UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended June 30, 2026
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: 001-39473

LENSAR, INC.

(Exact name of registrant as specified in its charter)

Delaware	**32-0125724**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2800 Discovery Drive
Orlando, Florida 32826
(Address of principal executive offices and Zip Code)

(888) 536-7271
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	LNSR	The Nasdaq Stock Market LLC

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 31, 2026, there were 12,285,865 shares of the registrant's Common Stock outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (the "Quarterly Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report, including without limitation statements regarding the impact of the termination of the Merger Agreement (as defined below), business model and strategic plans for our products, technologies and business, including our implementation thereof; the impact on our business, financial condition and results of operation from macroeconomic conditions; the timing of and our ability to obtain and maintain regulatory approvals and certifications; our expectations about our ability to successfully commercialize and further develop our next generation system, the ALLY Robotic Cataract Laser System® ("ALLY System"), and the timing thereof; the ALLY System's performance and market impact; the sufficiency of our cash and cash equivalents; industry trends and conditions impacting various markets in which we operate; and the plans and objectives of management for future operations and capital expenditures are forward-looking statements. These statements involve known and unknown risks, uncertainties and 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.

Without limiting the foregoing, in some cases, you can identify forward-looking statements by terms such as "aim", "may," "will," "should," "expect," "exploring," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential," "seeks," or "continue" or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. No forward-looking statement is a guarantee of future results, performance, or achievements, and one should avoid placing undue reliance on such statements.

Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to us. Such beliefs and assumptions may or may not prove to be correct. Additionally, such forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified in Part I. Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II. Item 1A. "Risk Factors" in this Quarterly Report. These risks and uncertainties include, but are not limited to:

- effects of the termination of the Merger Agreement (as defined below) on the value of our common stock;
- the outcome of any legal proceedings that may be instituted against us and others relating to the Merger;
- our history of operating losses and ability to achieve or sustain profitability;
- our ability to develop, receive and maintain regulatory clearance or certification of and successfully commercialize the ALLY System and to maintain our LENSAR Laser System ("LLS") (collectively the "Systems");
- the impact to our business, financial condition, results of operations and our suppliers and distributors as a result of global macroeconomic conditions;
- the willingness of patients to pay the price difference for our products compared to a standard cataract procedure covered by Medicare or other insurance;
- our ability to grow our U.S. sales and marketing organization or maintain or grow an effective network of international distributors;
- our future capital needs and our ability to raise additional funds on acceptable terms, or at all;
- the impact to our business, financial condition and results of operations as a result of a material disruption to the supply or manufacture of our Systems or necessary component parts for such Systems or material inflationary pressures or enacted tariffs affecting pricing of component parts;
- our ability to compete against competitors that have longer operating histories, more established products and greater resources than we do;
- our ability to address the numerous risks associated with marketing, selling and leasing our products in markets outside the United States;
- the impact to our business, financial condition and results of operations as a result of exposure to the credit risk of our customers;
- our ability to accurately forecast customer demand and manage our inventory levels;

- the impact to our business, financial condition and results of operations if we are unable to secure adequate coverage or reimbursement by government or other third-party payors for procedures using our ALLY System or our other products, or changes in such coverage or reimbursement;
- the impact to our business, financial condition and results of operations of product liability suits brought against us;
- risks related to government regulation applicable to our products and operations; and
- risks related to our intellectual property and other intellectual property matters.

Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties.

You should read this Quarterly Report and the documents that we reference in this Quarterly Report completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Except as required by applicable law, we have no obligation 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.

Unless otherwise stated or the context requires otherwise, references to "LENSAR," the "Company," "we," "us," and "our," refer to LENSAR, Inc.

We own or have registered rights to certain trademarks, trade names, copyrights and other intellectual property used in our business, including LENSAR, the LENSAR logo, Streamline, IntelliAxis, IntelliAxis Refractive Capsulorhexis, ALLY, Intelligent Incisions, Augmented Reality, ALLY Robotic Cataract Laser System, and the ALLY Robotic Cataract Laser System logo, ALLY Robotic Laser Cataract Surgery, Robotic Laser Cataract Surgery, and the Robotic Laser Cataract Surgery logo, each of which is considered a trademark. All other company names, product names, trade names and trademarks included in this Quarterly Report are trademarks, registered trademarks or trade names of their respective owners.

RISK FACTOR SUMMARY

Our business is subject to numerous risks and uncertainties, including those described in Part II, Item 1A. “Risk Factors” in this Quarterly Report. You should carefully consider these risks and uncertainties when investing in our common stock. The principal risks and uncertainties affecting our business include the following:

- The termination of the Merger Agreement could negatively impact our business, financial condition, results of operations or our stock price.
- We may experience shareholder litigation related to the termination of the Merger Agreement, which could result in payment of damages.
- Our results have been in the past, and could be in the future, adversely affected by economic uncertainty or deteriorations in economic conditions.
- We have experienced and expect to incur operating losses for the near-term future and we cannot assure you that we will be able to generate sufficient revenue to achieve or sustain profitability.
- We have historically derived our revenue from the sale or lease of our Systems as well as the associated procedure licenses and sale of consumables used in each procedure involving our Systems. The commercial success of our ALLY System will depend upon receipt of additional regulatory clearances or certifications and our ability to maintain and grow significant market acceptance for it.
- Our growth depends on our ability to gain regulatory clearances and certifications, as well as our ability to meet production goals for our ALLY System.
- Patients may not be willing to pay for the price difference between a standard cataract procedure and an advanced cataract procedure in which a laser system such as ours is used, an increment which is typically not covered by Medicare, private insurance or other third-party payors.
- If we are not able to effectively grow our U.S. sales and marketing organization or maintain or grow an effective network of international distributors, our business prospects, results of operations and financial condition could be adversely affected.
- Our future capital needs are uncertain and we may need to raise additional funds in the future, and such funds may not be available on acceptable terms or at all.
- If the supply or manufacture of our Systems or other products associated with the Systems is materially disrupted, including by supply chain shortages and price increases, it may adversely affect our ability to manufacture products and could negatively affect our operating results.
- We currently compete, and expect to compete in the future against other companies, some of which have longer operating histories, more established products or greater resources than we do.
- To successfully market, sell and lease our products in markets outside of the United States, we must address many international business risks with which we have limited experience.
- Our products and operations are subject to extensive government regulation and oversight both in the United States and abroad, and our failure to comply with applicable requirements could harm our business.
- We may not receive, or may be delayed in receiving, the necessary clearances, certifications or approvals for our future products, or modifications to our current products, and failure to timely obtain additional clearances, certifications or approvals for our ALLY System and future products or modifications to our current products would adversely affect our ability to grow our business.
- Our success will depend on our ability to obtain, maintain and protect our intellectual property rights.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

