the first quarter of 2025.

The reconciliation of the earnout liability measured and carried at fair value on a recurring basis is as follows:

Balance as of December 31, 2024	$ 13,000
Payments of accrued earnouts	(13,000)
Balance as of September 30, 2025	$ —

4. Balance sheet components

Restricted Cash

The Company's restricted cash is a legally restricted deposit held as a compensating balance against its corporate credit card balances.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Company's consolidated balance sheet that are shown in aggregate in the accompanying consolidated statement of cash flows:

	September 30, 2025	September 30, 2024	December 31, 2024	December 31, 2023
Cash and cash equivalents	$ 106,476	$ 105,690	$ 113,795	$ 125,492
Restricted cash	1,281	3,591	3,620	—
Total cash, cash equivalents and restricted cash	$ 107,757	$ 109,281	$ 117,415	$ 125,492

Accounts receivable and allowance for bad debts, returns, and adjustments

Net accounts receivable (gross accounts receivable, net of allowances) balance concentrations by major category as of September 30, 2025 and December 31, 2024 were as follows:

Net accounts receivable		**September 30, 2025**		**December 31, 2024**
Rental [(1)]	$	5,016	$	4,863
Business-to-business and other receivables		35,358		24,700
Total net accounts receivable	$	40,374	$	29,563

[(1)] Rental includes Medicare, Medicaid/other government, private insurance, and patient pay.

The following table sets forth the accounts receivable allowances as of September 30, 2025 and December 31, 2024:

Allowances - accounts receivable		**September 30, 2025**		**December 31, 2024**
Doubtful accounts	$	107	$	458
Sales returns		409		413
Total allowances - accounts receivable	$	516	$	871

Concentration of customers and vendors

The Company primarily sells its products to traditional home medical equipment providers, distributors, and resellers in the United States and in foreign countries on a credit basis. The Company also sells its products direct-to-consumers primarily on a prepayment basis. One single customer represented more than 10% of the Company's total revenue for the three and nine months ended September 30, 2025. One single customer represented more than 10% of the Company’s net accounts receivable balance with a net accounts receivable balance of $4,534 as of September 30, 2025. One single customer represented more than 10% of the Company's net accounts receivable balance with a net accounts receivable balance of $3,288 as of December 31, 2024.

The Company also rents products directly to consumers for insurance reimbursement, which resulted in a customer concentration relating to Medicare’s service reimbursement programs. Medicare’s service reimbursement programs accounted for 61.1% and 57.0% of rental revenue in the nine months ended September 30, 2025 and 2024, respectively, and accounted for 9.2% and 9.6% of total revenue for the nine months ended September 30, 2025 and 2024, respectively. Accounts receivable balances relating to Medicare’s service reimbursement programs (including held and unbilled, net of allowances) amounted to $1,376, or 3.4%, of total net accounts receivable as of September 30, 2025 compared to $1,107, or 4.8%, of total net accounts receivable as of December 31, 2024.

The Company currently purchases raw materials from a limited number of vendors, which resulted in a concentration of three major vendors. The three major vendors supply the Company with raw materials used to manufacture the Company’s products. For the nine months ended September 30, 2025, the Company’s three major vendors accounted for 18.2%, 11.2%, and 10.2%, respectively, of total raw material purchases. For the nine months ended September 30, 2024, the Company’s three major vendors accounted for 20.9%, 19.2%, and 10.6%, respectively, of total raw material purchases.

A portion of revenue is earned from sales outside the United States. Approximately 79.2% and 76.3% of the non-U.S. revenue for the three months ended September 30, 2025 and 2024, respectively, were invoiced in Euros. Approximately 78.1% and 78.4% of the non-U.S. revenue for the nine months ended September 30, 2025 and 2024, respectively, were invoiced in Euros. A breakdown of the Company’s revenue from U.S. and non-U.S. sources for the three and nine months ended September 30, 2025 and 2024, respectively, is as follows:

	Three months ended September 30,				**Nine months ended September 30,**			
		2025		**2024**		**2025**		**2024**
U.S. revenue	$	53,987	$	56,506	$	160,636	$	166,730
Non-U.S. revenue		38,403		32,328		106,311		88,894
Total revenue	$	92,390	$	88,834	$	266,947	$	255,624

Inventories

Inventories are stated at the lower of cost and net realizable value, using the first-in, first-out, or FIFO, method. The Company records adjustments to inventory for potentially excess, obsolete, slow-moving or impaired items, and losses on firm purchase commitments as a component of cost of sales in the consolidated statements of comprehensive loss. The Company recorded noncurrent inventory related to inventories that are expected to be realized or consumed after one year of $521 and $1,291 as of September 30, 2025 and December 31, 2024, respectively. Noncurrent inventories are primarily related to raw materials purchased in bulk to support long-term expected repairs to reduce costs and are classified in other assets. During the nine months ended September 30, 2025 and 2024, $1,120 and $509, respectively, of inventory was transferred to rental equipment and was considered a noncash transaction in the production and purchase of rental equipment on the consolidated statements of cash flows. Inventories that are considered current consist of the following:

		September 30, 2025		December 31, 2024
Raw materials and work-in-progress	$	15,367	$	19,224
Finished goods		11,085		7,633
Less: reserves		(1,377)		(2,045)
Inventories, net	$	25,075	$	24,812

Property and equipment

Expenditures for additions, improvements and replacements are capitalized and depreciated to a salvage value of $0. Repair and maintenance costs on rental equipment are included in cost of rental revenue on the consolidated statements of comprehensive loss. Repair and maintenance expense, which includes labor, parts, and freight, for rental equipment was $1,833 and $1,689 for the three months ended September 30, 2025 and 2024, respectively, and $5,331 and $4,890 for the nine months ended September 30, 2025 and 2024, respectively.

Depreciation and amortization expense related to rental equipment and other property and equipment are summarized below for the three and nine months ended September 30, 2025 and 2024, respectively.

	Three months ended September 30,				Nine months ended September 30,			
		2025		2024		2025		2024
Rental equipment	$	2,964	$	3,247	$	9,015	$	9,554
Other property and equipment		970		960		2,976		3,143
Total depreciation and amortization	$	3,934	$	4,207	$	11,991	$	12,697

Property and equipment and rental equipment with associated accumulated depreciation is summarized below as of September 30, 2025 and December 31, 2024, respectively.

Property and equipment		September 30, 2025		December 31, 2024
Rental equipment, net of allowances of $3,514 and $3,744, respectively	$	60,504	$	64,012
Other property and equipment		24,860		25,123
Property and equipment		85,364		89,135
Accumulated depreciation				
Rental equipment		32,965		32,294
Other property and equipment		15,068		12,441
Accumulated depreciation		48,033		44,735
Property and equipment, net				
Rental equipment, net of allowances of $3,514 and $3,744, respectively		27,539		31,718
Other property and equipment		9,792		12,682
Property and equipment, net	$	37,331	$	44,400

Long-lived assets

The Company accounts for the impairment and disposition of long-lived assets in accordance with Accounting Standards Codification, or ASC, 360 — *Property, Plant, and Equipment*. Long-lived assets are reviewed for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. No impairments were recorded for the nine months ended September 30, 2025 and 2024.

Goodwill and other identifiable intangible assets

Goodwill

The changes in the carrying amount of goodwill for the nine months ended September 30, 2025 were as follows:

Balance as of December 31, 2024 [1]	$	9,465
Translation adjustment		1,230
Balance as of September 30, 2025 [1]	$	10,695

[1] Includes $32,894 of accumulated impairment losses as of September 30, 2025 and December 31, 2024.

Intangible assets

Intangible assets as of September 30, 2025 and December 31, 2024 consisted of the following:

September 30, 2025	**Average estimated useful lives (in years)**		**Gross carrying amount**		**Accumulated amortization**		**Net amount**
Developed technology	10	$	35,414	$	7,230	$	28,184
Licenses	10		159		159		—
Patents and websites	5		3,775		3,770		5
Customer relationships	4-10		3,162		1,766		1,396
Trade name	4		219		112		107
Commercials	3		494		405		89
Internally developed software	3		3,707		1,439		2,268
Total		$	46,930	$	14,881	$	32,049

December 31, 2024	**Average estimated useful lives (in years)**		**Gross carrying amount**		**Accumulated amortization**		**Net amount**
Developed technology	10	$	31,342	$	4,048	$	27,294
Licenses	10		159		159		—
Patents and websites	5		3,776		3,752		24
Customer relationships	4-10		2,799		1,447		1,352
Trade name	4		194		63		131
Commercials	3		494		282		212
Internally developed software	3		2,090		610		1,480
Total		$	40,854	$	10,361	$	30,493

Annual estimated amortization expense for each of the succeeding fiscal years is as follows:

		September 30, 2025
Remaining 3 months of 2025	$	2,589
2026		4,930
2027		4,205
2028		3,754
2029		3,717
2030		3,440
Thereafter		9,414
Total	$	32,049

Current liabilities

Accounts payable and accrued expenses as of September 30, 2025 and December 31, 2024 consisted of the following:

	September 30, 2025	December 31, 2024
Accounts payable	$ 21,216	$ 16,616
Accrued inventory (in-transit and unvouchered receipts) and trade payables	8,954	6,917
Accrued loss on purchase commitments	762	672
Forward contract payable	1,062	—
Other accrued expenses	2,213	2,948
Total accounts payable and accrued expenses	$ 34,207	$ 27,153

Accrued payroll as of September 30, 2025 and December 31, 2024 consisted of the following:

	September 30, 2025	December 31, 2024
Accrued bonuses	$ 4,271	$ 6,370
Accrued wages and other payroll related items	3,055	5,570
Accrued vacation	4,079	3,456
Accrued severance	391	1,429
Accrued employee stock purchase plan deductions	64	364
Total accrued payroll	$ 11,860	$ 17,189

5. Leases

The Company has entered into operating leases primarily for commercial buildings. These leases have terms that range from three years to 11 years, some of which include options to extend the leases for up to five years. Rent expense, including short-term lease cost, was $972 and $1,132 for the three months ended September 30, 2025 and 2024, respectively, and $2,888 and $3,341 for the nine months ended September 30, 2025 and 2024, respectively.

