UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

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: 001-39293

Inari Medical, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**45-2902923**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6001 Oak Canyon, Suite 100 Irvine, California	**92618**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (877) 923-4747

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 per share	NARI	The 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 July 26, 2024, the registrant had 58,266,743 shares of common stock, $0.001 par value per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to substantial risks and uncertainties. We intend such forward-looking statements contained in this Quarterly Report to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical facts contained in this Quarterly Report are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may”, “will”, “would”, “should”, “expects”, “plans”, “anticipates”, “could”, “intends”, “targets”, “projects”, “contemplates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. Forward-looking statements contained in this Quarterly Report include, but are not limited to statements regarding our future results of operations and financial position, plans for our current and future products, anticipated product launches, expectations regarding our acquisition of LimFlow S.A., the impact of macroeconomic conditions, industry and business trends, and our expectations regarding stock compensation, business strategy, plans, market growth, regulatory climate, competitive landscape and our objectives for future operations.

The forward-looking statements in this Quarterly Report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations. Forward-looking statements involve known and unknown risks and uncertainties, and are subject to other important 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, including, but not limited to, those factors discussed in Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023, as such risks and uncertainties may be amended, supplemented or superseded from time to time by our subsequent reports on Forms 10-Q and 10-K we file with the United States Securities and Exchange Commission. We qualify all of our forward-looking statements by these cautionary statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make.

The forward-looking statements in this Quarterly Report on Form 10-Q are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements. You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

PART I — FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)

INARI MEDICAL, INC.
Condensed Consolidated Balance Sheets
(in thousands, except share data and par value)
(unaudited)

	June 30, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 70,125	$ 38,597
Restricted cash	67	611
Short-term investments in debt securities	39,547	76,855
Accounts receivable, net	81,631	70,119
Inventories, net	49,359	42,900
Prepaid expenses and other current assets	8,623	6,481
Total current assets	249,352	235,563
Property and equipment, net	23,005	20,929
Operating lease right-of-use assets	48,824	48,407
Goodwill	204,401	214,335
Intangible assets	143,106	150,884
Deposits and other assets	4,242	4,117
Total assets	$ 672,930	$ 674,235
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 16,375	$ 10,577
Payroll-related accruals	54,363	48,706
Accrued expenses and other current liabilities	65,605	15,364
Operating lease liabilities, current portion	1,918	1,692
Total current liabilities	138,261	76,339
Operating lease liabilities, noncurrent portion	31,231	30,355
Deferred tax liability	35,126	36,231
Other long-term liability	44,503	66,400
Total liabilities	249,121	209,325
Commitments and contingencies (Note 9)		
Stockholders' equity		
Preferred stock, $0.001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of June 30, 2024 and December 31, 2023	—	—
Common stock, $0.001 par value, 300,000,000 shares authorized as of June 30, 2024 and December 31, 2023; 58,166,309 and 57,762,414 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	58	58
Additional paid in capital	528,624	504,453
Accumulated other comprehensive (loss) income	(837)	8,885
Accumulated deficit	(104,036)	(48,486)
Total stockholders' equity	423,809	464,910
Total liabilities and stockholders' equity	$ 672,930	$ 674,235

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

INARI MEDICAL, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Revenue	$ 145,820	$ 119,005	$ 289,014	$ 235,172
Cost of goods sold	19,993	13,844	38,886	27,585
Gross profit	125,827	105,161	250,128	207,587
Operating expenses				
Research and development	24,905	21,085	51,785	43,149
Selling, general and administrative	114,153	85,586	217,208	171,286
Change in fair value of contingent consideration	5,728	—	12,031	—
Amortization of intangible asset	2,449	—	4,910	—
Acquisition-related expenses	1,036	—	3,815	—
Total operating expenses	148,271	106,671	289,749	214,435
Loss from operations	(22,444)	(1,510)	(39,621)	(6,848)
Other income (expense)				
Interest income	1,076	4,552	2,267	8,697
Interest expense	(77)	(44)	(155)	(84)
Other income	23	26	—	65
Total other income	1,022	4,534	2,112	8,678
(Loss) income before income taxes	(21,422)	3,024	(37,509)	1,830
Provision for income taxes	9,926	939	18,041	1,963
Net (loss) income	$ (31,348)	$ 2,085	$ (55,550)	$ (133)
Other comprehensive income (loss)				
Foreign currency translation adjustments	(2,359)	(79)	(9,718)	(70)
Unrealized loss on available-for-sale debt securities	—	(1,095)	(4)	(1,960)
Total other comprehensive loss	(2,359)	(1,174)	(9,722)	(2,030)
Comprehensive (loss) income	$ (33,707)	$ 911	$ (65,272)	$ (2,163)
Net (loss) income per share				
Basic	$ (0.54)	$ 0.04	$ (0.96)	$ (0.00)
Diluted	$ (0.54)	$ 0.04	$ (0.96)	$ (0.00)
Weighted average common shares used to compute net (loss) income per share				
Basic	58,142,454	57,207,902	58,040,069	55,988,736
Diluted	58,142,454	58,496,350	58,040,069	55,988,736

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

INARI MEDICAL, INC.
Condensed Consolidated Statements Stockholders' Equity
(in thousands, except share data)
(unaudited)

	Common Stock		Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2023	**57,762,414**	**$ 58**	**$ 504,453**	**$ 8,885**	**$ (48,486)**	**$ 464,910**
Options exercised for common stock	81,952	—	145	—	—	145
Shares issued under Employee Stock Purchase Plan	82,816	—	3,983	—	—	3,983
Issuance of common stock upon vesting of equity awards, net of shares withheld for taxes	73,963	—	(3,113)	—	—	(3,113)
Share-based compensation expense	—	—	12,870	—	—	12,870
Other comprehensive loss	—	—	—	(7,363)	—	(7,363)
Net loss	—	—	—	—	(24,202)	(24,202)
Balance, March 31, 2024	**58,001,145**	**58**	**518,338**	**1,522**	**(72,688)**	**447,230**
Options exercised for common stock	47,750	—	98	—	—	98
Issuance of common stock upon vesting of equity awards, net of shares withheld for taxes	117,414	—	(2,851)	—	—	(2,851)
Share-based compensation expense	—	—	13,039	—	—	13,039
Other comprehensive loss	—	—	—	(2,359)	—	(2,359)
Net loss	—	—	—	—	(31,348)	(31,348)
Balance, June 30, 2024	**58,166,309**	**$ 58**	**$ 528,624**	**$ (837)**	**$ (104,036)**	**$ 423,809**

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

INARI MEDICAL, INC.
Condensed Consolidated Statements Stockholders' Equity
(in thousands, except share data)
(unaudited)

	Common Stock		Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2022	**54,021,656**	**$ 54**	**$ 462,949**	**$ 849**	**$ (46,850)**	**$ 417,002**
Options exercised for common stock	209,966	—	226	—	—	226
Shares issued under Employee Stock Purchase Plan	86,051	—	4,172	—	—	4,172
Issuance of common stock upon vesting of equity awards, net of shares withheld for taxes	2,766,043	3	(1,932)	—	—	(1,929)
Share-based compensation expense	—	—	10,339	—	—	10,339
Other comprehensive loss	—	—	—	(856)	—	(856)
Net loss	—	—	—	—	(2,218)	(2,218)
Balance, March 31, 2023	**57,083,716**	**57**	**475,754**	**(7)**	**(49,068)**	**426,736**
Options exercised for common stock	81,712	—	214	—	—	214
Issuance of common stock upon vesting of equity awards, net of shares withheld for taxes	101,027	—	(2,569)	—	—	(2,569)
Share-based compensation expense	—	—	10,353	—	—	10,353
Other comprehensive loss	—	—	—	(1,174)	—	(1,174)
Net income	—	—	—	—	2,085	2,085
Balance, June 30, 2023	**57,266,455**	**$ 57**	**$ 483,752**	**$ (1,181)**	**$ (46,983)**	**$ 435,645**

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

INARI MEDICAL, INC.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net loss	$ (55,550)	$ (133)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	7,746	2,754
Amortization of deferred financing costs	43	20
Amortization of right-of-use assets	1,607	2,359
Share-based compensation expense	25,909	20,692
Allowance for credit losses, net	622	63
Loss on disposal of fixed assets	112	30
Amortization of premium and discount on marketable securities	(967)	(8,112)
Change in fair value of contingent consideration liability	12,031	—
Changes in:		
Accounts receivable	(12,319)	(4,561)
Inventories	(6,921)	(6,334)
Prepaid expenses, deposits and other assets	(233)	352
Accounts payable	5,850	(417)
Payroll-related accruals, accrued expenses and other liabilities	22,210	2,167
Operating lease liabilities	(915)	(675)
Lease prepayments for lessor's owned leasehold improvements	—	(458)
Net cash (used in) provided by operating activities	(775)	7,747
Cash flows from investing activities		
Purchases of property and equipment	(5,011)	(2,193)
Purchases of marketable securities	(39,038)	(284,165)
Maturities of marketable securities	75,207	276,800
Purchases of other investments	—	(565)
Working capital adjustment related to acquisition	3,722	—
Capitalized software development costs	(1,479)	—
Net cash provided by (used in) investing activities	33,401	(10,123)
Cash flows from financing activities		
Proceeds from issuance of common stock under employee stock purchase plan	3,983	4,172
Proceeds from exercise of stock options	243	440
Payment of taxes related to vested equity awards	(5,964)	(4,498)
Net cash (used in) provided by financing activities	(1,738)	114
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	96	(123)
Net increase (decrease) in cash, cash equivalents and restricted cash	30,984	(2,385)
Cash, cash equivalents and restricted cash beginning of period	39,208	60,222
Cash, cash equivalents and restricted cash end of period	$ 70,192	$ 57,837

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

INARI MEDICAL, INC.
Notes to Unaudited Condensed Consolidated Financial Statements

1. ORGANIZATION

Description of Business

Inari Medical, Inc. (the “Company”) was incorporated in Delaware in July 2011 and is headquartered in Irvine, California. The Company purpose builds and markets a variety of medical products, including minimally invasive, novel, catheter-based mechanical thrombectomy systems for the unique characteristics of specific disease states.