LENSAR, Inc.
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue				
Product	$ 13,042	$ 10,910	$ 23,118	$ 21,828
Lease	1,772	1,645	3,453	3,529
Service	1,681	1,380	3,352	2,737
Total revenue	16,495	13,935	29,923	28,094
Cost of revenue (exclusive of amortization)				
Product	3,839	4,315	7,786	8,781
Lease	851	859	1,740	1,689
Service	2,029	1,737	4,239	3,475
Total cost of revenue	6,719	6,911	13,765	13,945
Operating expenses				
Selling, general and administrative expenses	6,141	11,658	8,670	22,807
Research and development expenses	1,273	1,425	2,658	2,959
Amortization of intangible assets	228	230	457	462
Total operating expenses	7,642	13,313	11,785	26,228
Operating income (loss)	2,134	(6,289)	4,373	(12,079)
Other income (expense)				
Change in fair value of warrant liabilities	1,230	4,332	25,178	(17,382)
Acquisition-related income	—	—	10,000	—
Other income, net	171	193	316	352
Net income (loss)	3,535	(1,764)	39,867	(29,109)
Other comprehensive income (loss)				
Change in unrealized loss on investments	—	(6)	(4)	(9)
Net income (loss) and comprehensive income (loss)	$ 3,535	$ (1,770)	$ 39,863	$ (29,118)
Income (loss) per common share:				
Basic	$ 0.14	$ (0.15)	$ 1.62	$ (2.46)
Diluted	$ 0.10	$ (0.15)	$ 0.61	$ (2.46)
Weighted-average number of common shares used in calculation of net income (loss) per common share:				
Basic	12,297	11,937	12,230	11,856
Diluted	23,027	11,937	24,024	11,856

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

LENSAR, Inc.
CONDENSED BALANCE SHEETS
(Unaudited)
(In thousands, except per share amounts)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 13,565	$ 12,974
Short-term investments	—	5,004
Accounts receivable, net of allowance of $79 and $62, respectively	6,170	6,377
Notes receivable, net of allowance of $10 and $6, respectively	501	295
Inventories	24,871	21,520
Prepaid and other current assets	1,919	601
Total current assets	47,026	46,771
Property and equipment, net	445	505
Equipment under lease, net	14,414	15,485
Notes and other receivables, long-term, net of allowance of $12 and $15, respectively	582	731
Intangible assets, net	4,734	5,191
Other assets	2,357	2,747
Total assets	$ 69,558	$ 71,430
Liabilities, redeemable convertible preferred stock, and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	$ 11,193	$ 18,982
Accrued liabilities	4,728	7,771
Deferred revenue	2,927	3,074
Operating lease liabilities	792	747
Acquisition-related deposit	—	10,000
Total current liabilities	19,640	40,574
Long-term accounts payable	3,750	—
Long-term operating lease liabilities	1,589	1,988
Warrant liabilities	15,016	40,194
Other long-term liabilities	874	909
Total liabilities	40,869	83,665
Commitments and contingencies (Note 10)		
Series A Redeemable Convertible Preferred Stock, par value $0.01 per share, 20 shares authorized at June 30, 2026 and December 31, 2025; 20 shares issued and outstanding at June 30, 2026 and December 31, 2025; aggregate liquidation preference of $20,000 at June 30, 2026 and December 31, 2025	13,784	13,784
Stockholders' equity (deficit):		
Preferred stock, par value $0.01 per share, 9,980 shares authorized at June 30, 2026 and December 31, 2025; no shares issued and outstanding at June 30, 2026 and December 31, 2025	—	—
Common stock, par value $0.01 per share, 150,000 shares authorized at June 30, 2026 and December 31, 2025; 12,282 and 11,993 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	123	120
Additional paid-in capital	152,490	151,432
Accumulated other comprehensive income	—	4
Accumulated deficit	(137,708)	(177,575)
Total stockholders' equity (deficit)	14,905	(26,019)
Total liabilities, redeemable convertible preferred stock, and stockholders' equity (deficit)	$ 69,558	$ 71,430

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

LENSAR, Inc.
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2026	**2025**
Cash flows from operating activities		
Net income (loss)	$ 39,867	$ (29,109)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	1,782	1,709
Amortization of intangible assets	457	462
Non-cash operating lease cost	371	276
Provision for expected credit losses	18	(64)
Write-down of inventory	36	—
Loss on disposal of property and equipment	—	58
Stock-based compensation expense	1,037	1,420
Change in fair value of warrant liabilities	(25,178)	17,382
Acquisition-related income	(10,000)	—
Amortization on investments, net	1	(98)
Changes in operating assets and liabilities:		
Accounts receivable	190	1,193
Notes receivable	(58)	333
Prepaid and other current assets	(1,317)	625
Inventories	(4,006)	(10,763)
Accounts payable	(4,040)	5,319
Accrued liabilities	(3,043)	(1,081)
Deferred revenue	(185)	692
Operating lease liabilities	(353)	(283)
Other	23	(7)
Net cash used in operating activities	(4,398)	(11,936)
Cash flows from investing activities		
Investment maturities	5,000	5,000
Purchase of investments	—	(11,878)
Purchase of property and equipment	(35)	(83)
Net cash provided by (used in) investing activities	4,965	(6,961)
Cash flows from financing activities		
Proceeds from issuance of common stock through option exercises	55	34
Proceeds from issuance of common stock under employee stock purchase plan	259	175
Net settlement of stock-based compensation awards	(290)	(425)
Proceeds from acquisition-related deposit	—	10,000
Net cash provided by financing activities	24	9,784
Net increase (decrease) in cash and cash equivalents	591	(9,113)
Cash and cash equivalents at beginning of the period	12,974	16,263
Cash and cash equivalents at end of the period	$ 13,565	$ 7,150

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

LENSAR, Inc.
CONDENSED STATEMENTS OF CASH FLOWS, continued
(Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2026	2025
Supplemental schedule of non-cash investing and financing activities		
Transfer from Inventories to Equipment under lease, net	$ 617	$ 3,538

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

LENSAR, Inc.
CONDENSED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)
(In thousands)