In July 2023, the Company entered into an Assignment and Assumption of Lease Agreement in which a third party, referred to as the Assignee, assumed the rights, title, and interest in the lease, including assumption of lease payments. Commencing February 1, 2024 and ending May 31, 2031, the Assignee assumed responsibility for the monthly lease payments. Notwithstanding the Assignee's assumption of lease payments, the Company remains the primary obligor under the lease to the landlord.

Lease payments assumed by the Assignee are:

Payments due in the 12-month period ending September 30,	
2026	$ 1,136
2027	1,136
2028	1,136
2029	1,136
2030	1,136
Thereafter	757
Total	$ 6,437

Information related to the Company's right-of-use assets and related operating lease liabilities were as follows:

	Nine months ended September 30,	
	2025	2024
Cash paid for operating lease liabilities	$ 2,868	$ 3,494
Operating lease cost	2,796	3,298
Non-cash right-of-use assets obtained in exchange for new operating lease obligations	1,327	1,566
Weighted-average remaining lease term	3.3 years	3.3 years
Weighted-average discount rate	6.6 %	5.6 %

Maturities of lease liabilities due in the 12-month period ending September 30,	
2026	$ 3,638
2027	3,901
2028	3,522
2029	3,318
2030	3,313
Thereafter	2,075
	19,767
Less imputed interest	(1,546)
Total lease liabilities	$ 18,221
Operating lease liability - current	$ 3,122
Operating lease liability - noncurrent	15,099
Total lease liabilities	$ 18,221

6. Loss per share

Loss per share, or EPS, is computed in accordance with ASC 260—*Earnings per Share* and is calculated using the weighted-average number of shares of common stock outstanding during each period. Diluted EPS assumes the conversion, exercise or issuance of all potential common stock equivalents (which can include dilution of outstanding stock options and restricted stock units) unless the effect is to reduce a loss or increase the income per share. For purposes of this calculation, common stock subject to repurchase by the Company, options, and other dilutive awards are considered to be common stock equivalents and are only included in the calculation of diluted loss per share when their effect is dilutive.

Basic loss per share is calculated using the Company's weighted-average outstanding shares of common stock. Diluted loss per share is calculated using the Company's weighted-average outstanding shares of common stock including the dilutive effect of stock awards as determined under the treasury stock method.

The computation of EPS is as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Numerator—basic and diluted:				
Net loss	$ (5,294)	$ (5,963)	$ (15,620)	$ (26,131)
Denominator:				
Weighted average shares of common stock - basic common stock [1]	27,075,637	23,751,168	26,407,849	23,589,836
Weighted average shares of common stock - diluted common stock	27,075,637	23,751,168	26,407,849	23,589,836
Net loss per share - basic common stock	$ (0.20)	$ (0.25)	$ (0.59)	$ (1.11)
Net loss per share - diluted common stock [2]	$ (0.20)	$ (0.25)	$ (0.59)	$ (1.11)
Denominator calculation from basic to diluted:				
Weighted average shares of common stock - basic common stock [1]	27,075,637	23,751,168	26,407,849	23,589,836
Stock options and other dilutive awards	532,039	764,761	530,947	620,943
Weighted average shares of common stock - diluted common stock	27,607,676	24,515,929	26,938,796	24,210,779
Shares excluded from diluted weighted average shares:				
Restricted stock units	571,659	252,576	554,921	337,866

[1] Unvested restricted stock units are not included as shares outstanding in the calculation of basic earnings per share. Vested restricted stock units are included in basic earnings per share if all vesting and performance criteria have been met. Performance-based restricted stock units are included in the number of shares used to calculate diluted earnings per share as long as all applicable performance criteria are met, and their effect is dilutive.

[2] Due to net losses for the three and nine months ended September 30, 2025 and September 30, 2024, diluted loss per share is the same as basic loss per share.

7. Income taxes

The Company accounts for income taxes in accordance with ASC 740 — *Income Taxes*. Under ASC 740, income taxes are recognized for the amount of taxes payable or refundable for the current period and deferred tax liabilities and assets are recognized for the future tax consequences of transactions that have been recognized in the Company's consolidated financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion, or all, of the deferred tax asset will not be realized. As of December 31, 2024, the Company recorded a full valuation allowance of $66,533. As of September 30, 2025, the Company continued to record a valuation allowance against its domestic and certain foreign deferred tax assets.

The Company accounts for uncertainties in income tax in accordance with ASC 740-10 — *Accounting for Uncertainty in Income Taxes*. ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This accounting standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

The Company recognizes interest and penalties on taxes, within its income tax provision on its consolidated statements of comprehensive loss.

On July 4, 2025, the *One Big Beautiful Bill Act,* or OBBBA, was enacted into law. The OBBBA provides for significant U.S. tax law changes and modifications. The impacts of the new legislation are immaterial and included in the consolidated financial statements as of and for the period ended September 30, 2025.

8. Stockholders' equity

The Company has a 2014 Equity Incentive Plan, or the 2014 Plan, under which the Company granted restricted stock units, restricted stock awards, performance units, performance shares, and options to purchase shares of its common stock. As of September 30, 2025, awards with respect to 112,018 shares of the Company's common stock were outstanding under the 2014 Plan.

The Company has an Amended and Restated 2023 Equity Incentive Plan, or the 2023 Plan, that provides for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, to the Company's employees and any parent and subsidiary corporation's employees, and for the grant of nonstatutory stock options, restricted stock, restricted stock units, restricted stock awards, stock appreciation rights, performance units and performance shares to its employees, directors and consultants and its parent and subsidiary corporations' employees and consultants.

As of September 30, 2025, awards with respect to 2,577,128 shares of the Company's common stock were outstanding, and 1,550,485 shares of common stock remained available for issuance under the 2023 Plan. The shares available for issuance under the 2023 Plan will be increased by any shares returned to the 2014 Plan as a result of expiration or termination of awards.

The Company previously granted restricted stock units to induce an employee to accept employment with the Company in accordance with Nasdaq Listing Rule 5635(c)(4). As of September 30, 2025, awards with respect to 125,000 shares of the Company's common stock were outstanding pursuant to such inducement grant.

Securities purchase agreement

On January 25, 2025, the Company entered into a Securities Purchase Agreement, or the Purchase Agreement, with Yuwell (Hong Kong) Holdings Limited, or the Investor, a wholly-owned subsidiary of Yuwell, pursuant to which the Investor purchased 2,626,425 shares of the Company's common stock at a price per share of $10.36, for an aggregate purchase price of approximately $27,210, or the Private Placement. The closing of the Private Placement took place on February 21, 2025.

Stock incentive awards

The Company grants restricted stock units, or RSUs, under the 2014 and 2023 Plans and made one inducement grant of RSUs in 2024. RSUs vest either based solely on the satisfaction of time-based service conditions or on the satisfaction of time-based service conditions combined with performance criteria. RSUs are subject to forfeiture if the holder's services to the Company terminate before vesting.

RSUs granted with only time-based service vesting conditions generally vest over three-year service periods, as defined in the terms of each award. RSUs that vest based on the satisfaction of time-based service conditions combined with performance criteria generally vest over a three-year service and performance period, based on performance and/or market conditions established at the time of the award. The portion of the RSU award that is earned may equal or be more or less than the targeted number of shares subject to the RSU award depending on whether the performance criteria are met.

RSU activity for the nine months ended September 30, 2025 is summarized below:

Restricted stock units	**Time-based**	**Performance and time-based**	**Total**	**Weighted-average grant date fair value per share**
Unvested restricted stock units as of December 31, 2024	1,203,383	601,194	1,804,577	$ 8.61
Granted	1,005,224	822,308	1,827,532	9.12
Vested	(439,625)	(118,100)	(557,725)	10.06
Forfeited/canceled	(132,114)	(128,124)	(260,238)	9.69
Unvested restricted stock units as of September 30, 2025 [(1)]	1,636,868	1,177,278	2,814,146	$ 8.47
Unvested and expected to vest restricted stock units outstanding as of September 30, 2025			1,940,089	$ 8.40

[(1)] Outstanding RSUs are based on the maximum payout of the targeted number of shares.

As of September 30, 2025, the unrecognized compensation cost related to unvested employee restricted stock units was $11,503, excluding estimated forfeitures. This amount is expected to be recognized over a weighted average period of 2.0 years.

Employee stock purchase plan

The Company's 2014 Employee Stock Purchase Plan, or ESPP, provides all eligible employees the option to purchase shares of the Company's common stock at a discount through payroll deductions. As of September 30, 2025, a total of 624,415 shares of common stock were available for future purchase under the ESPP. In the first quarter of 2025, an additional 179,069 shares of common stock were reserved for issuance pursuant to future ESPP purchases as a result of the annual evergreen increase under the ESPP.