On November 15, 2023, the Company acquired LimFlow S.A. (“LimFlow”), a medical device company focused on limb salvage for patients with chronic limb-threatening ischemia (“CLTI”). LimFlow focuses on transforming the treatment of CLTI, an advanced stage of peripheral artery disease that is associated with increased mortality, risk of amputation and impaired quality of life.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) and include the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The interim condensed consolidated balance sheet as of June 30, 2024 and the condensed consolidated statements of operations and comprehensive income (loss), stockholders’ equity, and cash flows for the three and six months ended June 30, 2024 and 2023 are unaudited. The consolidated balance sheet as of December 31, 2023 included herein was derived from the audited consolidated financial statements as of that date. The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect, in the opinion of management, all adjustments of a normal and recurring nature that are necessary for the fair presentation of the Company’s condensed consolidated financial position as of June 30, 2024 and its consolidated results of operations and cash flows for the three and six months ended June 30, 2024 and 2023. The financial data and the other financial information disclosed in the notes to the condensed consolidated financial statements related to the three and six months ended June 30, 2024 and 2023 are also unaudited. The condensed consolidated results of operations for any interim period are not necessarily indicative of the results to be expected for the full year or for any other future annual or interim period. These interim condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Management Estimates

The preparation of 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions made in the accompanying condensed consolidated financial statements may include, but are not limited to, contingent consideration liability, collectability of receivables, recoverability of long-lived assets, valuation of inventory, operating lease right-of-use (“ROU”) assets and liabilities, other investments, fair value of stock options, recoverability of net deferred tax assets and related valuation allowance, and certain accruals. Estimates are based on historical experience and on various assumptions that the Company believes are reasonable under current circumstances. Actual results could differ materially from those estimates. Management periodically evaluates such estimates and assumptions, and they are adjusted prospectively based upon such periodic evaluation.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company sells its products primarily to hospitals in the United States through its direct sales force and also sells its products directly and through distributors in select international markets. The Company recognizes revenue for arrangements where the Company has satisfied its performance obligation of shipping or delivering the product. For sales where the Company's sales representatives hand-deliver products directly to the hospitals, control of the products transfers to the customers upon such hand-delivery. For sales where products are shipped, control of the products transfers either upon shipment or delivery of the products to the customer, depending on the shipping terms and conditions. Revenue from product sales is comprised of product revenue, net of product returns, discounts, administrative fees and sales rebates. The Company has elected to account for shipping and handling activities that occur after the customer has obtained control as a fulfillment activity, and not a separate performance obligation.

Performance Obligation—The Company has revenue arrangements that consist of a single performance obligation, the shipping or delivery of the Company's products. The satisfaction of this performance obligation occurs with the transfer of control of the Company's product to its customers, either upon shipment or delivery of the product.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods. The amount of revenue recognized is based on the transaction price, which represents the invoiced amount, net of discounts, administrative fees and sales rebates, where applicable. The Company provides a standard 30-day unconditional right of return period. The Company establishes estimated provisions for returns at the time of sale based on historical experience. Historically, the actual product returns have been insignificant to the Company's condensed consolidated financial statements.

As of June 30, 2024 and December 31, 2023, the Company recorded $0.9 million and $1.2 million, respectively, of unbilled receivables, and $1.9 million and $1.3 million, respectively, of allowance for credit losses, which are included in accounts receivable, net, in the accompanying condensed consolidated balance sheets.

The Company disaggregates revenue between Venous Thromboembolism ("VTE") and Emerging Therapies. VTE comprises revenue from the sale of the Company's solutions addressing deep vein thrombosis and pulmonary embolism. Emerging Therapies comprises revenue from the sale of the Company's solutions addressing chronic venous disease, CLTI, acute limb ischemia and dialysis access management. Revenue from VTE and Emerging Therapies is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
VTE	$ 137,674	$ 114,086	$ 274,867	$ 228,144
Emerging Therapies	8,146	4,919	14,147	7,028
Total revenue	$ 145,820	$ 119,005	$ 289,014	$ 235,172

INARI MEDICAL, INC.
Notes to Unaudited Condensed Consolidated Financial Statements

Revenue from the Company's products by geographic area, based on the location where title transfers, is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
United States	$ 135,784	$ 113,802	$ 269,467	$ 225,648
International	10,036	5,203	19,547	9,524
Total revenue	$ 145,820	$ 119,005	$ 289,014	$ 235,172

The Company offers payment terms to its customers of less than three months and these terms do not include a significant financing component. The Company excludes taxes assessed by governmental authorities on revenue-producing transactions from the measurement of the transaction price.

The Company offers its standard warranty to all customers. The Company does not sell any warranties on a standalone basis. The Company's warranty provides that its products are free of material defects and conform to specifications, and includes an offer to repair, replace or refund the purchase price of defective products. This assurance does not constitute a service and is not considered a separate performance obligation. The Company estimates warranty liabilities at the time of revenue recognition and records it as a charge to cost of goods sold.

Costs associated with product sales include commissions which are recorded in selling, general and administrative ("SG&A") expenses. The Company applies the practical expedient and recognizes commissions as an expense when incurred because the amortization period is less than one year.

Equity Investments

The Company has strategic investments in certain privately held companies, with no readily determinable fair value. The Company elected the measurement alternative under which it measures these investments at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investments. The Company will monitor the information that becomes available from time to time and adjust the carrying values of these investments if there are identified events or changes in circumstances that have a significant adverse effect on the fair values or if there are observable changes in fair value. Impairment loss, which is generally the difference between the carrying value and the fair value of the investment, is recorded in other income (expense) in the consolidated statements of operations and comprehensive income (loss). As of June 30, 2024 and December 31, 2023, the Company's equity investments were $1.5 million and were included in deposits and other assets on the condensed consolidated balance sheets. There was no impairment loss recorded during the three and six months ended June 30, 2024 and 2023.

Significant Accounting Policies

As of June 30, 2024, there were no changes to the Company's significant accounting policies as described in its Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Recently Issued Not Yet Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting, Topic 280, which requires enhanced disclosures primarily around segment expenses for all public entities, including public entities with a single reportable segment. On an annual and interim basis, entities are required to disclose significant segment expenses that are regularly provided to the Chief Operating Decision Maker. The ASU is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of the new standard on its consolidated financial statements and related disclosures.

INARI MEDICAL, INC.
Notes to Unaudited Condensed Consolidated Financial Statements

In December 2023, FASB issued ASU 2023-09, Income Tax, Topic 740, which requires public companies to disclose specific categories in the rate reconciliation, disaggregate information related to income taxes paid, income or loss from operations before income tax expense or benefit, and income tax expense or benefit from operations. The ASU is effective for annual fiscal years beginning after December 15, 2024, with early adoption permitted. Amendments are applicable on a prospective basis with retrospective application permitted. The Company is currently evaluating the impact of the new standard on its consolidated financial statements and related disclosures.

Supplemental Cash Flow Information

Supplemental cash flow information includes the following (in thousands):

	Six Months Ended June 30,	
	2024	2023
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	$ 5,851	$ 1,437
Cash paid for interest	$ 112	$ 65
Noncash investing and financing:		
Lease liabilities arising from obtaining new right-of-use assets	$ 2,083	$ 1,030
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 70,125	$ 57,837
Restricted cash	67	—
Total cash, cash equivalents and restricted cash as shown in the statement of cash flows	$ 70,192	$ 57,837

3. BUSINESS COMBINATION

Acquisition of LimFlow S.A.

On November 15, 2023, the Company completed its acquisition of LimFlow, a medical device company focused on limb salvage for patients with CLTI. As a result of the acquisition, LimFlow's stockholders received as consideration (i) cash, and (ii) contingent consideration related to certain commercial and reimbursement milestones. The results of operations of LimFlow have been included in the condensed consolidated financial statements from the date of the acquisition.

During the three months ended June 30, 2024, the Company recorded an adjustment related to the finalization of the working capital, which reduced the consideration transferred and the acquisition date fair value of goodwill by $3.7 million.

The Company is in the process of finalizing the allocation of the purchase price. As a result, the fair value estimates assigned to the intangible asset, goodwill and the related tax impacts of the acquisition, among other items, are subject to change as additional information is received to complete the analysis. The Company expects to finalize the valuation as soon as practicable, but no later than one year after the acquisition date.

Purchase Price

The total purchase price as of the date of the acquisition consisted of the following (in thousands):

	As of November 15, 2023 As Adjusted
Cash	$ 238,279
Fair value of contingent consideration	65,931
Fair value of previously held investment	10,235
Total purchase price	$ 314,445

Contingent Consideration

The LimFlow stockholders can achieve up to $165.0 million of additional contingent consideration if certain commercial and reimbursement milestones are achieved, as outlined under the Contingent Payments section of the share purchase agreement with LimFlow. Such payments include (i) up to $140.0 million based on net revenue generated from the sale of the LimFlow System for the years 2024 through 2026 and (ii) up to $25.0 million based on the achievement of certain reimbursement milestones related to the LimFlow System.

The acquisition-date fair value of the contingent consideration was measured using a Monte Carlo simulation which represents Level 3 measurements because they are supported by little or no market activity and reflect the Company's assumptions in measuring fair value. Estimates and assumptions used in the fair value assessment included forecasted revenues for LimFlow, revenue risk premium, revenue volatility, operational leverage ratio, counterparty credit spread, and weighted average cost of capital. The Company has determined that the range of the potential payments on such contingencies is $65.9 million to $165.0 million. The fair value of the contingent consideration was $65.9 million as of the acquisition date.