	Series A Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' (Deficit) Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2025	20	$ 13,784	11,993	$ 120	$ 151,432	$ (177,575)	$ 4	$ (26,019)
Exercise of stock options under the Incentive Plans	—	—	6	—	15	—	—	15
Issuance of common stock under the Incentive Plans, net of forfeitures	—	—	102	1	(225)	—	—	(224)
Stock-based compensation under the Incentive Plans	—	—	—	—	690	—	—	690
Net income	—	—	—	—	—	36,332	—	36,332
Change in unrealized loss on investments	—	—	—	—	—	—	(4)	(4)
Balance as of March 31, 2026	20	$ 13,784	12,101	$ 121	$ 151,912	$ (141,243)	$ —	$ 10,790
Exercise of stock options under the Incentive Plans	—	—	15	—	40	—	—	40
Issuance of common stock under the Incentive Plans, net of forfeitures	—	—	114	1	(67)	—	—	(66)
Issuance of common stock under the 2020 ESPP	—	—	52	1	258	—	—	259
Stock-based compensation under the Incentive Plans	—	—	—	—	347	—	—	347
Net income	—	—	—	—	—	3,535	—	3,535
Balance at June 30, 2026	20	$ 13,784	12,282	$ 123	$ 152,490	$ (137,708)	$ —	$ 14,905

LENSAR, Inc.
CONDENSED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT), continued
(Unaudited)
(In thousands)

	Series A Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2024	20	$ 13,784	11,654	$ 116	$ 148,035	$ (143,295)	$ 6	$ 4,862
Exercise of stock options under the Incentive Plans	—	—	5	—	21	—	—	21
Issuance of common stock under the Incentive Plans, net of forfeitures	—	—	131	2	(332)	—	—	(330)
Stock-based compensation under the Incentive Plans	—	—	—	—	654	—	—	654
Net loss	—	—	—	—	—	(27,345)	—	(27,345)
Change in unrealized loss on investments	—	—	—	—	—	—	(3)	(3)
Balance at March 31, 2025	20	13,784	11,790	118	148,378	(170,640)	3	(22,141)
Exercise of stock options under the Incentive Plans	—	—	2	—	13	—	—	13
Issuance of common stock under the Incentive Plans, net of forfeitures	—	—	113	1	(96)	—	—	(95)
Issuance of common stock under the 2020 ESPP	—	—	28	—	175	—	—	175
Stock-based compensation under the Incentive Plans	—	—	—	—	766	—	—	766
Net loss	—	—	—	—	—	(1,764)	—	(1,764)
Change in unrealized loss on investments	—	—	—	—	—	—	(6)	(6)
Balance at June 30, 2025	20	$ 13,784	11,933	$ 119	$ 149,236	$ (172,404)	$ (3)	$ (23,052)

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

Note 1. Overview and Basis of Presentation

Overview and Organization

LENSAR, Inc. ("LENSAR" or the "Company") is a global medical device business focused on the design, development and commercialization of advanced technology for the treatment of cataracts and management of astigmatism to achieve improved visual outcomes for patients. The Company is a public company whose stock is listed and trading under the symbol "LNSR" on The Nasdaq Stock Market LLC ("Nasdaq"). The Company's revenue is derived from the sale and lease of the Company's LENSAR Laser System ("LLS") and ALLY Robotic Cataract Laser System® ("ALLY System") (collectively the "Systems"), which may include equipment, a consumable referred to as the Patient Interface Device ("PID"), procedure licenses, training, installation, limited warranty and maintenance agreements through extended warranty. The Company has developed its ALLY System as a compact, highly ergonomic system utilizing an extremely fast dual-modality laser and integrating artificial intelligence ("AI") into proprietary imaging and software. The ALLY System is designed to transform premium cataract surgery by utilizing LENSAR's advanced robotic technologies with the ability to perform the entire procedure in a sterile operating room or in-office surgical suite, delivering operational efficiencies and reducing overhead. The ALLY System is available to U.S. and European Union cataract surgeons and has also received regulatory clearance in India, Taiwan, South Korea, and certain other countries. In addition, the Company is pursuing an additional marketing or certification application through its distributor in China.

The Company has incurred recurring losses and operating cash outflows since its inception and, as of June 30, 2026, had an accumulated deficit of $137,708. The Company expects to continue to incur losses and cash outflows from operating activities for the near-term future. Pricing increases in component parts for the ALLY System resulting from inflationary pressures, related macroeconomic conditions, and tariffs may necessitate an increase in overall cost to customers, which in turn may have an adverse impact on customer demand.

Management believes the Company's cash, cash equivalents, and investments on hand, together with cash generated from the future sale and lease of products, and commitments available under a $10,000 asset-based revolving credit facility entered into in August 2026, will provide sufficient funds for its operating, investing, and financing cash flows for a period of at least twelve months from the date of issuance of these financial statements. Refer to Note 16, *Subsequent Events*, for more information about the asset-based revolving credit facility. The Company expects annual revenue and selling, general and administrative expenses to increase from current levels associated with the increase in ALLY System placements. The U.S. government has recently implemented significant changes in U.S. trade policy and taken certain actions that have impacted the Company's business, including imposing tariffs on certain goods imported into the United States, and we have seen a resulting negative impact on our gross profit margin, as we have not passed on these additional costs to our customers. Some of these changes have triggered retaliatory actions by affected countries that could negatively impact demand for the Company's products in these regions, as well as negatively impact the Company's gross profit margin. In addition, the Company's growth depends in part on the Company's ability to produce the ALLY System in sufficient quantities, within requested timelines and at an acceptable price to satisfy customer demand. Our results could be adversely impacted if our distributors do not resume their sales activity to previous levels. The Company's liquidity needs will be largely determined by the Company's ability to continue to successfully commercialize its products and the progression, additional regulatory clearances or certifications and launch of the ALLY System in additional jurisdictions in the future. In the future, the Company may need to raise additional capital through equity or debt financings, borrowings under credit facilities or from other sources in the future. The Company may issue securities, including common stock, preferred stock, warrants, and/or debt securities through private placement transactions or registered public offerings in the future. The Company's ability to raise additional funds will depend, among other factors, on financial, economic and market conditions, many of which are outside of the Company's control, and the Company may be unable to raise financing when needed, or on terms favorable to the Company. If the necessary funds are not available from these sources, the Company may have to delay, reduce or suspend the scope of its sales and marketing efforts, research and development activities, or other components of its operations.

On March 23, 2025, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement"), with Alcon Research, LLC ("Alcon") and VMI Option Merger Sub, Inc. ("Merger Sub"), which provided that, subject to the terms and conditions set forth in the Merger Agreement, Merger Sub would merge with and into the Company (the "Merger"), with the Company continuing as the surviving corporation of the Merger and as a wholly-owned subsidiary of Alcon. The Merger Agreement was terminated by the parties on March 16, 2026. The parties agreed to release each other from claims, demands, damages, actions, causes of action and liability relating to or arising out of the Merger Agreement and the transactions contemplated therein or thereby.