Stock-based compensation

Stock-based compensation expense recognized for the three and nine months ended September 30, 2025 and 2024, was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	**2024**	**2025**	**2024**
Stock-based compensation expense by type of award:				
Restricted stock units	$ 1,693	$ 1,362	$ 5,906	$ 5,367
Employee stock purchase plan	70	112	297	337
Total stock-based compensation expense	$ 1,763	$ 1,474	$ 6,203	$ 5,704

Stock-based compensation expense was calculated based on awards of restricted stock units expected to vest based on the Company's historical award cancellations. ASC 718 – *Compensation-Stock Compensation* requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

For the three and nine months ended September 30, 2025 and 2024, respectively, stock-based compensation expense recognized under ASC 718, included in cost of revenue, research and development expense, sales and marketing expense, and general and administrative expense was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	**2024**	**2025**	**2024**
Cost of revenue	$ 135	$ 123	$ 431	$ 448
Research and development	72	68	236	453
Sales and marketing	184	363	584	1,221
General and administrative	1,372	920	4,952	3,582
Total stock-based compensation expense	$ 1,763	$ 1,474	$ 6,203	$ 5,704

9. Commitments and contingencies

Purchase obligations

The Company had approximately $58,800 of outstanding purchase orders due within one year with its outside vendors and suppliers as of September 30, 2025. The Company has $762 and $672 accrued within accounts payable and other accrued expenses in the consolidated balance sheet as of September 30, 2025 and December 31, 2024, respectively, related to estimated losses for firm commitment contractual obligations under these agreements. Losses on these firm commitment contractual obligations are recognized based upon the terms of the respective agreement and similar factors considered for the write-down of inventory, including expected sales requirements as determined by internal sales forecasts.

Warranty obligation

The following table identifies the changes in the Company's aggregate product warranty liabilities for the nine-month and 12-month periods ended September 30, 2025 and December 31, 2024, respectively:

	September 30, 2025	December 31, 2024
Product warranty liability at beginning of period	$ 26,086	$ 23,478
Accruals for warranties issued	10,188	12,076
Adjustments related to preexisting warranties (including changes in estimates)	(2,019)	280
Settlements made (in cash or in kind)	(6,654)	(9,748)
Product warranty liability at end of period	$ 27,601	$ 26,086

Contract liabilities

Contract liabilities primarily consist of deferred revenue related to lifetime warranties on direct-to-consumer sales revenue when cash payments are received in advance of services performed under the contract. The contract with the customer states the final terms of the sale, including the description, quantity, and price of each product or service purchase. The decrease in deferred revenue related to lifetime warranties for the nine months ended September 30, 2025 was primarily driven by $3,240 of revenue recognized that were included in the deferred revenue balances as of December 31, 2024, partially offset by $922 of payments received in advance of satisfying performance obligations. Deferred revenue related to lifetime warranties was $7,604 and $9,922 as of September 30, 2025 and December 31, 2024, respectively, and is classified within deferred revenue - current and noncurrent deferred revenue - noncurrent in the consolidated balance sheets.

Legislation and HIPAA

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Compliance with government laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. The Health Insurance Portability and Accountability Act of 1996, or HIPAA, was enacted to ensure health insurance portability, reduce healthcare fraud and abuse, guarantee security and privacy of health information, and enforce standards for health information. The Health Information Technology for Economic and Clinical Health Act, or the HITECH Act, in part, imposes notification requirements of certain security breaches relating to protected health information. The Company is not aware of any pending claims against it under the HIPAA and HITECH regulations that are applicable to the Company’s business.

Legal proceedings

On March 3, 2023, APT Electronics Inc., or APT, filed a lawsuit in the Superior Court of the State of California, County of Orange against the Company, or the APT Action. APT alleged that the Company failed to pay APT for all services, inventory, and materials due to it in connection with the parties’ prior supply arrangement. APT sought damages, pre-judgment interest, costs, and attorneys’ fees.

The parties reached a mutually agreeable settlement in August 2025. The Company paid $1,750 to APT on August 26, 2025, finalizing the payment of this settlement and incurred $668 in legal settlement costs, both classified within general and administrative expense. Based on the parties’ request, the court dismissed the APT Action with prejudice on August 27, 2025. Although the Company came to a settlement agreement to remove the risk of uncertain legal and financial obligations going forward, the Company in no way assumed or admitted any wrongdoing.

The Company is party to various legal proceedings and investigations arising in the normal course of business. The Company carries insurance, subject to specified deductibles under the policies, to protect against losses from certain types of legal claims. At this time, the Company does not anticipate that any of these other proceedings arising in the normal course of business will have a material adverse effect on the Company’s business. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources, and other factors.

10. Foreign currency exchange contracts and hedging

As of September 30, 2025 and September 30, 2024, the Company’s total non-designated and designated derivative contracts had notional amounts totaling approximately $1,550 and $6,217, respectively, and $51,810 and $0, respectively. These contracts were comprised of offsetting contracts with the same counterparty, each expires within one to four months. During the nine months ended September 30, 2025 and 2024, these contracts had, net of tax, an unrealized loss of $645 and an unrealized gain or (loss) of $0, respectively.

The nonperformance risk of the Company and the counterparty did not have a material impact on the fair value of the derivatives. During the nine months ended September 30, 2025, there were no ineffective portions relating to these hedges and the hedges remained effective through their respective settlement dates. During the nine months ended September 30, 2024, there were no ineffective portions related to these hedges. As of September 30, 2025, the Company had three designated hedges and one non-designated hedge. As of September 30, 2024, the Company had no designated hedges and four non-designated hedges.

11. Segments

Operating segments are defined as components of an enterprise engaging in business activities for which separate financial information is available that is regularly evaluated by the Group's chief operating decision makers, or CODM. Based on the criteria established by ASC 280 *Segment Reporting*, the Company's CODM has been identified as the executive leadership team, or ELT, which includes the Chief Executive Officer and the Chief Financial Officer. The ELT reviews a monthly executive reporting package based on consolidated results of the Company when making decisions about allocating resources and assessing performance. The Company derives revenues from customers through the development, manufacturing, marketing, sales, and rental of respiratory products. The Company considered the following when assessing its segment determination: the similar nature of the Company's products and services that are included together in the oxygen therapy and respiratory care markets; the consistent production processes used to manufacture the Company's products; the same channels used to distribute and sell the Company's products; and the products align and qualify as respiratory durable medical equipment per the regulatory definition. Therefore, the Company determined that it operates and reports in only one operating and reportable segment. The CODM assesses performance for the one operating and reportable segment and decides how to allocate resources based on the segment profit or loss measure and adjusted EBITDA. The measure of segment assets is reported on the balance sheet as "total assets." The CODM determined that the Company's segment profit or loss measure that is most consistent with GAAP measurement principles is net loss to evaluate income and loss generated from segment assets (return on assets). Net Loss for the Company's one operating and reportable segment is reported on the consolidated statements of comprehensive loss. The Company evaluated the monthly executive reporting package and did not identify any significant or other expenses for disclosure that are not already presented on the consolidated statements of comprehensive loss.

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

Forward-Looking Statements

The following discussion and analysis of the financial condition and results of our operations should be in conjunction with the consolidated financial statements and related notes elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are based on our management's beliefs and assumptions and on information currently available to our management. The forward-looking statements are contained principally in this Management's Discussion and Analysis of Financial Condition and Results of Operations and in the section entitled "Risk Factors" of our Annual Report on Form 10-K and our subsequently filed Quarterly Reports on Form 10-Q filed with the SEC. Forward-looking statements include, but are not limited to, statements concerning the following:

- information concerning our possible or assumed future cash flows, revenue, sources of revenue, results of operations, and operating and other expenses;
- the impact of expense inflation on the components we use in our products, and the impact of inflation of the ability of our customers to afford our products;
- the potential for future supply chain constraints;
- our assessment and expectations regarding reimbursement rates, future rounds of competitive bidding, Centers for Medicare and Medicaid Services changes to Home Use of Oxygen national coverage determination and how those changes are implemented, and future changes in rental revenue;
- our ability to develop new products, improve our existing products, and increase the value of our products;
- our expectations regarding the timing of new products and product improvement launches as well as product features and specifications;
- our expectations with respect to our cost reduction initiatives;
- our expectations regarding regulatory approvals and government and third-party payor coverage and reimbursement;
- the ability of our competitors to introduce products to the market that may be lower priced than ours, may have more product features than ours, or are otherwise more accepted by the market, including our home medical equipment providers;
- our ability to attract key talent to the Company, and to retain key employees;
- our ability to efficiently integrate Physio-Assist and our ability to obtain reimbursement coverage and payment for the Simeox products in the U.S.;
- expectations with respect to market share, unit sales, business strategies, financing plans, expansion of our business, competitive position, industry environment, and potential growth opportunities;
- our expectations regarding the market size, market growth, and the growth potential for our business;
- our ability to grow our business and enter new markets;
- our expectations regarding the average selling prices and manufacturing costs of our products and our ongoing efforts to reduce average unit costs for our systems;
- our expectations regarding the productivity of our sales and marketing teams;
- our expectations with respect to our European and U.S. facilities and our expectations with respect to our contract manufacturer in Europe;
- our expectations, and changing regulations regarding tariffs that are or may be imposed by the U.S. on certain imported materials and products;
- our ability to successfully acquire and integrate companies and assets;
- our expectations regarding the impact and implementation of trade regulations on our supply chain;
- our expectations of future accounting pronouncements or changes in our accounting policies;
- our internal control environment;

- the effects of seasonal trends on our results of operations and estimated hiring plans; and

- our expectation that our existing capital resources and the cash to be generated from expected product sales and rentals will be sufficient to meet our projected operating and investing requirements for at least the next 12 months.

Forward-looking statements include statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "seeks," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would," or similar expressions and the negatives of those terms.

Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. We discuss these risks in greater detail in the sections entitled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q, and our Annual Report on Form 10-K filed with the SEC on February 28, 2025. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

This Quarterly Report on Form 10-Q also contains estimates, projections and other information concerning our industry, our business, and the markets for certain diseases, including data regarding the estimated size of those markets, and the incidence and prevalence of certain medical conditions. Information that is based on estimates, forecasts, projections, market research, or similar methodologies is inherently subject to uncertainties and actual events, or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained this industry, business, market, and other data from reports, research surveys, studies, and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources.

“Inogen,” “Inogen One,” “Inogen One G3,” “G4,” “G5,” “Oxygen.Anytime.Anywhere,” “Intelligent Delivery Technology,” “Inogen At Home,” “Inogen Rove,” “Inogen Rove 4,” and the Inogen design, are registered trademarks with the United States Patent and Trademark Office of Inogen, Inc. We own pending applications for the marks “AURORA,” “Rove,” “Inogen Rove 6,” and “VOXI” with the United States Patent and Trademark Office. We own trademark registrations for the mark “Inogen” in Argentina, Australia, Bermuda, Canada, Chile, China, Columbia, Ecuador, Hong Kong, South Korea, Malaysia, Mexico, Europe (European Union Registration), the United Kingdom, Iceland, India, Indonesia, Israel, Japan, Kuwait, New Zealand, Norway, Dominican Republic, Paraguay, Peru, Philippines, Turkey, Singapore, South Africa, Switzerland, the UAE, Uruguay, and Vietnam. We own a pending application for the mark “Inogen” in Thailand. We own a trademark registration for the mark “イノジェン” in Japan. We own trademark registrations for the marks “印诺真” and “艾诺根” in China. We own trademark registrations for the mark “Inogen One” in Australia, Canada, China, South Korea, Mexico, Europe (European Union Registration), and the United Kingdom. We own a trademark registration for the mark “Satellite Conserver” in Canada. We own trademark registrations for the mark “Inogen At Home” in Europe (European Union Registration) and the United Kingdom. We own trademark registrations for the mark “G4” in Europe (European Union Registration) and the United Kingdom. We own trademark registrations for the marks “Inogen Rove 4” and “Inogen Rove 6” in Europe (European Union Registration) and the United Kingdom. We own trademark registrations for the mark “G5” in Europe (European Union Registration) and the United Kingdom. We own pending applications for the marks “Inogen Rove 4” and “Inogen Rove 6” in Canada. We own trademark registrations for the mark “Rove” in Argentina, Australia, China, Colombia, Europe (European Union Registration), Indonesia, Mexico, Saudi Arabia, and the United Kingdom. We own pending applications for the mark “Rove” in Brazil, Canada, India, and South Korea. We own trademark registrations for the mark “Inogen Rove” in Australia, China, Colombia, Europe (European Union Registration), Indonesia, Mexico, Saudi Arabia, and the United Kingdom. We own pending applications for the mark “Inogen Rove” in Argentina, Brazil, Canada, India, and South Korea. We own trademark registrations for the Inogen design in Bolivia and China. We own a trademark registration for the mark “إنوجن” in Saudi Arabia.We own a pending application for the Inogen One G5 design in Brazil. We own a trademark registration for “Inogen Simeox” in China. We own a trademark registration for the mark “VOXI” in Europe (European Union Registration). Other service marks, trademarks, and trade names referred to in this Quarterly Report on Form 10-Q are the property of their respective owners. “PHYSIOASSIST,” the Physio-Assist logo, “SIMEOX,” and the Pissenlit logo are registered trademarks of Inogen’s wholly-owned subsidiary Physio-Assist. Physio-Assist owns trademark registrations for the mark “PHYSIOASSIST” in Europe (European Union Registration), France, Japan, United Kingdom, and USA. Physio-Assist owns trademark registrations for the Physio-Assist logo in China, Europe (European Union Registration), France, Japan, South Korea, United Kingdom, and USA. Physio-Assist owns trademark registrations for the mark “SIMEOX” in Europe (European Union Registration), France, Japan, Russia, Switzerland, United Kingdom, and USA. Physio-Assist owns pending applications for the mark “SIMEOX” in Argentina, Canada, Colombia, Mexico, and Norway. Physio-Assist owns a trademark registration for the Pissenlit logo in France.

In this Quarterly Report on Form 10-Q, “the Company,” “we,” “us,” and “our” refer to Inogen, Inc. and its subsidiaries.

The following discussion of our financial condition and results of operations should be read together with our consolidated financial statements and the accompanying condensed notes to those statements included elsewhere in this document. In addition, you should refer to our audited consolidated financial statements and notes thereto and related Management’s Discussion and Analysis of Financial Condition and Results of Operations appearing in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on February 28, 2025.

Critical accounting policies and estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and related disclosure of contingent assets and liabilities, revenue and expenses at the date of the financial statements. Generally, we base our estimates on historical experience and on various other assumptions in accordance with U.S. GAAP that we believe to be reasonable under the circumstances. Actual results may differ from these estimates and such differences could be material to the financial position and results of operations.

Critical accounting policies and estimates are those that we consider the most important to the portrayal of our financial condition and results of operations because they require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Our critical accounting policies and estimates include those related to:

- revenue recognition; and
- acquisitions and related acquired intangible assets and goodwill.

There have been no material changes in our critical accounting policies and estimates in the preparation of our consolidated financial statements during the three and nine months ended September 30, 2025 compared to those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on February 28, 2025.

Recent accounting pronouncements

Information about recently adopted and proposed accounting pronouncements, if applicable, is included in Note 2 to our consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q under the heading “Recent Accounting Pronouncements Not Yet Adopted” and is incorporated herein by reference.

Macroeconomic environment

While we have worked to improve our global supply chain, challenges and potential disruptions still exist. We have experienced, and may continue to experience, increases in cost and limited availability of certain raw materials, components, and other inputs necessary to manufacture and distribute our products due to constraints and inflation within the global supply chain, as well as increases in wage costs and the cost and time to distribute our products. Uncertainty around inflationary pressures, interest rates, monetary policy, and changes in tariffs and tax laws could potentially cause new, or exacerbate existing, economic challenges that we may face, including the impact of foreign currency fluctuations on our results of operations, or result in an economic downturn or recession, which could negatively impact our business operations and results. Existing and future potential geopolitical dynamics may create economic, supply chain, energy, and other challenges, including disruptions to business operations, which has impacted, and may in the future negatively impact our business. In particular, international conflicts and disputes could create instability, have and may further result in sanctions, tariffs, and other measures that restrict international trade and may negatively affect our business operations and results.

We continue to monitor the tariffs announced by the U.S. government, as well as the potential for additional or modified tariffs, and the imposition of tariffs or export controls by other countries. As the tariffs are currently detailed, we do not expect a material impact to our business.

For additional information on risk factors that could impact our results, please refer to the sections entitled “Risk Factors” in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on February 28, 2025.

Overview

We are a medical technology company that primarily develops, manufactures, and markets innovative respiratory market products, including our portable oxygen therapy solutions for patients with chronic respiratory conditions as well as our Simeox product for airway clearance treatment. Our leading portfolio of innovative POCs is designed to deliver high output ratio-to-weight, meaningful sound suppression and has among the longest run times in the industry so that we can meet the needs of patients across a variety of disease states. We are positioned in the market as both a medical technology company and as a home medical equipment provider that is accredited in all 50 states in the United States with a significant patient, prescriber and provider reach. Our products are sold in the United States through direct patient and prescriber sales, as well as resellers and home medical equipment companies, and internationally through distributors and medical equipment companies.

We derive the majority of our revenue from the sale and rental of our portable oxygen concentrator systems and related accessories to patients, insurance carriers, home healthcare providers, resellers, and distributors, including our private label collaborator. We sell multiple configurations of our Inogen One®, Inogen Rove and Inogen At Home systems with various batteries, accessories, warranties, power cords, and language settings. Our goal is to design, build, and market respiratory therapy solutions that redefine how home respiratory care is delivered.

To accomplish this goal, we intend to:

- *Expand our domestic home medical equipment, or HME, provider and reseller network.* We remain focused on our domestic business-to-business partnerships, including relationships with distributors, key accounts, resellers, our private label collaborator, and traditional HME providers. We offer patient-preferred, low total cost of ownership products to help providers convert their businesses to a non-delivery POC business model.
- *Increase international business-to-business adoption.* We continue to believe there is a sizable international market opportunity, particularly in Europe where there is existing oxygen reimbursement for respiratory conditions. In order to take advantage of these international markets, we have partnered with distributors who serve key customers in those markets. We additionally have an Inogen base of operations for sales and customer service in the Netherlands along with sales representatives based in focused European countries, and use a contract manufacturer, Foxconn, located in the Czech Republic to support the majority of our European sales volumes. We are also focused on expanding in the Asia-Pacific region and Latin America where we have added sales representatives to set up new distributors in promising markets.

•*Improve our domestic direct-to-consumer sales and prescriber sales teams and increase productivity.* We are continuing to focus on the patient first initiative, which involves cross-training of sales representatives to execute cash sales and insurance rental. Additionally, we expect to continue to focus on increased productivity driven by improved sales management discipline, insights-informed tools, and optimized patient lead generation with a downsized direct-to-consumer sales team.

•*Optimize our rental revenues.* We continue to evolve our operating model to focus the enhanced sales teams to drive increased rental revenue by establishing relationships with the prescriber through a consistent cadence of contact.

•*Invest in our respiratory product offerings to develop innovative products and expand clinical evidence*. We incurred $4.8 million and $3.5 million in the three months ended September 30, 2025 and 2024, respectively, and $14.1 million and $15.7 million in the nine months ended September 30, 2025 and 2024, respectively, in research and development expenses, and we intend to continue to make similar investments in the foreseeable future.