Previously Held Investment

Prior to the acquisition, the Company held an investment in LimFlow, which represented approximately 3.7% of LimFlow's outstanding equity, and was recorded at cost minus impairment. Authoritative guidance on accounting for business combinations requires that an acquirer remeasure its previously held equity investment in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in earnings. In connection with acquiring the remaining 96.3% equity interest of LimFlow, the Company remeasured its previously held equity investment to its fair value, as of the date of acquisition, based on the fair value of total consideration transferred. Estimates and assumptions used in the remeasurement represent a Level 3 measurement because they are supported by little or no market activity and reflect the Company's assumptions in measuring the fair value. As a result of the remeasurement, the Company valued its previously held equity investment in LimFlow at $10.2 million and recognized a gain of $3.5 million, included in other income (expense) in the consolidated statements of operations and comprehensive income (loss) during the year ended December 31, 2023.

Transaction Costs

The transaction costs associated with the acquisition of LimFlow consisted primarily of legal and financial advisory fees of approximately $8.7 million in addition to $1.7 million of severance and integration related costs, which were expensed as incurred as SG&A expense during the year ended December 31, 2023.

Net Assets Acquired and Liabilities Assumed

The preliminary fair values of assets acquired and liabilities assumed were (in thousands):

	As of November 15, 2023 As Adjusted
Cash and cash equivalents	$ 1,582
Accounts receivable	919
Inventories	2,635
Property and equipment	266
Goodwill	204,078
Intangible asset	146,000
Other current and noncurrent assets	2,155
Accounts payable	(2,509)
Deferred tax liability	(36,500)
Other current and noncurrent liabilities	(4,181)
Total net assets acquired	$ 314,445

The preliminary fair value assigned to the intangible asset acquired was as follows (in thousands, except for estimated useful life which is in years):

	Fair value	Useful life
Developed technology	$ 146,000	15 years

The preliminary fair value assigned to identifiable intangible asset, the developed technology, acquired as part of the LimFlow acquisition, was estimated using the multi-period excess earnings method. Under this method, an intangible asset's fair value is equal to the present value of future economic benefits to be derived from ownership of the asset. The estimated fair value was developed by discounting future net cash flows to their present value at market-based rates of return. Such assumptions included forecasted revenues, cost of sales and operating expenses, technology obsolescence, and weighted average cost of capital. The useful life of the developed technology for amortization purposes was determined by considering the period of expected cash flows used to measure the fair values of the intangible asset adjusted as appropriate for entity-specific factors including competitive, economic and other factors that may limit the useful life. The developed technology asset will be amortized on a straight-line basis over its estimated useful life.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information summarizes the combined results of operations of the Company and LimFlow as if the companies had been combined as of the beginning of fiscal year 2023 (in thousands):

	Three Months Ended June 30,	Six Months Ended June 30,
	2023	2023
Revenue	$ 119,445	$ 236,091
Net loss	$ (8,478)	$ (22,207)

The unaudited pro forma financial information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved had the acquisition been completed at the beginning of the fiscal year ended December 31, 2023. In addition, the unaudited pro forma financial information is not a projection of future results of operations of the combined company nor does it reflect the expected realization of any synergies or cost savings associated with the acquisition. The unaudited pro forma financial information includes adjustments to reflect the elimination of intercompany transactions, incremental amortization of the identifiable intangible asset and elimination of the remeasurement the Company's previously held investment in LimFlow.

4. FAIR VALUE MEASUREMENTS

Investments in debt securities have been classified as available-for-sale and are carried at estimated fair value as determined based upon quoted market prices or pricing models for similar securities. As of June 30, 2024, all of the Company's investments in debt securities had maturities of less than 12 months and were classified as short-term investments on the condensed consolidated balance sheets.

The following tables summarize the Company's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as of June 30, 2024 and December 31, 2023 (in thousands):

	June 30, 2024			
	Level 1	Level 2	Level 3	Aggregate Fair Value
Financial Assets				
Cash and cash equivalents:				
Money market mutual funds	$ 37,085	$ —	$ —	$ 37,085
Total included in cash and cash equivalents	37,085	—	—	37,085
Investments:				
U.S. treasury securities	39,547	—	—	39,547
Total included in short-term investments	39,547	—	—	39,547
Total financial assets	$ 76,632	$ —	$ —	$ 76,632
Financial Liability				
Contingent consideration	$ —	$ —	$ 77,962	$ 77,962
Total financial liabilities	$ —	$ —	$ 77,962	$ 77,962

	December 31, 2023			
	Level 1	Level 2	Level 3	Aggregate Fair Value
Financial Assets				
Cash and cash equivalents:				
Money market mutual funds	$ 2,753	$ —	$ —	$ 2,753
Total included in cash and cash equivalents	2,753	—	—	2,753
Investments:				
U.S. treasury securities	41,685	—	—	41,685
U.S. government agencies	—	26,238	—	26,238
Corporate debt securities and commercial paper	—	8,932	—	8,932
Total included in short-term investments	41,685	35,170	—	76,855
Total financial assets	$ 44,438	$ 35,170	$ —	$ 79,608
Financial Liability				
Contingent consideration	$ —	$ —	$ 65,931	$ 65,931
Total financial liabilities	$ —	$ —	$ 65,931	$ 65,931

There were no transfers between Levels 1, 2 or 3 for the periods presented.

Contingent payments are related to the acquisition of LimFlow and consist of commercial and reimbursement milestones, which were valued using a Monte Carlo simulation and probability weighted discounted cash flow analysis, respectively, and represent Level 3 measurements because they are based upon significant unobservable inputs such as forecasted revenues of LimFlow, revenue risk premium, revenue volatility, operational leverage ratio, credit risk, weighted average cost of capital, and probability assumptions in achieving certain milestones.

The following table summarizes the changes in the estimated fair value of the Company’s contingent consideration liabilities (in thousands):

	Contingent Consideration Fair Value
Balance as of December 31, 2023	$ 65,931
Change in estimated fair value	12,031
Balance as of June 30, 2024	$ 77,962

The fair value of the contingent consideration was $78.0 million as of June 30, 2024, of which $33.9 million was recorded within accrued expenses and other current liabilities and $44.1 million was recorded within other long-term liabilities, and $65.9 million as of December 31, 2023 which was recorded within other long-term liabilities. The change in estimated fair value of contingent consideration was recorded in operating expenses within the condensed consolidated statements of operations and comprehensive income (loss).

5. CASH EQUIVALENTS AND INVESTMENTS

The following is a summary of the Company's cash equivalents and investments in debt securities as of June 30, 2024 and December 31, 2023 (in thousands):

	June 30, 2024			
	Amortized Cost Basis	Unrealized Gain	Unrealized Loss	Fair Value
Financial Assets				
Cash and cash equivalents:				
Money market mutual funds	$ 37,085	$ —	$ —	$ 37,085
Total included in cash and cash equivalents	37,085	—	—	37,085
Investments:				
U.S. treasury securities	39,551	1	(5)	39,547
Total included in short-term investments	39,551	1	(5)	39,547
Total financial assets	$ 76,636	$ 1	$ (5)	$ 76,632

	December 31, 2023			
	Amortized Cost Basis	Unrealized Gain	Unrealized Loss	Fair Value
Financial Assets				
Cash and cash equivalents:				
Money market mutual funds	$ 2,753	$ —	$ —	$ 2,753
Total included in cash and cash equivalents	2,753	—	—	2,753
Investments:				
U.S. treasury securities	41,672	13	—	41,685
U.S. government agencies	26,248	—	(10)	26,238
Corporate debt securities and commercial paper	8,935	—	(3)	8,932
Total included in short-term investments	76,855	13	(13)	76,855
Total financial assets	$ 79,608	$ 13	$ (13)	$ 79,608

The Company regularly reviews any changes to the rating of its debt securities and reasonably monitors the surrounding economic conditions to assess the risk of expected credit losses. As of June 30, 2024, the risk of expected credit losses was not significant.

6. INVENTORIES, NET

Inventories, net of reserves, consist of the following (in thousands):

	June 30, 2024	December 31, 2023
Raw materials	$ 19,826	$ 14,310
Work-in-process	6,238	5,330
Finished goods	23,295	23,260
Total inventories, net	$ 49,359	$ 42,900

7. PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following (in thousands):

	June 30, 2024	December 31, 2023
Manufacturing equipment	$ 17,650	$ 16,653
Computer hardware	6,481	5,641
Assets in progress	5,637	3,135
Leasehold improvements	4,846	4,682
Furniture and fixtures	4,663	4,491
Total property and equipment, gross	39,277	34,602
Accumulated depreciation	(16,272)	(13,673)
Total property and equipment, net	$ 23,005	$ 20,929

Depreciation expense of $1.1 million was included in operating expenses and $0.3 million was included in cost of goods sold for the three months ended June 30, 2024 and 2023, respectively. Depreciation expense of $2.2 million was included in operating expenses for the six months ended June 30, 2024 and 2023, and $0.6 million and $0.5 million was included in cost of goods sold for the six months ended June 30, 2024 and 2023, respectively.

8. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The changes in carrying amount of goodwill were as follows (in thousands):

	June 30, 2024
Balance as of December 31, 2023	$ 214,335
Working capital adjustment	(3,722)
Foreign currency translation adjustments	(6,212)
Balance as of June 30, 2024	$ 204,401

The working capital adjustment relates to the acquisition of LimFlow. See Note 3. Business Combination for additional information.

Intangible Assets

The intangible assets consist of the following (in thousands):

	June 30, 2024		
	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net
Developed technology	$ 146,229	$ (6,093)	$ 140,136
Capitalized software[(a)]	2,970	—	2,970
Total intangible assets, net	$ 149,199	$ (6,093)	$ 143,106

	December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net
Developed technology	$ 150,649	$ (1,256)	$ 149,393
Capitalized software[(a)]	1,491	—	1,491
Total intangible assets, net	$ 152,140	$ (1,256)	$ 150,884

(a) The useful life of the capitalized software will be determined once the asset is put into service. No amortization expense has been recorded related to the capitalized software during the three and six months ended June 30, 2024 and 2023.