The Company received a $10,000 cash deposit towards the aggregate cash consideration (the "Merger Deposit"). As of such date, the Merger Deposit was considered the property of Alcon in accordance with the terms of the Merger Agreement. Pursuant to the Termination Agreement, Alcon agreed that the Company will retain the Merger Deposit of $10,000. The Merger Deposit was recorded as acquisition-related income in the condensed statements of operations and comprehensive income (loss) for the six months ended

June 30, 2026. Refer to "Acquisition-Related Costs" in Note 2, *Summary of Significant Accounting Policies*, for information regarding acquisition-related costs.

In March 2026, the Company entered into a Priority Credit Line Agreement ("PCL Agreement"), by and between the Company and Wells Fargo Bank, N.A ("Wells Fargo"). The PCL Agreement provides for a revolving, non-purpose margin credit facility, secured by a first-priority lien on a designated brokerage account maintained at Wells Fargo (the "Collateral Account"), of an amount based on the collateral value in the Collateral Account. The Company is permitted to borrow 90-95% of the Collateral Account value under the PCL Agreement. Borrowings under the PCL Agreement bear interest, at the Company's election, at either (i) a fixed rate based on the Treasury Yield plus an applicable margin, over a designated term, or (ii) a variable rate based on the Secured Overnight Financing Rate (SOFR) plus an applicable margin. The PCL Agreement contains customary events of default, including, without limitation, failure to make any payment upon demand or otherwise when due or deposit additional collateral when required under the PCL Agreement; initiation of a bankruptcy petition or other insolvency proceeding; any event of default under any security agreement executed in connection with the Collateral Account; or the insufficiency of the value of the financial assets in the Collateral Account. At June 30, 2026, the Company had not utilized the PCL. The PCL Agreement was subsequently terminated in August 2026.

Basis of Presentation

These condensed financial statements are unaudited and have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and pursuant to the regulations of the U.S. Securities and Exchange Commission ("SEC") for interim financial information and, therefore, omit or condense certain footnotes and other information normally included. The condensed financial statements include all adjustments (consisting only of normal recurring adjustments) that management of the Company believes are necessary for a fair statement of the periods presented. These interim financial results are not necessarily indicative of results expected for the full fiscal year. The December 31, 2025 condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP.

The accompanying unaudited condensed financial statements and related financial information should be read in conjunction with the Company's annual audited financial statements and the related notes thereto for the fiscal year ended December 31, 2025, included in the Annual Report on Form 10-K (the "Annual Report") as filed with the SEC on March 31, 2026.

Note 2. Summary of Significant Accounting Policies

Other than policies noted below, there have been no significant changes to the significant accounting policies disclosed in Note 2, *Summary of Significant Accounting Policies*, of the annual audited financial statements included in the Annual Report.

Accounting Estimates

The preparation of condensed financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed financial statements and accompanying notes to the condensed financial statements. The accounting estimates that require management's most significant, difficult and subjective judgments include, but are not limited to, revenue recognition and allowance for expected credit losses, the valuation of notes receivable and inventory, the assessment of recoverability of intangible assets and their estimated useful lives, the valuation and recognition of stock-based compensation, operating lease right-of-use assets and liabilities, the recognition and measurement of current and deferred income tax assets and liabilities, and the valuation of warrant liabilities. Management evaluates its estimates on an ongoing basis as there are changes in circumstances, facts, and experience. Changes in estimates are recorded in the period in which they become known. Actual results could differ from these estimates.

As of the date of issuance of these unaudited condensed interim financial statements, the Company is not aware of any specific event or circumstance that would require the Company to update estimates, judgments or revise the carrying value of any assets or liabilities.

Derivative Financial Instruments

The Company evaluates financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, *Derivatives and Hedging* ("ASC 815"). For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the condensed statements of operations. Warrants issued by the Company that do not

meet the criteria for equity treatment are recorded as liabilities. We do not use financial instruments or derivatives for any trading purposes.

Fair Value Measurement

The fair value of the Company's financial instruments are estimates of the amounts that would be received if the Company were to sell an asset or the Company paid to transfer a liability in an orderly transaction between market participants at the measurement date or exit price. The assets and liabilities are categorized and disclosed in one of the following three categories:

- Level 1—based on quoted market prices in active markets for identical assets and liabilities.
- Level 2—based on observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—based on unobservable inputs using management's best estimate and assumptions when inputs are unavailable.

Fair value measurements are classified in their entirety based on the lowest level of input that is significant to their fair value measurement.

Acquisition-Related Costs

Acquisition-related costs, which consists of advisory, legal, accounting, valuation and other professional or consulting fees related to and incurred in association with the terminated Merger Agreement, are expensed as incurred and included within selling, general and administrative expenses in the condensed statements of operations and comprehensive income (loss). During the three months ended March 31, 2026, acquisition-related costs were reduced by $4,373 associated with previously recognized acquisition-related costs eliminated in conjunction with the terminated Merger Agreement as compared to $4,174 and $8,399 of acquisition-related costs incurred during the three and six months ended June 30, 2025. In total, the Company incurred acquisition-related costs of $12,768 through March 31, 2026. At June 30, 2026, the Company had liabilities related to acquisition-related costs of $8,132, of which $4,382 is classified as accounts payable, current and $3,750 is classified as accounts payable, long-term on the condensed balance sheet.

Related Parties

The Company follows ASC 850, *Related Party Disclosures*, for the identification of related parties and disclosure of related party transactions.

In May 2023, the Company completed the Private Placement (as defined in Note 11, *Redeemable Convertible Preferred Stock*) with NR-GRI Partners, LP ("NR-GRI"), an affiliate of North Run Capital, LP ("North Run"). Pursuant to the terms of the Private Placement, Thomas B. Ellis and Todd B. Hammer, co-managing partners of North Run, joined the Company's Board of Directors following the Company's 2023 Annual Meeting of Stockholders. Refer to Note 9, *Warrant Liabilities*, and Note 11, *Redeemable Convertible Preferred Stock*, for more details related to the Private Placement.

Income Taxes

Income tax expense/(benefit) from continuing operations for the three and six months ended June 30, 2026 and 2025 was $0 in each period, which resulted from maintaining a full valuation allowance against the Company's net deferred tax assets.