We plan to also continue to invest in clinical studies to evaluate expected improvements in clinical, economic and patient reported outcomes associated with the use of our products as part of our efforts to drive payor and prescriber advocacy for our products.

•*Expand our product offerings and indications for use.* We are focused on expanding new products that drive benefits to patients, prescribers and our customers with a clinically relevant pipeline. These products would include innovations that strengthen our offerings in COPD, as well as future innovations that differentiate beyond devices to allow patients and clinicians to better manage respiratory disease with advanced portable oxygen concentrators with digital health value added services, expansion of use to hypercapnia, shortness-of-breath, and to other related disease indications.

Our Simeox product is a technology-enabled airway clearance and mucus management device predominantly aimed at serving patients requiring airway clearance, such as those with bronchiectasis – a condition characterized by damaged and widened bronchi that can occur in patients with cystic fibrosis, COPD, or other respiratory conditions. Simeox is used in pulmonary rehabilitation centers as well as at home. Simeox has been cleared under CE mark in the European Union and is currently being sold in Europe and several other markets. In addition, we obtained 510(k) clearance for Simeox in December 2024 and plan to leverage our commercial infrastructure and capabilities to market the device in the United States, while continuing to market it in the other geographies. We intend to commercialize Simeox through the sale or rental of the product initially, followed by recurring sales of device disposables. We began efforts to obtain market feedback, as well as to initialize the work towards reimbursement coverage for the Simeox product in the U.S.

In January 2025, we entered into the Collaboration Agreement with Yuwell. The collaboration with Yuwell is expected to broaden our product portfolio through distribution of certain respiratory products, including Yuwell's stationary oxygen concentrators, in the United States and select other territories, expand and enhance our innovation pipeline through research and development collaboration, and accelerate the entry of our brand into the Chinese market. In the United States, we initiated in June 2025 the launch of the Voxi™ 5, a new stationary oxygen concentrator designed to enhance access to high-quality oxygen therapy for long-term care patients. A more extensive launch of this product is planned in 2026 as we focus on market development. In China, we continue to work through the registration process for our products.

Results of operations

Comparison of three months ended September 30, 2025 and 2024

Revenue

	Three months ended September 30,		Change 2025 vs. 2024		% of Revenue	
(dollar amounts in thousands)	2025	2024	$	%	2025	2024
Sales revenue	$ 79,090	$ 74,929	$ 4,161	5.6%	85.6%	84.3%
Rental revenue	13,300	13,905	(605)	-4.4%	14.4%	15.7%
Total revenue	$ 92,390	$ 88,834	$ 3,556	4.0%	100.0%	100.0%

Sales revenue increased $4.2 million, or 5.6%, for the three months ended September 30, 2025 from the three months ended September 30, 2024. The increase was primarily attributable to higher demand in international and domestic business-to-business sales. We sold approximately 51,100 oxygen systems during the three months ended September 30, 2025 compared to approximately 43,900 oxygen systems sold during the three months ended September 30, 2024, an increase of 16.4%.

Rental revenue decreased $0.6 million, or 4.4%, for the three months ended September 30, 2025 from the three months ended September 30, 2024. The decrease in rental revenue was primarily related to a higher mix of lower private-payor reimbursement rates.

(dollar amounts in thousands)	Three months ended September 30,		Change 2025 vs. 2024		% of Revenue	
Revenue by region and category	**2025**	**2024**	**$**	**%**	**2025**	**2024**
Business-to-business domestic sales	$ 24,884	$ 23,352	$ 1,532	6.6%	26.9%	26.3%
Business-to-business international sales	38,403	32,328	6,075	18.8%	41.6%	36.4%
Direct-to-consumer domestic sales	15,803	19,249	(3,446)	-17.9%	17.1%	21.6%
Direct-to-consumer domestic rentals	13,300	13,905	(605)	-4.4%	14.4%	15.7%
Total revenue	$ 92,390	$ 88,834	$ 3,556	4.0%	100.0%	100.0%

Domestic business-to-business sales increased 6.6% for the three months ended September 30, 2025 compared to the three months ended September 30, 2024, primarily due to the result of increased demand.

International business-to-business sales increased 18.8% for the three months ended September 30, 2025 compared to the three months ended September 30, 2024, primarily due to higher demand. In the three months ended September 30, 2025, sales in Europe as a percentage of total international sales revenue slightly decreased to 84.4% from 85.7% during the comparable period in 2024.

Domestic direct-to-consumer sales decreased 17.9% for the three months ended September 30, 2025 compared to the three months ended September 30, 2024, primarily driven by lower volume and average selling price versus the comparable period in 2024.

Domestic direct-to-consumer rentals decreased 4.4% for the three months ended September 30, 2025 compared to the three months ended September 30, 2024, primarily related to a higher mix of lower private-payor reimbursement rates.

Cost of revenue and gross profit

	Three months ended September 30,		Change 2025 vs. 2024		% of Revenue	
(dollar amounts in thousands)	**2025**	**2024**	**$**	**%**	**2025**	**2024**
Cost of sales revenue	$ 42,925	$ 39,592	$ 3,333	8.4%	46.5%	44.6%
Cost of rental revenue	8,149	7,898	251	3.2 %	8.8 %	8.9 %
Total cost of revenue	$ 51,074	$ 47,490	$ 3,584	7.5%	55.3%	53.5%
Gross profit - sales revenue	$ 36,165	$ 35,337	$ 828	2.3%	39.1%	39.7%
Gross profit - rental revenue	5,151	6,007	(856)	-14.3%	5.6%	6.8%
Total gross profit	$ 41,316	$ 41,344	$ (28)	-0.1%	44.7%	46.5%
Gross margin percentage - sales revenue	45.7%	47.2%				
Gross margin percentage- rental revenue	38.7%	43.2%				
Total gross margin percentage	44.7%	46.5%				

Cost of sales revenue increased $3.3 million, or 8.4%, for the three months ended September 30, 2025 from the three months ended September 30, 2024 due primarily to an increase in the number of systems sold.

Cost of rental revenue increased $0.3 million, or 3.2%, for the three months ended September 30, 2025 from the three months ended September 30, 2024. The increase in cost of rental revenue was primarily attributable to increased service costs. Cost of rental revenue included $3.0 million of rental asset depreciation for the three months ended September 30, 2025 compared to $3.2 million for the three months ended September 30, 2024.

Gross margin on sales revenue decreased to 45.7% for the three months ended September 30, 2025 from 47.2% for the three months ended September 30, 2024. The decrease was driven primarily by channel and customer mix. Total worldwide business-to-business sales revenue accounted for 80.0% of total sales revenue in the three months ended September 30, 2025 versus 74.3% in the three months ended September 30, 2024.

Gross margin on rental revenue decreased to 38.7% for the three months ended September 30, 2025 from 43.2% for the three months ended September 30, 2024, primarily due to a higher mix shift of private-payor reimbursement and lower net revenue per rental patient as a result of a decrease in total patients on service.

Research and development expense

(dollar amounts in thousands)	Three months ended September 30, 2025	2024	Change 2025 vs. 2024 $	%	% of Revenue 2025	2024
Research and development expense	$ 4,840	$ 3,518	$ 1,322	37.6%	5.2%	4.0%

Research and development expense increased $1.3 million, or 37.6%, for the three months ended September 30, 2025 from the three months ended September 30, 2024. This increase was primarily due to $1.0 million of higher product development costs.

Sales and marketing expense

(dollar amounts in thousands)	Three months ended September 30, 2025	2024	Change 2025 vs. 2024 $	%	% of Revenue 2025	2024
Sales and marketing expense	$ 25,439	$ 26,361	$ (922)	-3.5%	27.5%	29.7%

Sales and marketing expense decreased $0.9 million, or 3.5%, for the three months ended September 30, 2025 from the three months ended September 30, 2024. This decrease was primarily due to a decrease of $0.8 million in media and advertising costs. In the three months ended September 30, 2025, we spent $7.4 million in media and advertising costs versus $8.2 million in the comparable period in 2024.

General and administrative expense

(dollar amounts in thousands)	Three months ended September 30, 2025	2024	Change 2025 vs. 2024 $	%	% of Revenue 2025	2024
General and administrative expense	$ 18,153	$ 19,257	$ (1,104)	-5.7%	19.6%	21.7%

General and administrative expense decreased $1.1 million, or 5.7%, for the three months ended September 30, 2025 from the three months ended September 30, 2024, primarily due to decreases of $1.5 million in bad debt expense and $0.7 million in the change in fair value of the earnout liability, partially offset by an increase of $1.8 million in legal settlement costs.

Other income, net

(dollar amounts in thousands)	Three months ended September 30, 2025	2024	Change 2025 vs. 2024 $	%	% of Revenue 2025	2024
Interest income, net	$ 1,070	$ 1,041	$ 29	2.8%	1.2%	1.1%
Other income, net	606	687	(81)	-11.8%	0.6%	0.8%
Total other income, net	$ 1,676	$ 1,728	$ (52)	-3.0%	1.8%	1.9%

Total other income, net decreased less than $0.1 million, or 3.0%, for the three months ended September 30, 2025 from the three months ended September 30, 2024.

Income tax benefit

(dollar amounts in thousands)	Three months ended September 30, 2025	2024	Change 2025 vs. 2024 $	%	% of Revenue 2025	2024
Income tax benefit	$ (146)	$ (101)	$ (45)	44.6%	-0.2%	-0.1%
Effective income tax rate	*2.7%*	*1.7%*				

Income tax benefit increased less than $0.1 million, or 44.6%, for the three months ended September 30, 2025 from the three months ended September 30, 2024. We continued to record a valuation allowance on the use of deferred tax assets in the current and prior periods. The increase was attributable to lower foreign and state taxes.