The gross carrying amount and the accumulated amortization of the developed technology asset is subject to foreign currency translation effects. During the three and six months ended June 30, 2024, $2.4 million and $4.9 million, respectively, of amortization expense was recorded in operating expenses within the condensed consolidated statements of operations and comprehensive income (loss) related to the developed technology asset. There were no intangible assets and no amortization recorded for the three and six months ended June 30, 2023.

The estimated future annual amortization of the intangible assets in service is as follows (in thousands):

Year ending December 31:	Amount
Remainder of 2024	$ 4,874
2025	9,749
2026	9,749
2027	9,749
2028	9,749
Thereafter	96,266
Total	$ 140,136

9. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company has operating leases for facilities and certain equipment. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheet. Lease expense for operating leases is recognized on a straight-line basis over the lease term. For lease agreements, other than long-term real estate leases, the Company combines lease and non-lease components. The variable lease payments primarily relate to common area maintenance, property taxes, and insurance. The operating leases for facilities expire at various dates through July 2041 and some contain renewal options, the longest of which is for five years. The ROU asset and lease liability includes renewal options if the Company is reasonably certain to exercise such renewal options.

The interest rate implicit in lease agreements is typically not readily determinable, and as such the Company used the incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The incremental borrowing rate is defined as the interest rate the Company would incur to borrow on a collateralized basis, considering factors such as length of lease term.

The following table presents the weighted average remaining lease term and discount rate:

	June 30,	
	2024	2023
Weighted average remaining term (in years)	16.4	18.5
Weighted average discount rate	6.1 %	6.1 %

Cash paid for amounts included in the measurement of operating leases were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cash paid for amounts included in the measurement of operating lease liabilities	$ 944	$ 852	$ 1,826	$ 1,698

Total lease costs are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating lease cost	$ 1,369	$ 1,139	$ 2,544	$ 2,319
Short-term lease cost	35	34	70	63
Variable lease cost	279	247	584	407
Total lease costs	$ 1,683	$ 1,420	$ 3,198	$ 2,789

Future minimum lease payments under operating leases liabilities as of June 30, 2024 are as follows (in thousands):

Year ending December 31:	Amount
Remainder of 2024	$ 2,090
2025	3,645
2026	3,542
2027	3,627
2028	3,430
Thereafter	36,017
Total lease payments	52,351
Less imputed interest	(19,202)
Total lease liabilities	33,149
Less: lease liabilities - current portion	(1,918)
Lease liabilities - noncurrent portion	$ 31,231

The Company signed a ten-year lease in Costa Rica for its second manufacturing facility in October 2023, with total undiscounted contractual payments of the lease of approximately $7.2 million, which is expected to commence in the fourth quarter of 2024.

Indemnification

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and may provide for general indemnifications. The Company’s exposure under these agreements is unknown because it involves claims that may be made against the Company in the future but have not yet been made. To date, the Company has not been subject to any claims or required to defend any action related to its indemnification obligations.

The Company’s amended and restated certificate of incorporation contains provisions limiting the liability of directors, and its amended and restated bylaws provide that the Company will indemnify each of its directors to the fullest extent permitted under Delaware law. The Company’s amended and restated certificate of incorporation and amended and restated bylaws also provide its board of directors with discretion to indemnify its officers and employees when determined appropriate by the board. In addition, the Company has entered and expects to continue to enter into agreements to indemnify its directors and executive officers.

Legal Proceedings

From time to time, the Company is involved in various claims and proceedings arising in the ordinary course of its business. Management does not believe that any existing claims and proceedings, including potential losses relating to such contingencies, will have a material adverse effect on its consolidated financial position, results of operations or cash flows.

Civil Investigative Demand

In December 2023, the Company received a civil investigative demand (“CID”) from the U.S. Department of Justice, Civil Division, in connection with an investigation under the federal Anti-Kickback Statute and Civil False Claims Act (the “Investigation”). The CID requests information and documents primarily relating to meals and consulting service payments provided to health care professionals. The Company is cooperating with the Investigation. The Company is unable to express a view at this time regarding the likely duration, or ultimate outcome, of the Investigation or estimate the possibility of, or amount or range of, any possible financial impact. Depending on the outcome of the Investigation, there may be a material impact on the Company’s business, results of operations, or financial condition.

Patent Litigation

On May 22, 2024, the Company filed a patent infringement lawsuit against Imperative Care, Inc. (“Imperative Care”) and Truvic Medical, Inc. (“Truvic”) in the United States District Court for the Northern District of California, alleging that Imperative Care's Symphony Thrombectomy System infringes eight patents related to mechanical thrombectomy devices used for treating pulmonary emboli and deep vein thrombosis. On July 9, 2024, the Company filed an amended complaint to allege infringement of an additional, ninth patent, and to drop Truvic as a named defendant because Imperative Care confirmed that Truvic has been merged into Imperative Care. In the complaint, the Company seeks injunctive relief and damages for the alleged infringement. On July 24, 2024, the Company filed a motion for a preliminary injunction seeking to enjoin Imperative Care's sale or use, among other activities, of the Symphony Thrombectomy System outside of clinical trials.

Securities Class Action

On May 13, 2024, purported stockholder Michiana Area Electrical Workers' Pension Fund filed a verified class action complaint on behalf of itself and similarly situated Inari stockholders in the United States District Court for the Southern District of New York, captioned Michiana Area Elec. Workers' Pension Fund v. Inari Medical, Inc., No. 1:24-cv-03686-JHR (the "MAEW Action"). On June 18, 2024, purported stockholder Paul Hartmann filed a verified class action complaint on behalf of himself and similarly situated Inari stockholders in the United States District Court for the Southern District of New York, captioned Hartmann v. Inari Medical, Inc., No. 1:24-cv-04662-JHR (the "Hartmann Action" and together with the MAEW Action, the "Related Actions"). Each of the Related Actions alleges the Company and certain of its officer and directors violated Sections 10(b) and 20(a) of the Securities Exchange Act by making false or misleading statements regarding the Company's revenue and expenses.

On July 12, 2024, a group of pension funds consisting of Oklahoma Law Enforcement Retirement Systems, Local 353, I.B.E.W. Pension Fund, and City of Pontiac Reestablished General Employees' Retirement System, Mr. Hartmann, and purported stockholder Arvin Nazerzadeh-Yazdi, each filed motions seeking to consolidate the Related Actions, be appointed lead plaintiff, and have their counsel appointed lead counsel. The matter is at a preliminary stage.

The Company believes that these complaints are without merit and intends to defend against them vigorously.

10. CONCENTRATIONS

The Company's revenue is derived primarily from the sale of catheter-based therapeutic devices in the United States. For the three and six months ended June 30, 2024 and 2023, there were no customers which accounted for more than 10% of the Company's revenue. As of June 30, 2024 and December 31, 2023, there were no customers that accounted for more than 10% of the Company's accounts receivable.

No vendor accounted for more than 10% of the Company's purchases for the three and six months ended June 30, 2024 and 2023. There were no vendors that accounted for more than 10% of the Company's accounts payable as of June 30, 2024 and December 31, 2023.

11. RELATED PARTY

The Company utilizes MRI The Hoffman Group ("MRI"), a recruiting services company owned by the brother of the former Chief Executive Officer and President and current member of the board of directors of the Company. The Company paid for recruiting services provided by MRI amounting to $21,000 and $50,000 for the three months ended June 30, 2024 and 2023, respectively, and $31,000 and $80,000 for the six months ended June 30, 2024 and 2023, respectively, which was recorded in SG&A expenses within the condensed consolidated statements of operations and comprehensive income (loss). As of June 30, 2024 and December 31, 2023, there was no balance payable to MRI.

12. CREDIT FACILITY

Bank of America Credit Facility

On December 16, 2022, the Company amended its senior secured revolving credit facility with Bank of America (the "Previously Amended Credit Agreement") under which the Company may borrow loans up to a maximum principal amount of $40.0 million and increase the optional accordion to $120.0 million.

Advances under the Previously Amended Credit Agreement will bear interest at a base rate per annum (“the Base Rate”) plus an applicable margin (the “Margin”). The Base Rate equals the greater of (i) the Prime Rate, (ii) the Federal funds rate plus 0.50%, or (iii) the Bloomberg Short-Term Bank Yield Index (“the BSBY”) rate based upon an interest period of one month plus 1.00%, in any case has a floor of 0%. The Margin ranges, depending on average daily availability, from 0.50% to 1.00% in the case of Prime Rate and the Federal funds rate loans, and 1.50% to 2.00% in the case of BSBY Rate loans. As a condition to entering into the Previously Amended Credit Agreement, the Company was obligated to pay a nonrefundable fee of $10,000. The Company is also required to pay an unused line fee at an annual rate of 0.25% per annum of the average daily unused portion of the aggregate revolving credit commitments under the Previously Amended Credit Agreement.

The Previously Amended Credit Agreement also includes a Letter of Credit subline facility (the “LC Facility”) of up to $5.0 million. In February 2023, the Company amended the LC Facility to increase the limit to up to $10.0 million. The Company is required to pay the following fees under the LC Facility: (a) a fee equal to the applicable margin in effect for BSBY loans (currently 2.25%) times the average daily stated amount of outstanding letters of credit; and (b) a fronting fee equal to 0.125% per annum on the stated amount of each letter of credit outstanding.

On November 1, 2023, the Company further amended its credit facility (the “Amended Credit Agreement”) to, among other things, increase the amount available for borrowing to up to a maximum principal amount of $75.0 million. Additionally, advances under the Amended Credit Agreement will bear interest at the Base Rate or the BSBY rate, plus the Margin. The Margin ranges from 0.60% to 1.10% in the case of the Base Rate loans and 1.60% to 2.10% in the case of the BSBY rate loans depending on average daily availability, in each case with a floor of 0%. As a condition of entering into the Amended Credit Agreement, the Company was obligated to pay a nonrefundable fee of $88,000. Lastly, the Company amended the LC Facility to increase the limit up to $18.8 million. This amendment was accounted for as a debt modification in accordance ASC 470, *Debt*.