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), an aggregate change in stock ownership of one or more stockholders or groups of stockholders owning at least 5% of the Company's stock that exceeds 50 percentage points (by value) over a rolling three-year period (a "Section 382 ownership change") may result in a limitation on the amount of net operating loss and tax credit carryforwards that may be used in future years. The Company completed a Section 382 ownership change analysis through its taxable year ended December 31, 2023 and determined that, during the second quarter of 2023, the Company experienced a Section 382 ownership change in connection with the Private Placement of Series A Redeemable Convertible Preferred Stock (the "Private Placement"), triggering the application of Section 382 of the Code. Refer to Note 11, *Redeemable Convertible Preferred Stock*, for more details related to the Private Placement. The Company has not completed a detailed analysis to determine whether any subsequent Section 382 ownership changes have occurred and thus whether additional limitations have been triggered under Sections 382 and 383 of the Code since December 31, 2023. The Company has computed and applied limitations of tax deductions in the income

tax provision computation in each year since the Section 382 ownership change was applicable; however, these limitations do not have a material impact on the financial statements.

On July 4, 2025, U.S. tax legislation was signed into law (known as the "One Big Beautiful Bill Act" or "OBBBA") which made permanent many of the tax provisions enacted in 2017 as part of the Tax Cuts and Jobs Act that were set to expire at the end of 2025. In addition, the OBBBA made changes to certain U.S. corporate tax provisions, many of which became effective in 2026. Based on the Company's analysis of the provisions, the Company determined that the tax law changes do not have a material impact on the Company's financial statements; however, the Company will continue to evaluate their impact on future periods.

Recently Adopted Accounting Pronouncement

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC Topic 606: *Revenue from Contracts with Customers*. The practical expedient permits an entity to assume that current conditions as of the balance sheet date do not change for the remaining life of the current accounts receivable and current contract assets. This ASU is effective for fiscal years beginning after December 15, 2025 on a prospective basis, and for interim periods within fiscal years beginning after December 15, 2025, with early adoption permitted. The Company adopted this ASU effective January 1, 2026. The ASU did not have a material impact to the Company's financial statements.

Recently Issued Accounting Pronouncement Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), ASU 2024-03 requires disclosure in the notes to the financial statements of specified information about certain costs and expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027. ASU 2024-03 should be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact of ASU 2024-03 to the financial statement disclosures.

Note 3. Revenue from Contracts with Customers

Disaggregation of Revenue

The following table summarizes the Company's product and service revenue disaggregated by geographic region, which is determined based on customer location, for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
United States	$ 10,398	$ 7,751	$ 18,932	$ 14,450
Asia	1,953	2,050	3,215	5,313
Europe	2,310	2,413	4,194	4,659
Other	62	76	129	143
Total[1]	$ 14,723	$ 12,290	$ 26,470	$ 24,565

[1] The table above does not include lease revenue of $1,772 and $1,645 for the three months ended June 30, 2026 and 2025, respectively, and $3,453 and $3,529 for the six months ended June 30, 2026 and 2025, respectively. Substantially all lease revenue originates from the United States. Refer to Note 6, *Leases*.

Contract Balances

The following table provides information about receivables and contract liabilities from contracts with customers:

	Classification	As of June 30, 2026	As of December 31, 2025
Accounts receivable, current	Accounts receivable, net	$ 6,170	$ 6,377
Notes receivable, current	Notes receivable, net	$ 501	$ 295
Notes receivable, long-term	Notes and other receivables, long-term, net	$ 582	$ 731
Contract liability, current	Deferred revenue	$ 459	$ 479
Deferred revenue, current	Deferred revenue	$ 2,468	$ 2,595
Deferred revenue, non-current	Other long-term liabilities	$ 873	$ 910

Accounts Receivable, Net – Accounts receivable, net, include amounts billed and due from customers. The amounts due are stated at their net estimated realizable value and are classified as current or noncurrent based on the timing of when the Company expects to receive payment. Most customers are on pre-paid or 30-day payment terms, depending on the product purchased. The Company maintains an allowance for expected credit losses to provide for the estimated amount of receivables that will not be collected. The allowance is based upon an assessment of customer credit worthiness, historical payment experience, the age of outstanding receivables, collateral to the extent applicable and reflects the possible impact of current conditions and reasonable forecasts not already reflected in historical loss information.

The following table summarizes the activity in the allowance for credit losses:

	Amount
Accounts receivable, allowance for credit losses as of December 31, 2025	$ 62
Change in provision for credit losses	17
Write-offs	—
Accounts receivable, allowance for credit losses as of June 30, 2026	$ 79

	Amount
Accounts receivable, allowance for credit losses as of December 31, 2024	$ 105
Change in provision for credit losses	(57)
Write-offs	—
Accounts receivable, allowance for credit losses as of June 30, 2025	$ 48

Notes Receivable, Net – Notes receivable, net includes amounts billed and due from customers under extended payment terms with a significant financing component. Interest rates on notes receivable range from 6.0% to 8.0%. The Company recorded interest income on notes receivable during the three months ended June 30, 2026 and 2025 of $17 and $22, respectively, and during the six months ended June 30, 2026 and 2025 of $36 and $48, respectively, in other income, net in the statement of operations.

The following table summarizes the activity in the allowance for notes receivable:

	Amount
Notes receivable, allowance for credit losses as of December 31, 2025	$ 21
Change in provision for credit losses	1
Write-offs	—
Notes receivable, allowance for credit losses as of June 30, 2026	$ 22

Notes receivable, allowance for credit losses as of December 31, 2024	$ 31
Change in provision for credit losses	(7)
Write-offs	—
Notes receivable, allowance for credit losses as of June 30, 2025	$ 24

Contract Assets – The Company's contract assets represent revenue recognized for performance obligations completed before an unconditional right to payment exists, and therefore invoicing has not yet occurred. The Company classifies contract assets in prepaid and other current assets in the Company's condensed balance sheets.

The Company did not have a contract assets balance at June 30, 2026 and December 31, 2025. The following table provides information about contract assets from contracts with customers:

	Amount
Contract assets as of December 31, 2024	$ 236
Contract assets recognized	307
Payments received	(393)
Write-off due to contract modification	(112)
Contract assets as of June 30, 2025	$ 38

Deferred Revenue and Contract Liabilities – The Company’s deferred revenue and contract liabilities represent services and products sold to customers for which the performance obligation has not been completed by the Company. The Company classifies deferred revenue and contract liabilities as current or noncurrent based on the timing of when it expects to recognize revenue. The noncurrent portion of deferred revenue and contract liabilities is included in other long-term liabilities in the Company’s condensed balance sheets.