Our effective tax rate for the three months ended September 30, 2025 increased compared to the three months ended September 30, 2024, primarily due to a lower net loss and foreign and state taxes.

On July 4, 2025, the OBBBA was enacted into law. The OBBBA provides for significant U.S. tax law changes and modifications. The impacts of the new legislation did not have a material impact on our financial statements and are included in the consolidated financial statements as of and for the period ended September 30, 2025.

Net loss

(dollar amounts in thousands)	Three months ended September 30, 2025	2024	Change 2025 vs. 2024 $	%	% of Revenue 2025	2024
Net loss	$ (5,294)	$ (5,963)	$ 669	11.2%	-5.7%	-6.7%

Net loss decreased $0.7 million, or 11.2%, for the three months ended September 30, 2025 from the three months ended September 30, 2024. The decrease in net loss was primarily related to an increase in sales revenue and lower operating expense.

Comparison of nine months ended September 30, 2025 and 2024

Revenue

(dollar amounts in thousands)	Nine months ended September 30, 2025	2024	Change 2025 vs. 2024 $	%	% of Revenue 2025	2024
Sales revenue	$ 226,732	$ 212,449	$ 14,283	6.7%	84.9%	83.1%
Rental revenue	40,215	43,175	(2,960)	-6.9%	15.1%	16.9%
Total revenue	$ 266,947	$ 255,624	$ 11,323	4.4%	100.0%	100.0%

Sales revenue increased $14.3 million, or 6.7%, for the nine months ended September 30, 2025 from the nine months ended September 30, 2024. The increase was primarily attributable to higher demand in international and domestic business-to-business sales. We sold approximately 143,100 oxygen systems during the nine months ended September 30, 2025 compared to approximately 119,100 oxygen systems sold during the nine months ended September 30, 2024, an increase of 20.2%.

Rental revenue decreased $3.0 million, or 6.9%, for the nine months ended September 30, 2025 from the nine months ended September 30, 2024. The decrease in rental revenue was primarily related to a higher mix of lower private-payor reimbursement rates and fewer patients on service.

(dollar amounts in thousands) **Revenue by region and category**	Nine months ended September 30, 2025	2024	Change 2025 vs. 2024 $	%	% of Revenue 2025	2024
Business-to-business domestic sales	$ 71,744	$ 61,158	$ 10,586	17.3%	26.9%	23.9%
Business-to-business international sales	106,311	88,894	17,417	19.6%	39.8%	34.8%
Direct-to-consumer domestic sales	48,677	62,397	(13,720)	-22.0%	18.2%	24.4%
Direct-to-consumer domestic rentals	40,215	43,175	(2,960)	-6.9%	15.1%	16.9%
Total revenue	$ 266,947	$ 255,624	$ 11,323	4.4%	100.0%	100.0%

Domestic business-to-business sales increased 17.3% for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024, primarily due to the result of increased demand.

International business-to-business sales increased 19.6% for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024, primarily due to higher demand. In the nine months ended September 30, 2025, sales in Europe as a percentage of total international sales revenue decreased to 85.1% from 86.8% during the comparable period in 2024.

Domestic direct-to-consumer sales decreased 22.0% for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024, primarily driven by lower volume and average selling price versus the comparable period in 2024.

Domestic direct-to-consumer rentals decreased 6.9% for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024, primarily related to a higher mix of lower private-payor reimbursement rates and fewer patients on service.

Cost of revenue and gross profit

(dollar amounts in thousands)	Nine months ended September 30, 2025	Nine months ended September 30, 2024	Change 2025 vs. 2024 $	Change 2025 vs. 2024 %	% of Revenue 2025	% of Revenue 2024
Cost of sales revenue	$ 124,477	$ 113,156	$ 11,321	10.0%	46.6%	44.3%
Cost of rental revenue	23,441	24,016	(575)	-2.4%	8.8%	9.4%
Total cost of revenue	$ 147,918	$ 137,172	$ 10,746	7.8%	55.4%	53.7%
Gross profit - sales revenue	$ 102,255	$ 99,293	$ 2,962	3.0%	38.3%	38.8%
Gross profit - rental revenue	16,774	19,159	(2,385)	-12.4%	6.3%	7.5%
Total gross profit	$ 119,029	$ 118,452	$ 577	0.5%	44.6%	46.3%
Gross margin percentage - sales revenue	45.1%	46.7%				
Gross margin percentage- rental revenue	41.7%	44.4%				
Total gross margin percentage	44.6%	46.3%				

Cost of sales revenue increased $11.3 million, or 10.0%, for the nine months ended September 30, 2025 from the nine months ended September 30, 2024 due primarily to an increase in the number of systems sold.

Cost of rental revenue decreased $0.6 million, or 2.4%, for the nine months ended September 30, 2025 from the nine months ended September 30, 2024. The decrease in cost of rental revenue was primarily attributable to a decrease in logistics costs and depreciation. Cost of rental revenue included $9.0 million of rental asset depreciation for the nine months ended September 30, 2025 compared to $9.6 million for the nine months ended September 30, 2024.

Gross margin on sales revenue decreased to 45.1% for the nine months ended September 30, 2025 from 46.7% for the nine months ended September 30, 2024. The decrease was driven primarily by channel and customer mix and higher material cost premiums associated with open-market purchases of semiconductor chips used in our POCs, partially offset by lower warranty expense. Total worldwide business-to-business sales revenue accounted for 78.5% of total sales revenue in the nine months ended September 30, 2025 versus 70.6% in the nine months ended September 30, 2024.

Gross margin on rental revenue decreased to 41.7% for the nine months ended September 30, 2025 from 44.4% for the nine months ended September 30, 2024, primarily due to a higher mix shift of private-payor reimbursement and lower net revenue per rental patient as a result of a decrease in total patients on service.

Research and development expense

(dollar amounts in thousands)	Nine months ended September 30, 2025	Nine months ended September 30, 2024	Change 2025 vs. 2024 $	Change 2025 vs. 2024 %	% of Revenue 2025	% of Revenue 2024
Research and development expense	$ 14,083	$ 15,712	$ (1,629)	-10.4%	5.3%	6.1%

Research and development expense decreased $1.6 million, or 10.4%, for the nine months ended September 30, 2025 from the nine months ended September 30, 2024. This decrease was due primarily to a $1.3 million decrease in consulting expense.

Sales and marketing expense

(dollar amounts in thousands)	Nine months ended September 30, 2025	Nine months ended September 30, 2024	Change 2025 vs. 2024 $	Change 2025 vs. 2024 %	% of Revenue 2025	% of Revenue 2024
Sales and marketing expense	$ 74,586	$ 78,914	$ (4,328)	-5.5%	27.9%	30.9%

Sales and marketing expense decreased $4.3 million, or 5.5%, for the nine months ended September 30, 2025 from the nine months ended September 30, 2024. This decrease was primarily due to decreases of $2.8 million in media and advertising costs, $1.5 million in consulting fees, and $0.7 million in credit card and financing fees, partially offset by an increase of $0.7 million in personnel costs. In the nine months ended September 30, 2025, we spent $22.4 million in media and advertising costs versus $25.2 million in the comparable period in 2024.

General and administrative expense

(dollar amounts in thousands)	**Nine months ended September 30,**		**Change 2025 vs. 2024**		**% of Revenue**	
	2025	**2024**	**$**	**%**	**2025**	**2024**
General and administrative expense	$ 51,261	$ 54,956	$ (3,695)	-6.7%	19.2%	21.5%

General and administrative expense decreased $3.7 million, or 6.7%, for the nine months ended September 30, 2025 from the nine months ended September 30, 2024, primarily due to decreases of $2.6 million in bad debt expense, $1.8 million in the change in fair value of the earnout liability, and $0.8 million in acquisition-related expenses, respectively. These decreases were partially offset by an increase of $1.8 million in legal settlement costs.

Other income, net

(dollar amounts in thousands)	**Nine months ended September 30,**		**Change 2025 vs. 2024**		**% of Revenue**	
	2025	**2024**	**$**	**%**	**2025**	**2024**
Interest income, net	$ 3,222	$ 3,777	$ (555)	-14.7%	1.2%	1.5%
Other income, net	1,663	964	699	72.5%	0.6%	0.4%
Total other income, net	$ 4,885	$ 4,741	$ 144	3.0%	1.8%	1.9%

Total other income, net increased $0.1 million, or 3.0%, for the nine months ended September 30, 2025 from the nine months ended September 30, 2024.

Income tax benefit

(dollar amounts in thousands)	**Nine months ended September 30,**		**Change 2025 vs. 2024**		**% of Revenue**	
	2025	**2024**	**$**	**%**	**2025**	**2024**
Income tax benefit	$ (396)	$ (258)	$ (138)	53.5%	-0.1%	-0.1%
Effective income tax rate	*2.5%*	*1.0%*				

Income tax benefit increased $0.1 million, or 53.5%, for the nine months ended September 30, 2025 from the nine months ended September 30, 2024. We continued to record a valuation allowance on the use of deferred tax assets in the current and prior periods. The decrease was attributable to lower foreign and state taxes.

Our effective tax rate for the nine months ended September 30, 2025 increased compared to the nine months ended September 30, 2024, primarily due to a lower net loss and foreign and state taxes.

On July 4, 2025, the OBBBA was enacted into law. The OBBBA provides for significant U.S. tax law changes and modifications. The impacts of the new legislation did not have a material impact on our consolidated financial statements as of and for the period ended September 30, 2025.