The Amended Credit Agreement contains certain customary covenants subject to certain exceptions, including, among others, the following: a fixed charge coverage ratio covenant, and limitations of indebtedness, liens, investments, asset sales, mergers, consolidations, liquidations, dispositions, restricted payments, transactions with affiliates and prepayments of certain debt. The Amended Credit Agreement also contains certain events of default subject to certain customary grace periods, including, among others, payment defaults, breaches of any representation, warranty or covenants, judgment defaults, cross defaults to certain other contracts, bankruptcy and insolvency defaults, material judgment defaults and a change of control default.

As of June 30, 2024, the amount available to borrow under the Amended Credit Agreement is approximately $66.4 million, and the Company had four letters of credit in the aggregated amount of $2.4 million outstanding under the LC Facility. The aggregate stated amount outstanding of letter of credits reduces the total borrowing base available under the Amended Credit Agreement.

As of June 30, 2024, there was no principal amount outstanding, and no cash was pledged under the Amended Credit Agreement, and the Company was in compliance with its covenant requirements. Obligations under the Amended Credit Agreement are secured by substantially all of the Company’s assets, excluding intellectual property. The Amended Credit Agreement matures on December 16, 2027.

Deferred Financing Costs

Costs incurred directly related to debt are presented in other assets and are being amortized over the five-year life of the Credit Agreement on the straight-line basis. The unamortized deferred financings costs as of June 30, 2024 and December 31, 2023 are as follows (in thousands):

	June 30, 2024	December 31, 2023
Deferred financing costs	$ 729	$ 1,454
Accumulated amortization	(425)	(382)
Unamortized deferred financing costs	$ 304	$ 1,072

13. STOCKHOLDERS' EQUITY

Accumulated Other Comprehensive Income (Loss)

The following is a summary of the changes in accumulated balances of other comprehensive income (loss) for the six months ended June 30, 2024 and 2023 (in thousands):

	Unrealized Loss on Investments	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss)
Balance, December 31, 2023	$ (9)	$ 8,894	$ 8,885
Other comprehensive loss	(4)	(7,359)	(7,363)
Balance, March 31, 2024	(13)	1,535	1,522
Other comprehensive loss	—	(2,359)	(2,359)
Balance, June 30, 2024	$ (13)	$ (824)	$ (837)

	Unrealized Gain (Loss) on Investments	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss)
Balance, December 31, 2022	$ 1,820	$ (971)	$ 849
Other comprehensive loss	(865)	9	(856)
Balance, March 31, 2023	955	(962)	(7)
Other comprehensive loss	(1,095)	(79)	(1,174)
Balance, June 30, 2023	$ (140)	$ (1,041)	$ (1,181)

14. EQUITY INCENTIVE PLANS

In 2011, the Company adopted the 2011 Equity Incentive Plan (the "2011 Plan") to permit the grant of share-based awards, such as stock grants and incentives and non-qualified stock options to employees and directors. The Board has the authority to determine to whom awards will be granted, the number of shares, the term and the exercise price.

In March 2020, the Company adopted the 2020 Incentive Award Plan (the "2020 Plan"), which became effective in connection with the Company's initial public offering in May 2020. As a result, the Company may not grant any additional awards under the 2011 Plan. The 2011 Plan will continue to govern outstanding equity awards granted thereunder. In addition, the number of shares of common stock reserved for issuance under the 2020 Plan will automatically increase on the first day of January for a period of up to ten years, commencing on January 1, 2021, in an amount equal to 3% of the total number of shares of the Company's capital stock outstanding on the last day of the preceding year, or a lesser number of shares determined by the Company's board of directors. As of June 30, 2024, there were 7,207,309 shares available for issuance under the 2020 Plan, including 1,732,872 additional shares reserved effective January 1, 2024.

2011 Equity Incentive Plan

Stock Options

A summary of stock option activity under the 2011 Plan for the six months ended June 30, 2024 is as follows (intrinsic values in thousands):

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Intrinsic Value
Outstanding, December 31, 2023	937,696	$ 2.24	5.2	$ 58,778
Exercised	(129,436)	1.76		$ 6,391
Cancelled	(29)	9.05		
Outstanding, June 30, 2024	808,231	2.31	4.8	$ 37,047
Vested and exercisable at June 30, 2024	808,231	2.31	4.8	$ 37,047
Vested and expected to vest at June 30, 2024	808,231	$ 2.31	4.8	$ 37,047

The aggregate intrinsic values of options outstanding, vested and exercisable, and vested and expected to vest were calculated as the difference between the exercise price of the options and the estimated fair market value of the Company's common stock.

2020 Incentive Award Plan

Restricted Stock Units

Restricted stock units ("RSUs") are share awards that entitle the holder to receive freely tradable shares of the Company's common stock upon vesting. The RSUs cannot be transferred and the awards are subject to forfeiture if the holder's employment terminates prior to the release of the vesting restrictions. The RSUs generally vest over a four-year period with straight-line vesting and a 25% one-year cliff or over a three-year period in equal amounts on a quarterly basis, provided the employee remains continuously employed with the Company. The fair value of the RSUs is equal to the closing price of the Company's common stock on the grant date.

RSU activity under the 2020 Plan is set forth below:

	Number of Awards	Weighted Average Fair Value
Outstanding, December 31, 2023	1,307,998	$ 67.91
Granted	886,968	47.08
Vested	(302,237)	68.85
Cancelled	(68,074)	62.46
Outstanding, June 30, 2024	1,824,655	$ 58.02

The total fair value of RSUs vested under the 2020 Plan was $8.2 million and $8.9 million for the three months ended June 30, 2024 and 2023, respectively, and $16.2 million and $14.1 million for the six months ended June 30, 2024 and 2023, respectively.

Performance Stock Units

During the six months ended June 30, 2024, the Company granted performance stock units ("PSUs") to certain employees that are eligible to vest three years from the award date, based on achieving certain revenue based performance targets. The number of shares that may be earned can range from 0% to 200% of the target amount. The fair value of PSUs is determined by the closing stock price of the Company's common stock on the awards' grant date. The share-based compensation expense associated with PSUs is recognized on a straight-line basis based on the estimated number of awards that are expected to vest. At each reporting period, the Company monitors the probability of achieving the performance targets and adjusts the share-based compensation expense associated with PSUs accordingly.

PSU activity under the 2020 Plan is set forth below:

	Number of Awards	Weighted Average Fair Value
Outstanding, December 31, 2023	—	$ —
Granted	90,488	55.48
Outstanding, June 30, 2024	90,488	$ 55.48

Stock Options

The Company grants non-qualified stock options to certain employees with vesting over a four-year period on a quarterly basis. The fair value of the stock options was calculated using the Black-Scholes option pricing model. The fair value for options granted was calculated using the following weighted average assumptions:

	Six Months Ended June 30,	
	2024	2023
Expected term (in years)	4.5	4.6
Expected volatility	48.7% to 48.9%	50.4%
Dividend yield	0.0%	0.0%
Risk free interest rate	4.2% to 4.3%	4.1%
Weighted-average fair value of options granted	$24.89 per share	$25.98 per share

A summary of stock option activities under the 2020 Plan for the six months ended June 30, 2024 is as follows (intrinsic values in thousands):

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Intrinsic Value
Outstanding, December 31, 2023	166,203	$ 56.00	6.1	$ 1,483
Granted	210,188	54.83		
Exercised	(270)	56.00		$ —
Cancelled	(7,157)	56.00		
Outstanding, June 30, 2024	368,964	55.33	6.2	$ 218
Vested and exercisable at June 30, 2024	63,571	55.76	5.7	$ 14
Vested and expected to vest at June 30, 2024	339,566	$ 55.35	6.2	$ 195

Employee Stock Purchase Plan

In May 2020, the Company adopted the 2020 Employee Stock Purchase Plan ("ESPP"), which became effective on the date the ESPP was adopted by the Company's board of directors. Each offering to the employees to purchase stock under the ESPP will begin on each August 1 and February 1 and will end on the following January 31 and July 31, respectively. The first offering period began on August 1, 2020. On each purchase date, which falls on the last date of each offering period, ESPP participants will purchase shares of common stock at a price per share equal to 85% of the lesser of (1) the fair market value per share of the common stock on the offering date or (2) the fair market value of the common stock on the purchase date. The occurrence and duration of offering periods under the ESPP are subject to the determinations of the Compensation Committee, in its sole discretion. The number of shares available for issuance under the ESPP increases automatically on January 1 of each calendar year of the Company beginning in 2021 and ending in 2030, in an amount equal to the lesser of (i) 1% of the aggregate number of outstanding shares of the Company's common stock on the final day of the immediately preceding calendar year and (ii) such smaller number of shares determined by the Company's board of directors.

The fair value of the ESPP shares is estimated using the Black-Scholes option pricing model with the following assumptions:

	Six Months Ended June 30,	
	2024	2023
Expected term (in years)	0.5	0.5
Expected volatility	60.8%	49.9%
Dividend yield	0.0%	0.0%
Risk free interest rate	5.2%	4.8%

As of June 30, 2024, a total of (i) 505,925 shares of common stock, including 82,816 shares purchased in January 2024, have been purchased under the ESPP, and (ii) 2,598,437 shares of common stock are reserved under the ESPP for future purchases, including 577,624 additional shares, which were automatically added to the reserve on January 1, 2024 pursuant to the terms of the ESPP.

Share-based Compensation Expense

Total compensation cost for all share-based payment arrangements recognized, including $1.3 million and $1.2 million for the three months ended June 30, 2024 and 2023, respectively, and $2.3 million and $2.2 million for the six months ended June 30, 2024 and 2023, respectively, of share-based compensation expense related to the ESPP, was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of goods sold	$ 525	$ 420	$ 1,033	$ 839
Research and development	1,804	1,697	3,568	3,393
Selling, general and administrative	10,710	8,236	21,308	16,460
Total share-based compensation expense	$ 13,039	$ 10,353	$ 25,909	$ 20,692

Total compensation costs as of June 30, 2024 related to all non-vested awards to be recognized in future periods was $93.7 million and is expected to be recognized over the remaining weighted average period of 2.7 years.