The following table provides information about deferred revenue and contract liabilities from contracts with customers:

	Amount
Deferred revenue and contract liabilities as of December 31, 2025	$ 3,984
Billings not yet recognized as revenue	833
Beginning deferred revenue and contract liabilities recognized as revenue	(1,017)
Deferred revenue and contract liabilities as of June 30, 2026	$ 3,800

Deferred revenue and contract liabilities as of December 31, 2024	$ 2,373
Billings not yet recognized as revenue	1,982
Beginning deferred revenue and contract liabilities recognized as revenue	(1,289)
Deferred revenue and contract liabilities as of June 30, 2025	$ 3,066

Transaction Price Allocated to Future Performance Obligations

At June 30, 2026, the revenue expected to be recognized in future periods related to performance obligations that are unsatisfied for executed contracts with an original duration of one year or more was approximately $45,781. The Company expects to satisfy its remaining performance obligations by December 31, 2031, with $9,842 to be satisfied by December 31, 2026, $13,858 to be satisfied by December 31, 2027, $10,783 to be satisfied by December 31, 2028, $7,568 to be satisfied by December 31, 2029, $3,152 to be satisfied by December 31, 2030, and $578 to be satisfied by December 31, 2031. The Company does not disclose the value of unsatisfied

performance obligations for (i) contracts with original expected lengths of one year or less or (ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for the products delivered or services performed.

Note 4. Fair Value of Financial Instruments

The carrying value of the Company's cash, cash equivalents, accounts receivable, accounts payable, accrued liabilities, and other current liabilities approximate fair value based on the short-term maturities of these instruments. The carrying value of the Company's notes receivable also approximates fair value based on the associated credit risk.

The Company classifies money market funds and government securities as Level 1 within the fair value hierarchy as the fair value is based on quoted prices. The Company classifies its warrant derivative liabilities as Level 3 within the fair value hierarchy as the Company estimates the fair value of the warrant liabilities using recently quoted market prices of the Company's common stock and the Black-Scholes option pricing model, refer to Note 9, *Warrant Liabilities*.

The following table sets forth by level, within the fair value hierarchy, the Company's assets and liabilities at fair value as of June 30, 2026 and December 31, 2025:

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	$ 9,204	$ —	$ —	$ 9,204
Total assets	$ 9,204	$ —	$ —	$ 9,204
Liabilities				
Warrant derivative liabilities	$ —	$ —	$ 15,016	$ 15,016
Total liabilities	$ —	$ —	$ 15,016	$ 15,016

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	$ 7,850	$ —	$ —	$ 7,850
U.S. government securities	5,004	—	—	5,004
Total assets	$ 12,854	$ —	$ —	$ 12,854
Liabilities				
Warrant derivative liabilities	$ —	$ —	$ 40,194	$ 40,194
Total liabilities	$ —	$ —	$ 40,194	$ 40,194

There were no transfers between fair value hierarchy levels during the three and six months ended June 30, 2026 and 2025.

The fair value of the Company's financial assets that are measured at fair value on a recurring basis are as follows:

	June 30, 2026			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash equivalents				
Money market funds	$ 9,204	$ —	$ —	$ 9,204
Total	$ 9,204	$ —	$ —	$ 9,204

	December 31, 2025			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash equivalents				
Money market funds	$ 7,850	$ —	$ —	$ 7,850
Short-term investments				
U.S. government securities	5,000	4	—	5,004
Total	$ 12,850	$ 4	$ —	$ 12,854

The change in fair value of warrant liabilities measured on a recurring basis using unobservable Level 3 inputs for the period ended June 30, 2026 is set forth below:

	Fair Value at December 31, 2025	Change in Fair Value	Fair Value at June 30, 2026
Series A Warrant	$ 20,635	$ (12,690)	$ 7,945
Series B Warrant	19,559	(12,488)	7,071
Total warrant liabilities	$ 40,194	$ (25,178)	$ 15,016

Note 5. Inventories

Inventory balances were as follows:

	As of June 30, 2026	As of December 31, 2025
Finished Goods	$ 4,534	$ 4,622
Work-in-process	2,187	4,153
Raw Materials	18,150	12,745
Total	$ 24,871	$ 21,520

Note 6. Leases

Lessor Arrangements

The Company has operating leases for Systems. The Company's leases have remaining lease terms of less than one year to five years. Lease revenue for the three and six months ended June 30, 2026 and 2025 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Lease revenue	$ 1,772	$ 1,645	$ 3,453	$ 3,529

Note 7. Intangible Assets

The components of intangible assets were as follows:

	As of June 30, 2026			As of December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-lived intangible assets:						
Customer relationships [1,2]	$ 4,292	$ (3,136)	$ 1,156	$ 4,292	$ (2,985)	$ 1,307
Acquired technology [1]	9,200	(5,622)	3,578	9,200	(5,316)	3,884
Acquired trademarks [1]	570	(570)	—	570	(570)	—
	$ 14,062	$ (9,328)	$ 4,734	$ 14,062	$ (8,871)	$ 5,191

1. Certain intangible assets were established upon PDL BioPharma, Inc.'s acquisition of LENSAR in May 2017. They are being amortized on a straight-line basis over a period of 15 years. The intangible assets for customer relationships are amortized on a straight-line basis or a double declining basis over their estimated useful lives up to 20 years based on the method that better represents the economic benefits to be obtained.

2. The Company acquired certain intangible assets for customer relationships from a domestic distributor in an asset acquisition, which are being amortized on a straight-line basis over a period of 10 years.

Amortization expense for three months ended June 30, 2026 and 2025 was $228 and $230, respectively, and for the six months ended June 30, 2026 and 2025 was $457 and $462, respectively.

Based on the intangible assets recorded at June 30, 2026, and assuming no subsequent additions to or impairment of the underlying assets, the remaining amortization expense is expected to be as follows:

Fiscal Year	Amount
Remainder of 2026	$ 454
2027	902
2028	694
2029	690
2030	690
2031	690
Thereafter	614
Total remaining estimated amortization expense	$ 4,734

Note 8. Accrued Liabilities

Accrued liabilities consist of the following:

	As of June 30, 2026	As of December 31, 2025
Compensation	$ 3,191	$ 5,050
Professional Services	882	415
Warranty	139	238
Inventory	—	1,305
Other	516	763
Total	$ 4,728	$ 7,771

Note 9. Warrant Liabilities

In May 2023, the Company completed the Private Placement (as defined below), which included the issuance of warrants (the "Warrants") to purchase an aggregate of 4,367 shares of common stock (the "Warrant Shares"). Fifty percent of the Warrants have an exercise price equal to $2.45 per share (the "Series A Warrant"), and 50% of the Warrants have an exercise price equal to $3.0625 per

share (the "Series B Warrant"), subject in each instance to adjustments as provided under the terms of the Warrants. Refer to Note 11, *Redeemable Convertible Preferred Stock*, for more details related to the Private Placement.