Net loss

(dollar amounts in thousands)	**Nine months ended September 30,**		**Change 2025 vs. 2024**		**% of Revenue**	
	2025	**2024**	**$**	**%**	**2025**	**2024**
Net loss	$ (15,620)	$ (26,131)	$ 10,511	40.2%	-5.9%	-10.2%

Net loss decreased $10.5 million, or 40.2%, for the nine months ended September 30, 2025 from the nine months ended September 30, 2024. The decrease in net loss was primarily related to an increase in sales revenue and lower operating expense.

Liquidity and capital resources

As of September 30, 2025, we had cash and cash equivalents of $106.5 million, which consisted of highly liquid investments with a maturity of three months or less. For the nine months ended September 30, 2025, we received $27.2 million from Yuwell and $1.0 million in proceeds related to our ESPP, partially offset by the payment of the earnout liability of $13.0 million and $2.4 million in legal and settlement expenses. For the nine months ended September 30, 2024, we received $0.8 million in proceeds related to our ESPP.

Our principal use of our funds for liquidity and capital resources in the nine months ended September 30, 2025 consisted of cash used in investing activities of $22.7 million for the purchase of marketable securities, $8.0 million in the production and purchase of rental assets and other property and equipment and cash used in operating activities of $10.3 million.

We believe that our current cash, cash equivalents, and marketable securities and the cash to be generated from expected product sales and rentals will be sufficient to meet our projected operating and investing requirements for at least the next 12 months. However, our liquidity assumptions may prove to be incorrect, and we could utilize our available financial resources sooner than we currently expect. Our future funding requirements will depend on many factors, including market acceptance of our products; the cost of our research and development activities; payments from customers; the cost, timing, and outcome of litigation or disputes involving intellectual property rights, our products, employee relations, cyber security incidents, or otherwise; the cost and timing of acquisitions and integration thereof; the cost and timing of regulatory clearances or approvals; the cost and timing of establishing additional sales, marketing, and distribution capabilities; and the effect of competing technological and market developments. In the future, we may acquire businesses or technologies from third parties, and we may decide to raise additional capital through debt or equity financing to the extent we believe this is necessary to successfully complete these acquisitions. Our future capital requirements will also depend on many additional factors, including those set forth in the risk factors included in Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K filed with the SEC on February 28, 2025.

If we require additional funds in the future, we may not be able to obtain such funds on acceptable terms, or at all. In the future, we may also attempt to raise additional capital through the sale of equity securities or through equity-linked or debt financing arrangements. If we raise additional funds by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional financing by the incurrence of indebtedness, we will be subject to increased fixed payment obligations and could also be subject to restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. Any future indebtedness we incur may result in terms that could be unfavorable to equity investors. There can be no assurances that we will be able to raise additional capital, which would adversely affect our ability to achieve our business objectives. In addition, if our operating performance during the next 12 months is below our expectations, our liquidity and ability to operate our business could be adversely affected.

The following tables show a summary of our cash flows and working capital for the periods and as of the dates indicated:

(amounts in thousands)	**Nine months ended September 30,**		**Change 2025 vs. 2024**	
Summary of consolidated cash flows	**2025**	**2024**	**$**	**%**
Cash provided by (used in) operating activities	$ (10,273)	$ 8,932	$ (19,205)	-215.0%
Cash used in investing activities	(24,693)	(25,515)	822	3.2%
Cash provided by financing activities	24,369	525	23,844	4541.7%
Effect of exchange rates on cash	939	(153)	1,092	713.7%
Net decrease in cash and cash equivalents	$ (9,658)	$ (16,211)	$ 6,553	40.4%

(amounts in thousands)	**September 30,**	**December 31,**
Summary of working capital	**2025**	**2024**
Total current assets	$ 203,715	$ 185,451
Total current liabilities	64,944	76,686
Net working capital	$ 138,771	$ 108,765

Operating activities

Historically, we derive operating cash flows from cash collected from the sales and rental of our products and services. These cash flows received are partially offset by our use of cash for operating expenses to support the growth of our business.

Net cash used in operating activities for the nine months ended September 30, 2025 consisted primarily of our net loss of $15.6 million, partially offset by non-cash adjustment items of depreciation of equipment and leasehold improvements and amortization of intangibles of $15.6 million, stock-based compensation expense of $6.2 million, provision for sales returns and doubtful accounts of $4.9 million, and net loss on disposal of rental assets and other assets of $2.7 million. The net changes in operating assets and liabilities resulted in net cash used of $25.1 million, which included the payment of the earnout liability of $9.8 million and $2.4 million in legal and settlement expenses.

Net cash provided by operating activities for the nine months ended September 30, 2024 consisted primarily of non-cash adjustment items such as depreciation of equipment and leasehold improvements and amortization of intangibles of $15.9 million, provision for sales returns and doubtful accounts of $9.4 million, stock-based compensation expense of $5.7 million, net loss on disposal of rental assets and other assets of $3.1 million, and change in fair value of earnout liability of $1.8 million, partially offset by our net loss of $26.1 million. The net changes in operating assets and liabilities resulted in net cash provided of $0.1 million.

Investing activities

Net cash used in investing activities generally includes the production and purchase of rental assets, property, plant and equipment, acquisitions, and intangibles to support our expanding business as well as maturities (purchases) of marketable securities.

For the nine months ended September 30, 2025, we invested $22.7 million in the purchase of marketable securities and $8.0 million in the production and purchase of rental assets and other property and equipment, partially offset by $6.0 million we received from maturities of marketable securities.

For the nine months ended September 30, 2024, we invested $32.3 million in the purchase of marketable securities, $11.9 million in the production and purchase of rental assets and other property and equipment, and $2.1 million in intangible assets, partially offset by $20.5 million we received from maturities of marketable securities.

We expend significant manufacturing and production expense in connection with the development and production of our oxygen concentrator and other respiratory care products and, in connection with our rental business, we incur expense in the deployment and maintenance of rental equipment to our patients. Investments will continue to be required in order to grow our sales and rental revenue and continue to supply and replace rental equipment to our rental patients on service.

Financing activities

Historically, we have funded our operations through our sales and rental revenue and the issuance of preferred and common stock.

For the nine months ended September 30, 2025, net cash provided by financing activities consisted of $27.2 million of proceeds from issuance of common stock pursuant to the Purchase Agreement, $1.0 million of proceeds received from purchases under our ESPP, partially offset by the payment of the earnout liability of $3.2 million and employment taxes related to the vesting of RSUs of $0.6 million.

For the nine months ended September 30, 2024, net cash provided by financing activities consisted of $0.8 million from the proceeds received from purchases under our ESPP, partially offset by the payment of employment taxes related to the vesting of RSUs of $0.3 million.

Sources of funds

During the nine months ended September 30, 2025, our primary source of cash related to $27.2 million of proceeds from issuance of common stock pursuant to the Purchase Agreement. Our net cash used in operating activities in the nine months ended September 30, 2025 was $10.3 million compared to net cash provided of $8.9 million in the nine months ended September 30, 2024. As of September 30, 2025, we had cash and cash equivalents of $106.5 million.

Use of funds

Our principal uses of cash are funding our new rental asset deployments and other capital purchases, operations, and other working capital requirements and, from time-to-time, the acquisition of businesses and the payment of the earnout liability. Over the past several years our cash flows from customer collections have remained consistent and our annual cash provided by operating activities has generally been a significant source of capital to the business.

We may need to raise additional funds to support our investing operations, and such funding may not be available to us on acceptable terms, or at all. If we are unable to raise additional funds when needed, our operations and ability to execute our business strategy could be adversely affected. We may seek to raise additional funds through equity, equity-linked or debt financings. If we raise additional funds through the incurrence of indebtedness, such indebtedness would have rights that are senior to holders of our equity securities and could contain covenants that restrict our operations. Any additional equity financing may be dilutive to our stockholders.

Non-GAAP financial measures

EBITDA and Adjusted EBITDA are financial measures that are not calculated in accordance with U.S. GAAP. We define EBITDA as net loss excluding interest income, interest expense, taxes and depreciation and amortization. Adjusted EBITDA also excludes stock-based compensation, change in fair value of earnout liability, acquisition-related expenses, and restructuring-related and other charges. Below, we have provided a reconciliation of EBITDA and Adjusted EBITDA to our net loss, the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP. EBITDA and Adjusted EBITDA should not be considered alternatives to a net loss or any other measure of financial performance calculated and presented in accordance with U.S. GAAP. Our EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other organizations because other organizations may not calculate EBITDA and Adjusted EBITDA in the same manner as we calculate these measures.

We include EBITDA and Adjusted EBITDA in this Quarterly Report on Form 10-Q because they are important measures upon which our management assesses our operating performance. We use EBITDA and Adjusted EBITDA as key performance measures because we believe they facilitate operating performance comparisons from period-to-period by excluding potential differences primarily caused by variations in capital structures, tax positions, the impact of depreciation and amortization expense on our fixed assets and intangible assets, the impact of stock-based compensation expense, the impact of the change in fair value of the earnout liability, the impact of acquisition-related expenses, the impact of restructuring-related costs, and impairment charges. Because EBITDA and Adjusted EBITDA facilitate internal comparisons of our historical operating performance on a more consistent basis, we also use EBITDA and Adjusted EBITDA for business planning purposes, to incentivize and compensate our management personnel, and in evaluating acquisition opportunities. In addition, we believe EBITDA and Adjusted EBITDA and similar measures are widely used by investors, securities analysts, ratings agencies, and other parties in evaluating companies in our industry as a measure of financial performance and debt-service capabilities.