15. INCOME TAXES

The following table reflects the Company's provision for income taxes for the periods indicated (in thousands, except for percentages):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(Loss) income before income taxes	$ (21,422)	$ 3,024	$ (37,509)	$ 1,830
Provision for income taxes	9,926	939	18,041	1,963
Net (loss) income	$ (31,348)	$ 2,085	$ (55,550)	$ (133)
Provision for income taxes as a percentage of (loss) income before income taxes	(46.3%)	31.1%	(48.1%)	107.3 %

The effective tax rate for all periods is driven by pre-tax income/(loss), business credits, equity compensation, state taxes, and the change in valuation allowance. The Company's income tax provision for interim reporting periods historically has been calculated by applying an estimate of the annual effective income tax rate for the full year to "ordinary" income (loss) for the interim reporting period. In addition, the tax effects of certain significant or unusual items are recognized discretely in the quarter in which they occur. For the six months ended June 30, 2024 and June 30, 2023, the Company calculated the income tax provision using this methodology.

Beginning in 2024, many countries are implementing some or all of the Organization for Economic Co-operation and Development's Base Erosion and Profit Shifting Two-Pillar in response to tax challenges arising from the digitalization of the global economy. While we continue to evaluate those countries' implementations, we do not expect those implementations to have a material impact on our consolidated financial statements in 2024.

Valuation Allowance

ASC 740, *Income Taxes* requires that the tax benefit of net operating losses, or ("NOLs"), temporary differences and credit carryforwards be recorded as an asset to the extent that management assesses that realization is "more likely than not". Realization of the future tax benefits is dependent on the Company's ability to generate sufficient taxable income within the carryback or carryforward periods. As of December 31, 2023, the Company was in a net deferred tax liability position due to the LimFlow acquisition. However, a valuation allowance was maintained against certain deferred tax assets. As of June 30, 2024, the Company believes that the net deferred tax assets are currently not considered more likely than not to be realized and, accordingly, maintains a valuation allowance against certain deferred tax assets. The Company will continue to assess its position on the realizability of its deferred tax assets, until such time as sufficient positive evidence may become available to allow the Company to reach a conclusion that a significant portion of the valuation allowance will no longer be needed. Any release of the valuation allowance will result in a material benefit recognized in the quarter of release.

Uncertain Tax Positions

The Company has recorded uncertain tax positions related to its federal and California research and development credit carryforwards. No interest or penalties have been recorded related to the uncertain tax positions due to credit carryforwards that are available to offset the uncertain tax positions. It is not expected that there will be a significant change in the uncertain tax position in the next 12 months. The Company is subject to U.S. federal and state income tax as well as to income tax in various foreign jurisdictions. In the normal course of business, the Company is subject to examination by tax authorities. As of the date of the financial statements, there are no income tax examinations in progress. The statute of limitations for tax years ended after December 31, 2020, December 31, 2019, and December 31, 2020 are open for federal, state, and foreign tax purposes, respectively.

16. RETIREMENT PLAN

In December 2017, the Company adopted the Inari Medical, Inc. 401(k) Plan which allows eligible employees after one month of service to contribute pre-tax and Roth contributions to the plan, as allowed by law. The plan assets are held by Vanguard and the plan administrator is Ascensus Trust Company. Beginning in January 2021, the Company contributed a $1.00 match for every $1.00 contributed by a participating employee up to the greater of $3,000 or 4% of eligible compensation under the plan, with such Company's contributions becoming fully vested immediately. On January 1, 2024, the plan was amended to provide that the Company contributes a $1.00 match for every $1.00 contributed by a participating employee for up to 5% of eligible compensation. The plan also includes a limit of $15,000 per individual of employer match, with such Company’s contributions becoming fully vested immediately. Matching contribution expense was $3.4 million and $2.2 million for the three months ended June 30, 2024 and 2023, respectively, and $7.5 million and $4.9 million for the six months ended June 30, 2024 and 2023, respectively.

17. NET INCOME (LOSS) PER SHARE

Basic net income (loss) per share is computed by dividing the net income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period, without consideration for potential dilutive common shares. Diluted net income (loss) per share is computed using the treasury stock method by dividing the net income (loss) attributable to common stockholders by the weighted average number of shares of common stock and potentially dilutive securities outstanding for the period. For purposes of the diluted net income (loss) per share calculation, shares from common stock options and equity awards are potentially dilutive securities. For the periods the Company is in a net loss position, basic net loss per share is the same as diluted net loss per share as the inclusion of all potential dilutive common shares would have been anti-dilutive.

The components of net (loss) income per share are as follows (in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net (loss) income	$ (31,348)	$ 2,085	$ (55,550)	$ (133)
Denominator:				
Weighted average number of common shares outstanding - basic	58,142,454	57,207,902	58,040,069	55,988,736
Common stock equivalents from outstanding equity grants	—	1,159,523	—	—
Common stock equivalents from unvested RSUs and PSUs	—	112,249	—	—
Common stock equivalents from ESPP	—	16,676	—	—
Weighted average number of common shares outstanding - diluted	58,142,454	58,496,350	58,040,069	55,988,736
Net (loss) income per share:				
Basic	$ (0.54)	$ 0.04	$ (0.96)	$ (0.00)
Diluted	$ (0.54)	$ 0.04	$ (0.96)	$ (0.00)

INARI MEDICAL, INC.
Notes to Unaudited Condensed Consolidated Financial Statements

The following outstanding potentially dilutive common stock equivalents have been excluded from the calculation of diluted net loss per share due to their anti-dilutive effect:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Stock options	1,177,195	175,961	1,177,195	1,338,592
Equity awards	1,915,143	560,346	1,915,143	2,408,633
Total potentially dilutive common stock equivalents excluded from calculation due to anti-dilutive effect	3,092,338	736,307	3,092,338	3,747,225

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our audited financial statements and related notes thereto for the year ended December 31, 2023, included in our Annual Report on Form 10-K for the year ended December 31, 2023. In addition to historical financial information, the following discussion contains forward-looking statements that are based upon current plans, expectations and beliefs that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023. Please also see the section titled "Cautionary Note Regarding Forward-Looking Statements" herein.

OVERVIEW

Patients first. No small plans. Take care of each other. These are the guiding principles that form the ethos of Inari Medical. We are committed to improving lives in extraordinary ways by creating innovative solutions for both unmet and underserved health needs. In addition to our purpose-built solutions, we leverage our capabilities in education, clinical research, and program development to improve patient outcomes. We are passionate about our mission to establish our treatments as the standard of care for venous disease, including venous thromboembolism ("VTE"), and four other disease states. We are just getting started.

We purpose build a variety of medical products, including minimally invasive, novel, catheter-based mechanical thrombectomy devices and their accessories to address the unique characteristics of specific disease states. In addition, in November 2023, we acquired LimFlow, a medical device company focused on limb salvage for patients with chronic limb-threatening ischemia ("CLTI"). CLTI is an advanced stage of peripheral artery disease that is associated with increased mortality, risk of amputation and impaired quality of life. The LimFlow system utilizes transcatheter arterialization of deep veins to bypass blocked arteries in the leg and deliver oxygenated blood back into the foot via the veins in CLTI patients. The results of operations of LimFlow have been included in our condensed consolidated financial statements from the date of the acquisition.

During the quarter ended June 30, 2024, we launched VenaCore, which is a multi-purpose device for the treatment of acute and chronic deep vein thrombosis ("DVT"). Together, our devices and systems provide solutions to address the following disease states: DVT, pulmonary embolism, chronic venous disease, CLTI, acute limb ischemia and dialysis access management.

We believe our mission-focused and highly-trained commercial organization provides a significant competitive advantage. Our most important relationships are between our sales representatives and our treating physicians, which include interventional cardiologists, interventional radiologists and vascular surgeons. We recruit sales representatives who have substantial and applicable medical device and/or sales experience. Our front-line sales representatives typically attend procedures, which puts us at the intersection of the patients and physicians. We have developed systems and processes to harness the information gained from these relationships and we leverage this information to rapidly iterate our solutions, introduce and execute physician education and training programs and scale our sales organization. We market and sell our solutions to hospitals, which are reimbursed by various third-party payors.

As of June 30, 2024, we had cash, cash equivalents, restricted cash and short-term investments of $109.7 million, no long-term debt outstanding and an accumulated deficit of $104.0 million.

For the three months ended June 30, 2024, we generated $145.8 million in revenues with a gross margin of 86.3% and net loss of $31.3 million, as compared to revenues of $119.0 million with a gross margin of 88.4% and net income of $2.1 million for the three months ended June 30, 2023.

For the six months ended June 30, 2024, we generated $289.0 million in revenues with a gross margin of 86.5% and net loss of $55.6 million, as compared to revenues of $235.2 million with a gross margin of 88.3% and net loss of $0.1 million for the six months ended June 30, 2023.

Revenue

We derived substantially all our revenue from the sale of our VTE and Emerging Therapy products directly to hospitals. Our customers typically purchase our products through an initial stocking order, and then reorder replenishment inventory as procedures are performed. No single customer accounted for 10% or more of our revenue during the three and six months ended June 30, 2024 and 2023. We expect our revenue to increase in absolute dollars as we expand our offerings, grow the sales organization and sales territories, add customers, expand the base of physicians who gain experience with using our products, expand awareness of our products with new and existing customers and as physicians perform more procedures using our products.