Upon the occurrence of certain transactions ("Fundamental Transactions," as defined below), the Warrants provide that they are redeemable by the holder thereof for a value determined using a Black Scholes option pricing model with inputs calculated as described in the applicable Warrant, which includes a 100% floor on the volatility input to be utilized. The Company has determined that this provision introduces leverage to the holders of the Warrants that could result in a value that would be greater than the settlement amount of a fixed-for-fixed option on the Company's own equity shares. Accordingly, pursuant to ASC 815, the Company classified the fair value of the Warrants as a liability to be re-measured at the end of every reporting period with the change in value reported in the statements of operations. Of the $20,000 gross proceeds for the Private Placement, $5,605 was allocated to the Warrants and the remaining $14,395 was allocated to the Series A Redeemable Convertible Preferred Stock.

The Company estimated the fair value of the warrant liabilities using recently quoted market prices of the Company's common stock and the Black-Scholes option pricing model. The fair value of the warrant liabilities was estimated using the following assumptions as of June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
Risk-free interest rate	4.1%	3.5%
Expected term (years)	1.9	2.4
Expected volatility	61%	61%
Dividends	0.0%	0.0%

Expected term: The expected term for the warrant liabilities was based on the remaining contractual term of the Warrants.

Risk-free interest rate: The risk-free interest rate was based on the rates paid on securities issued by the U.S. Treasury with a term approximating the expected term.

Expected volatility: The expected volatility for the warrant liabilities was based on an index of the historical volatilities of a group of comparable publicly-traded medical device and other peer companies, which the Company believed was representative of the volatility of its common stock.

Expected dividend yield: The Company does not intend to pay dividends for the foreseeable future. Accordingly, the Company used a dividend yield of zero in the assumptions.

Note 10. Commitments and Contingencies

Purchase Obligation

The Company is a party to various supply agreements for the manufacture and supply of certain components. The supply agreements commit the Company to a minimum purchase obligation of approximately $9,320 over the next 18 months. The Company expects to meet these requirements.

Contingent Payments

In connection with negotiated reduced acquisition-related cost payments, refer to Note 2, *Summary of Significant Accounting Policies*, the Company agreed to pay certain acquisition-related vendors $1,000 in the event of a change in control.

International Emergency Economic Powers Act Tariff Refund

In February 2026, the U.S. Supreme Court ruled to invalidate the U.S. administration's tariff program implemented during 2025 under the International Emergency Economic Powers Act ("IEEPA"), concluding that IEEPA did not authorize the broad import duties previously imposed. Subsequent to the U.S. Supreme Court ruling, the U.S. Court of International Trade issued an order directing U.S. Customs and Border Protection ("CBP") to establish an administrative process to issue refunds of any IEEPA tariffs imposed without appropriate authority. In April 2026, the CBP launched an online portal referred to as the Consolidated Administration and Processing of Entries ("CAPE") that can be used to submit IEEPA tariff refund requests. All requests will be reviewed by the CBP to determine validity prior to the issuance of refunds.

Any tariffs paid are capitalized in inventory and recognized in cost of goods sold as those products subject to tariffs are sold. During the three and six months ended June 30, 2026, the Company recorded $1,150 as a reduction of cost of goods sold in the condensed statement of operations. During the three months ended June 30, 2026, the Company received $241 in refunds and the remaining $909 was recorded as a receivable in other assets on the condensed balance sheet at June 30, 2026. A majority of the receivable was received subsequent to June 30, 2026. Refer to Note 16, *Subsequent Events*.

Legal Matters

The medical device market in which the Company participates is largely technology driven. As a result, intellectual property rights, particularly patents and trade secrets, play a significant role in product development and differentiation. The Company makes provisions for liabilities when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

From time to time, we may become involved in various legal proceedings relating to matters incidental to the terminated Merger Agreement and in the ordinary course of our business, including intellectual property, commercial, product liability, employment, class action, whistleblower and other litigation and claims, and governmental and other regulatory investigations and proceedings. There were no provisions for legal liabilities at June 30, 2026 and 2025.

Note 11. Redeemable Convertible Preferred Stock

Series A Redeemable Convertible Preferred Stock

In May 2023, the Company entered into a Securities Purchase Agreement (the "SPA") with NR-GRI Partners, LP ("NR-GRI"), whereby it sold to NR-GRI, for an aggregate purchase price of $20,000, 20 shares of Series A Redeemable Convertible Preferred Stock and the Warrants (the "Private Placement"). Refer to Note 9, *Warrant Liabilities*, for more details related to the Warrants. The Series A Redeemable Convertible Preferred Stock is convertible into 7,940 shares of common stock at the election of NR-GRI.

On August 1, 2023, the Company's stockholders voted to approve the issuance of shares of the Company's common stock issuable upon conversion of the shares of Series A Redeemable Convertible Preferred Stock and exercise of the Warrants. As a result of the stockholders' approval of the Private Placement, applicable ownership limitations under Nasdaq rules were lifted, and NR-GRI became entitled to convert shares of Series A Redeemable Convertible Preferred Stock or exercise Warrants up to the full amount purchased in the Private Placement.

Holders of Series A Redeemable Convertible Preferred Stock are entitled to vote on an as-converted basis with holders of common stock. The Series A Redeemable Convertible Preferred Stock ranks senior to the common stock as to distributions and payments upon the liquidation, dissolution and winding up of the Company, and holders of Series A Redeemable Convertible Preferred Stock participate with the holders of the common stock on an as-converted basis to the extent any dividends are declared on common stock. The shares of Series A Redeemable Convertible Preferred Stock will automatically be redeemed in connection with certain transactions ("Fundamental Transactions"), including a merger, sale of all or substantially all the assets of the Company, recapitalization, or the sale by the Company of shares resulting in more than 50% ownership by a person or group. In such event, the redemption price would be equal to the greater of the stated value of the shares of Series A Redeemable Convertible Preferred Stock or the consideration per share of common stock in the Fundamental Transaction (or in the absence of such consideration, the volume-weighted average price of the Company's common stock immediately preceding the closing of the Fundamental Transaction).

The Series A Redeemable Convertible Preferred Stock is classified as temporary equity in the condensed balance sheet because redemption automatically occurs upon a Fundamental Transaction. However, redemption is not considered probable; therefore, the Series A Redeemable Convertible Preferred Stock is not accreted to face value. The proceeds of the transaction were allocated first to the fair value of warrants due to the classification of the warrants as a liability on the condensed balance sheet and the remainder of the proceeds were allocated to the Series A Redeemable Convertible Preferred Stock. Offering costs of $901 were allocated ratably based on the allocation of proceeds; $253 was allocated to the general and administrative expenses and $648 was allocated to Series A Redeemable Convertible Preferred Stock. Series A Redeemable Convertible Preferred Stock is presented net of offering costs on the condensed balance sheet.