Our uses of EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- EBITDA and Adjusted EBITDA do not reflect our cash expenditures for capital equipment or other contractual commitments;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect capital expenditure requirements for such replacements;
- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not include changes in fair value of earnout liability related to our acquisitions;
- Adjusted EBITDA does not include acquisition-related expenses, whether the acquisition was consummated or not pursued;
- Adjusted EBITDA does not include costs associated with workforce reductions and associated costs and other restructuring-related activities; and
- other companies, including companies in our industry, may calculate EBITDA and Adjusted EBITDA measures differently, which reduces their usefulness as a comparative measure.

In evaluating EBITDA and Adjusted EBITDA, we anticipate that in the future we will incur expenses within these categories similar to this presentation. Our presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by certain expenses. When evaluating our financial results, EBITDA and Adjusted EBITDA should be considered alongside other financial performance measures, including U.S. GAAP results.

The following table presents a reconciliation of EBITDA and Adjusted EBITDA to our net loss, the most comparable U.S. GAAP measure, for each of the periods indicated:

(amounts in thousands)	**Three months ended September 30,**		**Nine months ended September 30,**	
Non-GAAP EBITDA and Adjusted EBITDA	**2025**	**2024**	**2025**	**2024**
Net loss (GAAP)	$ (5,294)	$ (5,963)	$ (15,620)	$ (26,131)
Non-GAAP adjustments:				
Interest income, net	(1,070)	(1,041)	(3,222)	(3,777)
Benefit for income taxes	(146)	(101)	(396)	(258)
Depreciation and amortization	5,219	5,314	15,624	15,924
EBITDA (non-GAAP)	(1,291)	(1,791)	(3,614)	(14,242)
Stock-based compensation	1,763	1,474	6,203	5,704
Acquisition-related expenses	—	127	—	784
Change in fair value of earnout liability	—	650	—	1,830
Legal and settlement expenses	1,784	—	1,784	—
Adjusted EBITDA (non-GAAP)	$ 2,256	$ 460	$ 4,373	$ (5,924)

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various market risks, including fluctuation in foreign currency exchange rates and interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices. We do not hold or issue financial instruments for trading purposes.

Foreign currency exchange risk

The principal market risk we face is foreign currency exchange risk. The majority of our revenue is denominated in U.S. dollars while the majority of our European sales are denominated in Euros. Our results of operations, certain balance sheet balances and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates. The volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. We have experienced and will continue to experience fluctuations in our net income or loss as a result of transaction gains or losses related to revaluing certain current asset and current liability balances that are denominated in currencies other than the functional currency in which they are recorded. The effect of a 10% adverse change in exchange rates on foreign denominated cash, receivables and payables as of September 30, 2025 would not have had a material effect on our financial position, results of operations or cash flows. As our operations in countries outside of the United States grow, our results of operations and cash flows will be subject to fluctuations due to changes in foreign currency exchange rates, which could harm our business in the future.

We began entering into foreign exchange forward contracts to protect our forecasted U.S. dollar-equivalent earnings from adverse changes in foreign currency exchange rates. These hedging contracts reduce, but will not entirely eliminate, the impact of adverse currency exchange rate movements on revenue, cash, receivables, and payables. We performed a sensitivity analysis assuming a hypothetical 10% adverse movement in foreign exchange rates to the hedging contracts and the underlying exposures described above. As of September 30, 2025, the analysis indicated that these hypothetical market movements would not have a material effect on our financial position, results of operations or cash flows. We estimate prior to any hedging activity that a 10% adverse change in exchange rates on our foreign denominated sales would have resulted in a $8.4 million decline in revenue for the nine months ended September 30, 2025. We designate these forward contracts as cash flow hedges for accounting purposes. The fair value of the forward contract is separated into intrinsic and time values. The fair value of forward currency-exchange contracts is sensitive to changes in currency exchange rates. Changes in the time value are coded in other income, net. Changes in the intrinsic value are recorded as a component of accumulated other comprehensive income (loss) and subsequently reclassified into revenue to offset the hedged exposures as they occur.

Interest rate fluctuation risk

We had cash, cash equivalents and restricted cash of $107.8 million as of September 30, 2025, which consisted of highly liquid investments with a maturity of three months or less, and $16.7 million of marketable securities with maturity dates due in less than one year. The primary goals of our investment policy are liquidity and capital preservation. We do not enter into investments for trading or speculative purposes. We believe that we do not have any material exposure to changes in the fair value of these assets as a result of changes in interest rates due to the short-term nature of our cash and cash equivalents. Declines in interest rates, however, would reduce future investment income. We considered the historical volatility of short-term interest rates and determined that it was reasonably possible that an adverse change of 100 basis points could be experienced in the near term. A hypothetical 1.00% (100 basis points) increase in interest rates would not have materially impacted the fair value of our marketable securities as of September 30, 2025 and September 30, 2024. If overall interest rates had increased or decreased by 1.00% (100 basis points), our interest income would not have been materially affected during the nine months ended September 30, 2025 or September 30, 2024.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

The Company maintains a system of disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, which are designed to provide reasonable assurance that information required to be disclosed in the reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized and reported accurately and completely within the time periods specified in the SEC’s rules and forms. These disclosure controls and procedures include, among other processes, controls and procedures designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Due to inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Further, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions over time, or that the degree of compliance with the policies and procedures may deteriorate. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2025. Based upon the evaluation described above, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2025, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in internal control over financial reporting

There has been no change in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on effectiveness of controls

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures 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. Because of the inherent limitations in any control system, misstatements due to error or fraud may occur and not be detected.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

We are party to various legal proceedings and investigations arising in the normal course of business. We carry insurance, subject to specified deductibles under the policies, to protect against losses from certain types of legal claims. At this time, we do not anticipate that any of these other proceedings arising in the normal course of business will have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Item 1A. Risk Factors

The significant factors known to us that could materially adversely affect our business, financial condition, or operating results are described in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on February 28, 2025. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. As of the date of this Quarterly Report on Form 10-Q, there have been no material changes from the risk factors previously disclosed in our 2024 Annual Report on Form 10-K filed with the SEC on February 28, 2025.

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

Unregistered sales of equity securities

Not applicable.

Issuer purchases of equity securities

We did not repurchase any shares of our common stock during the three months ended September 30, 2025.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On September 10, 2025, Gregoire Ramade, our Chief Commercial Officer, adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act for the sale of the shares of Inogen common stock (the “Ramade 10b5-1 Plan”). The Ramade 10b5-1 Plan terminates on the earlier of the close of trading on September 10, 2026 or the date the maximum aggregate number of shares to be sold under the plan is sold, subject to early termination for certain specified events set forth in the plan. The maximum aggregate number of shares to be sold under the Ramade 10b5-1 Plan is 18,000 shares.

On September 10, 2025, Jennifer Yi Boyer, our Executive Vice President, Enterprise Enablement and Chief Human Resources Officer, adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act for the sale of the shares of Inogen common stock (the “Boyer 10b5-1 Plan”). The Boyer 10b5-1 Plan terminates on the earlier of the close of trading on August 14, 2026 or the date the maximum aggregate number of shares to be sold under the plan is sold, subject to early termination for certain specified events set forth in the plan. The Boyer 10b5-1 Plan covers the sale of an amount of shares of our common stock necessary to generate an aggregate of $70,000 in net proceeds.

Other than as disclosed above, during the three months ended September 30, 2025, no director or Section 16 reporting officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of the SEC’s Regulation S-K).

Item 6. Exhibits

Exhibit Number	Description	Incorporated by Reference From Form	Incorporated by Reference From Exhibit Number	Date Filed
31.1	Certification Pursuant to Exchange Act Rules 13a - 14(a) and 15d - 14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Chief Executive Officer	Filed herewith		
31.2	Certification Pursuant to Exchange Act Rules 13a - 14(a) and 15d - 14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Chief Financial Officer	Filed herewith		
32.1(1)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Chief Executive Officer	Filed herewith		
32.2(1)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Chief Financial Officer	Filed herewith		
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.			
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents			
104	The cover page of this Quarterly Report on Form 10-Q, formatted in inline XBRL.			

(1) The Certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Inogen, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

			INOGEN, INC.
Dated:	November 6, 2025	By:	/s/ Kevin R.M. Smith Kevin R.M. Smith Chief Executive Officer President Director *(Principal Executive Officer)*
Dated:	November 6, 2025	By:	/s/ Michael Bourque Michael Bourque Executive Vice President Chief Financial Officer Treasurer *(Principal Financial and Accounting Officer)*

Exhibit 31.1

Certification by the Chief Executive Officer Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Kevin R.M. Smith, certify that:

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

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

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

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b.Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c.Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d.Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b.Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 6, 2025

By: /s/ Kevin R.M. Smith
Kevin R.M. Smith
Chief Executive Officer, President and Director
(Principal Executive Officer)

Exhibit 31.2

Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael Bourque, certify that:

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

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

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

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b.Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c.Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d.Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b.Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 6, 2025	By:	/s/ Michael Bourque
		Michael Bourque
		Chief Financial Officer
		Executive Vice President
		Treasurer
		(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Kevin R.M. Smith, the chief executive officer of Inogen, Inc. (the "Company"), certify for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge,

(i) the Quarterly Report of the Company on Form 10-Q for the three months ended September 30, 2025 (the "Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 6, 2025

By: /s/ Kevin R.M. Smith
Kevin R.M. Smith
Chief Executive Officer, President and Director

Exhibit 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael Bourque, the chief financial officer of Inogen, Inc. (the “Company”), certify for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge,

(i) the Quarterly Report of the Company on Form 10-Q for the three months ended September 30, 2025 (the “Report”), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 6, 2025

By: /s/ Michael Bourque
Michael Bourque
Chief Financial Officer
Executive Vice President
Treasurer