We disaggregate revenue between VTE and Emerging Therapies markets. VTE comprises revenue from the sale of our solutions addressing DVT and pulmonary embolism. Emerging Therapies comprises revenue from the sale of our solutions addressing chronic venous disease, CLTI, acute limb ischemia and dialysis access management. Revenue from VTE and Emerging Therapies were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
VTE	$ 137,674	$ 114,086	$ 274,867	$ 228,144
Emerging Therapies	8,146	4,919	14,147	7,028
Total revenue	$ 145,820	$ 119,005	$ 289,014	$ 235,172

RESULTS OF OPERATIONS

Comparison of the three months ended June 30, 2024 and 2023

The following table sets forth our results of operations in dollars and as percentage of revenue for the periods presented (dollars in thousands):

	Three Months Ended June 30,				
	2024	%	2023	%	Change $
Revenue	$ 145,820	100.0 %	$ 119,005	100.0 %	$ 26,815
Cost of goods sold	19,993	13.7 %	13,844	11.6 %	6,149
Gross profit	125,827	86.3 %	105,161	88.4 %	20,666
Operating expenses					
Research and development	24,905	17.1 %	21,085	17.7 %	3,820
Selling, general and administrative	114,153	78.3 %	85,586	71.9 %	28,567
Change in fair value of contingent consideration	5,728	3.9 %	—	— %	5,728
Amortization of intangible asset	2,449	1.7 %	—	— %	2,449
Acquisition-related expenses	1,036	0.7 %	—	— %	1,036
Total operating expenses	148,271	101.7 %	106,671	89.6 %	41,600
Loss from operations	(22,444)	(15.4)%	(1,510)	(1.2)%	(20,934)
Other income (expense)					
Interest income	1,076	0.7 %	4,552	3.8 %	(3,476)
Interest expense	(77)	(0.1)%	(44)	— %	(33)
Other income	23	— %	26	— %	(3)
Total other income	1,022	0.6 %	4,534	3.8 %	(3,512)
(Loss) income before income taxes	(21,422)	(14.8)%	3,024	2.6 %	(24,446)
Provision for income taxes	9,926	6.8 %	939	0.8 %	8,987
Net (loss) income	$ (31,348)	(21.6)%	$ 2,085	1.8 %	$ (33,433)

Revenue. Revenue increased $26.8 million, or 22.5%, to $145.8 million during the three months ended June 30, 2024, compared to $119.0 million during the three months ended June 30, 2023. The increase in revenue was primarily due to an expansion of our sales territories, opening of new accounts, increase in adoption of our procedures, and global commercial expansion.

Cost of Goods Sold. Cost of goods sold increased $6.1 million, or 44.4%, to $20.0 million during the three months ended June 30, 2024, compared to $13.8 million during the three months ended June 30, 2023. This increase was primarily due to the increase in the number of products sold and additional manufacturing overhead costs to support anticipated future growth.

Gross Margin. Gross margin for the three months ended June 30, 2024 decreased to 86.3%, compared to 88.4% for the three months ended June 30, 2023, primarily due to product mix, the ramp up costs associated with new products, and increasing internationalization of the business.

Research and Development Expenses ("R&D"). R&D expenses increased $3.8 million, or 18.1%, to $24.9 million during the three months ended June 30, 2024, compared to $21.1 million during the three months ended June 30, 2023. The increase in R&D expenses was primarily due to increases of $2.0 million in personnel-related expenses, $1.1 million of material and supplies related expenses, and $0.4 million in professional fees.

Selling, General and Administrative Expenses ("SG&A"). SG&A expenses increased $28.6 million, or 33.4%, to $114.2 million during the three months ended June 30, 2024, compared to $85.6 million during the three months ended June 30, 2023. The increase in SG&A expenses was primarily due to increases of $20.3 million in personnel-related expenses including increased commissions due to higher revenue and increased share-based compensation, $5.6 million of expenses related to professional fees including legal fees, $0.8 million in sales and marketing related expenses, $0.7 million of travel related costs, and $0.7 million related to reserve of uncollectible amounts.

Other Operating Expenses. Other operating expenses increased by $5.7 million due to the change in fair value adjustment of our contingent consideration liability, $2.4 million due to amortization expense related to the acquired intangible asset, and $1.0 million due to the acquisition-related expenses, which include integration, severance and retention costs, during the three months ended June 30, 2024.

Other income (expense). Other income consists primarily of interest income, interest expense and foreign currency transaction gains and losses. Interest income decreased by $3.5 million to $1.1 million during the three months ended June 30, 2024, compared to $4.6 million during the three months ended June 30, 2023. The decrease in interest income was primarily due to lower cash balances invested in short-term investments in debt securities during the three months ended June 30, 2024 compared to the three months ended June 30, 2023.

Income Taxes. Income taxes increased $9.0 million to $9.9 million during the three months ended June 30, 2024, compared to $0.9 million during the three months ended June 30, 2023. The increase in income taxes primarily relates to an increase in expected U.S. federal and state cash taxes due to prior utilization of tax credit carryforwards and a higher annual effective tax rate applied to pretax earnings during the three months ended June 30, 2024 compared to the three months ended June 30, 2023.

Comparison of the six months ended June 30, 2024 and 2023

The following table sets forth the components of our unaudited condensed consolidated statements of operations in dollars and as percentage of revenue for the periods presented (dollars in thousands):

	Six Months Ended June 30,				
	2024	%	2023	%	Change $
Revenue	$ 289,014	100.0 %	$ 235,172	100.0 %	$ 53,842
Cost of goods sold	38,886	13.5 %	27,585	11.7 %	11,301
Gross profit	250,128	86.5 %	207,587	88.3 %	42,541
Operating expenses					
Research and development	51,785	17.9 %	43,149	18.3 %	8,636
Selling, general and administrative	217,208	75.2 %	171,286	72.8 %	45,922
Change in fair value of contingent consideration	12,031	4.2 %	—	— %	12,031
Amortization of intangible asset	4,910	1.7 %	—	— %	4,910
Acquisition-related expenses	3,815	1.3 %	—	— %	3,815
Total operating expenses	289,749	100.3 %	214,435	91.1 %	75,314
Loss from operations	(39,621)	(13.8 %)	(6,848)	(2.8 %)	(32,773)
Other income (expense)					
Interest income	2,267	0.8 %	8,697	3.7 %	(6,430)
Interest expense	(155)	(0.1 %)	(84)	— %	(71)
Other income	—	— %	65	0.0 %	(65)
Total other income	2,112	0.7 %	8,678	3.7 %	(6,566)
(Loss) income before income taxes	(37,509)	(13.1 %)	1,830	0.9 %	(39,339)
Provision for income taxes	18,041	6.2 %	1,963	0.8 %	16,078
Net loss	$ (55,550)	(19.3 %)	$ (133)	(0.1 %)	$ (55,417)

Revenue. Revenue increased $53.8 million, or 22.9%, to $289.0 million during the six months ended June 30, 2024, compared to $235.2 million during the six months ended June 30, 2023. The increase in revenue was primarily due to an expansion of our sales territories, opening of new accounts, increase in adoption of our procedures, and global commercial expansion.

Cost of Goods Sold. Cost of goods sold increased $11.3 million, or 41.0%, to $38.9 million during the six months ended June 30, 2024, compared to $27.6 million during the six months ended June 30, 2023. This increase was primarily due to the increase in the number of products sold and additional manufacturing overhead costs to support anticipated future growth.

Gross Margin. Gross margin for the six months ended June 30, 2024 decreased to 86.5%, compared to 88.3% for the six months ended June 30, 2023, primarily due to product mix, the ramp up costs associated with new products, and increasing internationalization of the business.

Research and Development Expenses. R&D expenses increased $8.6 million, or 20.0%, to $51.8 million during the six months ended June 30, 2024, compared to $43.1 million during the six months ended June 30, 2023. The increase in R&D expenses was primarily due to increases of $3.4 million of personnel-related expenses, $2.6 million of material and supplies related expenses, $1.5 million of clinical and regulatory expenses, and $0.5 million of expenses related to professional fees.

Selling, General and Administrative Expenses. SG&A expenses increased $45.9 million, or 26.8%, to $217.2 million during the six months ended June 30, 2024, compared to $171.3 million during the six months ended June 30, 2023. The increase in SG&A expenses was primarily due to increases of $32.5 million in personnel-related expenses including increased commissions due to higher revenue and increased share-based compensation**,** $8.9 million of expenses related to professional fees including legal fees, $2.2 million in travel and related expenses,$0.8 million in sales and marketing related expenses, $0.7 million of software costs and depreciation expenses, $0.6 million related to facilities-related expenses, $0.6 million related to reserve of uncollectible amounts, partially offset by a decrease of $0.6 million of insurance related expenses

Other Operating Expenses. Other operating expenses increased by $12.0 million due to the change in fair value adjustment of our contingent consideration liability, $4.9 million due to amortization expense related to the acquired intangible asset, and $3.8 million due to the acquisition-related expenses, which include integration, severance and retention costs, during the six months ended June 30, 2024.

Other income (expense). Other income consists primarily of interest income, interest expense and foreign currency transaction gains and losses. Interest income decreased by $6.4 million to $2.3 million during the six months ended June 30, 2024, compared to $8.7 million during the six months ended June 30, 2023. The decrease in interest income was primarily due to lower cash balances invested in short-term investments in debt securities during the six months ended June 30, 2024 compared to the six months ended June 30, 2023.

Income Taxes. Income taxes increased $16.1 million to $18.0 million for the six months ended June 30, 2024, compared to $2.0 million during the six months ended June 30, 2023. The increase in income taxes primarily relates to an increase in expected U.S. federal and state cash taxes due to prior utilization of tax credit carryforwards and a higher annual effective tax rate applied to pretax earnings during the six months ended June 30, 2024 compared to June 30, 2023.

LIQUIDITY AND CAPITAL RESOURCES

To date, our primary sources of capital have been the revenue from the sale of our products and existing cash and cash equivalent balances. As of June 30, 2024, we had cash and cash equivalents of $70.1 million and short-term investments in debt securities of $39.5 million. We maintain cash and cash equivalents with financial institutions in excess of insured limits.

As of June 30, 2024, the fair value of contingent consideration related to our acquisition of LimFlow was $78.0 million, of which $33.9 million was recorded within accrued expenses and other current liabilities and $44.1 million was recorded within other long-term liabilities in the condensed consolidated balance sheets. The contingent payments related to certain commercial and reimbursement milestones can be up to $165.0 million which includes (i) up to $140.0 million based on net revenue generated from the sale of the LimFlow system for the years 2024 through 2026 and (ii) up to $25.0 million based on the achievement of certain reimbursement milestones related to the LimFlow System. Revenue-based milestone payments are expected to be due in the first quarter of each of 2025, 2026 and 2027. The timing of reimbursement-based milestone payments is dependent on the achievement of such milestones and other conditions set forth in the share purchase agreement with LimFlow and such payments are expected to be paid in the second quarter of 2025. As of June 30, 2024, we have not made any payments related to the contingent consideration. For additional information about the acquisition, see Note 3. Business Combination, which is included in “Part I, Item 1. Condensed Consolidated Financial Statements (Unaudited)”.

In December 2022, we amended our revolving Credit Agreement with Bank of America (as amended, the “Previously Amended Credit Agreement”) which provides for loans up to a maximum of $40.0 million and increases the optional accordion to $120.0 million. The Previously Amended Credit Agreement also included a Letter of Credit subline facility (the “LC Facility”) of up to $5.0 million. In February 2023, we amended the LC Facility to increase the limit to up to $10.0 million. In November 2023, we further amended the Amended Credit Agreement, as defined in Note 12. Credit Facility, to, among other things, increase the amount available for borrowing to up to a maximum principal amount of $75.0 million. We also amended the LC Facility to increase the limit to up to $18.8 million. As of June 30, 2024, we had no principal outstanding under the Amended Credit Agreement and the amount available to borrow was approximately $66.4 million. As of June 30, 2024, we had four letters of credit in the aggregated amount of $2.4 million outstanding under the LC Facility. The aggregate stated amount outstanding of letter of credits reduces the total borrowing base available under the Amended Credit Agreement and is subject to certain fees. For additional information about the Amended Credit Agreement, see Note 12. Credit Facility, which is included in “Part I, Item 1. Condensed Consolidated Financial Statements (Unaudited)”.

In October 2023, we signed a ten-year lease in Costa Rica for our second manufacturing facility with total undiscounted contractual payments of the lease of approximately $7.2 million, which are expected to commence in the fourth quarter of 2024.

Our other short-term and long-term material cash requirements, from known contractual obligations as of June 30, 2024, include contingent consideration liability, operating lease liabilities and uncertain tax positions, as discussed in Note 3. Business Combination, Note 4. Fair Value Measurements, Note 9. Commitments and Contingencies and Note 15. Income Taxes to our condensed consolidated financial statements section of this report, which are included in “Part I, Item 1. Condensed Consolidated Financial Statements (Unaudited)” of this report.

Based on our current planned operations, we anticipate that our cash and cash equivalents, short-term investments and available borrowings under our Amended Credit Agreement will be sufficient to fund these cash requirements and our operating expenses for at least the next 12 months. Our primary short-term needs for capital for our current planned operations, which are subject to change, include:

- support of commercialization efforts to expand our sales force along with expanding into new markets, including internationally, and developing products to enhance performance and address unmet market needs;
- the continued advancement of research and development including ongoing clinical studies and related activities; and
- potential expansion needs of our facilities, including the lease in Costa Rica for our second manufacturing facility.

If our available cash balances and anticipated cash flow from operations are insufficient to satisfy our liquidity requirements in the future, we may seek to sell additional common or preferred equity or convertible debt securities, enter into an additional credit facility or another form of third-party funding or seek other debt financing. The sale of equity and convertible debt securities may result in dilution to our stockholders and, in the case of preferred equity securities or convertible debt, those securities could provide for rights, preferences or privileges senior to those of our common stock. The terms of debt securities issued or borrowings pursuant to a credit agreement could impose significant restrictions on our operations. If we raise funds through collaborations and licensing arrangements, we might be required to relinquish significant rights to our platform technologies or products or grant licenses on terms that are not favorable to us. Additional capital may not be available on reasonable terms, or at all.

CASH FLOWS

The following table summarizes our cash flows for each of the periods indicated (in thousands):

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net cash provided by (used in):		
Operating activities	$ (775)	$ 7,747
Investing activities	33,401	(10,123)
Financing activities	(1,738)	114
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	96	(123)
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 30,984	$ (2,385)

Net cash (used in) provided by operating activities

Net cash used in operating activities for the six months ended June 30, 2024 was $0.8 million, consisting primarily of a net loss of $55.6 million and a net change in our net operating assets and liabilities of $7.7 million offset by non-cash charges of $47.1 million. The non-cash charges primarily consisted of share-based compensation expense of $25.9 million, change in fair value of contingent consideration liability of $12.0 million, depreciation and amortization of $7.7 million, and amortization of the right-of-use assets of $1.6 million, partially offset by amortization of premium and discount on marketable securities of $1.0 million. The change in our net operating assets and liabilities was primarily due to increases in payroll-related accruals, accrued expenses and other liabilities of $22.2 million, accounts receivable of $12.3 million, inventories of $6.9 million, and accounts payable of $5.9 million, partially offset by a decrease in operating lease liabilities of $0.9 million.

Net cash provided by operating activities for the six months ended June 30, 2023 was $7.7 million, consisting primarily of net loss of $0.1 million and a net change in our net operating assets and liabilities of $9.9 million, offset by non-cash charges of $17.8 million. The decrease in net operating assets was primarily due to a decrease in operating lease liabilities of $0.7 million, a decrease in lease prepayments for lessor’s owned leasehold improvements of $0.5 million, and a decrease in accounts payable of $0.4 million due to the timing of payments and growth of our operations, coupled with increases in inventories of $6.3 million and accounts receivable of $4.6 million, offset by an increase in accrued liabilities of $2.2 million and a decrease in prepaid and other assets of $0.4 million. The non-cash charges primarily consisted of share-based compensation expense of $20.7 million, amortization of the right-of-use assets of $2.4 million and depreciation of $2.8 million, partially offset by amortization of premium and discount on marketable securities of $8.1 million.

Net cash provided by (used in) investing activities

Net cash provided by investing activities for the six months ended June 30, 2024 was $33.4 million, consisting of maturities of short-term investments of $75.2 million, and finalization of working capital adjustment related to the LimFlow acquisition of $3.7 million, partially offset by purchases of $39.0 million of short-term investments, $5.0 million of purchases of property and equipment, and $1.5 million of capitalized software development costs.

Net cash used in investing activities for the six months ended June 30, 2023 was $10.1 million, consisting of $284.2 million purchases of short-term investments, $2.2 million of purchases of property and equipment, and $0.6 million of purchases of other investments, offset by maturities of short-term investments of $276.8 million.

Net cash (used in) provided by financing activities

Net cash used in financing activities in the six months ended June 30, 2024 was $1.7 million, consisting of $4.0 million of proceeds from the issuance of common stock under our employee stock purchase plan, offset by $6.0 million of tax payments related to vested equity awards.

Net cash provided by financing activities in the six months ended June 30, 2023 was $0.1 million, consisting of $4.2 million proceeds from the issuance of common stock under our employee stock purchase plan and $0.4 million of proceeds from exercise of stock options, offset by $4.5 million of tax payments related to vested equity awards.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There have been no significant changes in our critical accounting policies during the six months ended June 30, 2024, as compared to the critical accounting policies disclosed under “Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 29, 2024.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There have been no material changes to our quantitative and qualitative disclosures about market risk as compared to the quantitative and qualitative disclosures about market risk described in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 29, 2024 under “Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk”.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

Our management, with the participation of our Principal Executive Officer and our Principal Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act), as of June 30, 2024. Based on such evaluation, our Principal Executive Officer and Principal Financial Officer concluded that, as of June 30, 2024, these disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, management recognizes that any control and procedure, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Changes in internal control over financial reporting

During the quarter ended June 30, 2024, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act), that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

See Note 9. Commitments and Contingencies, which is included in “Part I, Item 1. Condensed Consolidated Financial Statements (Unaudited)” for information regarding material legal proceedings.

Item 1A. RISK FACTORS

For a discussion of risk factors that may affect our business and financial results, see the information in “Part I, Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 29, 2024. As of the date of this Report, there have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

Insider Trading Arrangements

None.

Item 6. EXHIBITS

		Incorporated by reference			
Exhibit Number	**Description**	**Form**	**File Number**	**Exhibit**	**Filing Date**
3.1	Amended and Restated Certificate of Incorporation	8-K	001-39293	3.1	5/28/2020
3.2	Amended and Restated Bylaws	8-K	001-39293	3.2	5/28/2020
31.1	Certification of Principal Executive Officer 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.				
31.2	Certification of Principal Financial Officer 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.				
32.1†	Certifications of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2†	Certifications of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	Inline XBRL Instance Document - The instance document does not appear in the interactive data file because its EBRL tags are embedded within the inline XBRL document.				
101.SCH	Inline XBRL Taxonomy Extension Schema Document				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page with Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101).				

† The certifications attached as Exhibit 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the U.S. Securities and Exchange Commission and are not to be incorporated by reference into any filing of Inari Medical, 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.

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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.

		Inari Medical, Inc.
Date: July 30, 2024	By:	/s/ Andrew Hykes
		Andrew Hykes Chief Executive Officer and President (Principal Executive Officer)
Date: July 30, 2024	By:	/s/ Mitchell Hill
		Mitchell Hill Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

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

I, Andrew Hykes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Inari Medical, Inc. (the "registrant");

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

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

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

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

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

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

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

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

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

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

Date: July 30, 2024

By: /s/ Andrew Hykes

Andrew Hykes
Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 31.2

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

I, Mitchell Hill, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Inari Medical, Inc. (the "registrant");

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

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

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

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

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

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

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

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

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

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

Date: July 30, 2024

By: /s/ Mitchell Hill

Mitchell Hill
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Inari Medical, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: July 30, 2024

By: /s/ Andrew Hykes

Andrew Hykes
Chief Executive Officer and President
(Principal Executive Officer)

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

Exhibit 32.2

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

In connection with the Quarterly Report of Inari Medical, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: July 30, 2024 By: /s/ Mitchell Hill

Mitchell Hill
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

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