In connection with the parties' entry into the SPA, the Company and NR-GRI entered into a Registration Rights Agreement, pursuant to which the Company filed a resale registration statement on Form S-3 (No. 333-272930) with respect to the resale of the shares of the Company's common stock issuable upon conversion of the shares of Series A Redeemable Convertible Preferred Stock and exercise of the Warrants.

Note 12. Stockholders' Equity

Common Stock

The Company has a single class of common stock in which stockholders are entitled to one vote for each share of common stock. No cash dividend was declared on common stock during the three and six months ended June 30, 2026 and 2025.

Note 13. Stock-Based Compensation

Stock-Based Incentive Plans

The 2020 Plan

In July 2020, the Board of Directors approved the LENSAR Inc. 2020 Incentive Award Plan (the "2020 Plan"). The 2020 Plan provides for the grant of stock options, restricted stock, restricted stock unit awards, performance stock unit awards and other stock-based awards to recipients. The amount and terms of grants are determined by the Company's Board of Directors or a duly authorized committee thereof. Participants must pay the Company, or make provisions to pay, any required withholding taxes by the date of the event creating the tax liability. Participants may satisfy the tax liability in cash or in stock. A total of 3,333 shares of common stock were initially reserved for issuance pursuant to the 2020 Plan. The number of shares available for issuance under the 2020 Plan includes an annual increase on the first day of each fiscal year beginning fiscal 2021, equal to the lesser of (i) 5% of the aggregate number of shares outstanding on the final day of the immediately preceding calendar year and (ii) such smaller number of shares as determined by the Board of Directors. As of June 30, 2026, the Company has reserved a total of 6,733 shares of common stock for issuance under the 2020 Plan.

The Inducement Plan

In February 2024, the Board adopted the 2024 Employment Inducement Incentive Award Plan (the "Inducement Plan"). The Inducement Plan provides for the grant of non-qualified stock options, stock appreciation rights, restricted stock awards, restricted stock units, and other stock or cash based awards (collectively, the "Inducement Awards"). The Inducement Plan was recommended for approval by the Compensation Committee of the Board and subsequently approved and adopted by the Board without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules. A maximum of 100 shares of common stock were reserved for issuance pursuant to the Inducement Plan. In accordance with Rule 5635(c)(4) of the Nasdaq Listing Rules, Inducement Awards under the 2024 Plan may only be made to an employee who has not previously been an employee or member of the Board, or following a bona fide period of non-employment by the Company, if he or she is granted such Inducement Awards in connection with his or her commencement of employment with the Company and such grant is an inducement material to his or her entering into employment with the Company.

A summary of the shares available for issuance under the 2020 Plan and Inducement Plan (collectively, the "Incentive Plans") is as follows:

	2020 Plan	Inducement Plan
Balance at December 31, 2025	684	81
Authorized	600	—
Granted/Awarded	(1,030)	—
Cancelled/Forfeited	83	2
Balance at June 30, 2026	337	83

Stock Options

The exercise price of incentive stock options ("ISOs") and nonqualified stock options ("NSOs") shall not be less than 100% of the fair market value on the grant date of the option and the term may not exceed 10 years. The exercise price of ISOs granted to a 10% stockholder shall not be less than 110% of the estimated fair market value on the grant date of the option and the term may not exceed five years. To date, options have a term of 10 years and generally vest over one to four years from the grant date.

Option award activity under the Incentive Plans is set forth below:

	Options Outstanding			
	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2025	1,809	$ 5.23	6.4	$ 11,587
Options granted	—	$ —		
Options exercised	(21)	$ 2.65		
Options cancelled/forfeited	(6)	$ 3.25		
Outstanding at June 30, 2026	1,782	$ 5.27	5.6	$ 2,020
Vested and expected to vest at June 30, 2026	1,782	$ 5.27	5.6	$ 2,020
Vested and exercisable at June 30, 2026	1,717	$ 5.34	5.5	$ 1,856

There were no options granted during the six months ended June 30, 2026. The total fair value of options vested during the three and six months ended June 30, 2026 was approximately $65 and $180, respectively. Total unrecognized compensation expense of $107 related to stock options will be recognized over a weighted average period of 0.9 years.

The following table summarizes information about stock options outstanding and vested as of June 30, 2026:

	Options Outstanding			Options Vested	
Exercise Price	Options Outstanding	Weighted Average Remaining Contractual Term (in Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$2.15 - $3.10	300	6.4	$ 2.66	253	$ 2.66
$3.23	422	6.9	$ 3.23	422	$ 3.23
$3.27 - $5.95	39	7.5	$ 4.22	24	$ 4.24
$6.04	390	4.8	$ 6.04	390	$ 6.04
$6.07 - $13.48	631	4.6	$ 7.46	628	$ 7.44
	1,782	5.6	$ 5.27	1,717	$ 5.34

The Company estimated the fair value of stock-options using the Black-Scholes option pricing model. The fair value of stock options is being amortized on a straight-line basis over the requisite service period of the awards. The fair value of stock options was estimated using the following assumptions for the three and six months ended June 30, 2025:

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Risk-free interest rate	—	4.0 - 4.4%
Expected term (years)	—	6.0
Expected volatility	—	61%
Dividends	—	0.0%

Expected term: The expected term for the Company's stock-based compensation awards was based on an index of the expected terms of a group of comparable publicly-traded medical device and other peer companies, which the Company believed was representative of the expected term of its awards.

Risk-free interest rate: The risk-free interest rate was based on the rates paid on securities issued by the U.S. Treasury with a term approximating the expected term.

Expected volatility: The expected volatility for the Company's stock-based compensation awards was based on an index of the historical volatilities of a group of comparable publicly-traded medical device and other peer companies, which the Company believed was representative of the volatility of its common stock.

Expected dividend yield: The Company does not intend to pay dividends for the foreseeable future. Accordingly, the Company used a dividend yield of zero in the assumptions.

Restricted Stock Units

Restricted stock units granted to employees and non-employees generally vest over one to four years in regular increments. The fair value of restricted stock units is based on the Company's closing stock price on the date of grant.

Performance stock units granted to employees are subject to service and performance conditions. The shares subject to the performance stock units vest over a three or four-year performance period. The actual number of performance stock units that will vest in each measurement period will be determined by the Compensation Committee based on the Company's one-year trailing revenues and achievement of certain revenue thresholds. The fair value of performance stock units is based on the Company's closing stock price on the date of grant.

Restricted stock unit and performance stock unit activity under the Incentive Plans is set forth below:

	Restricted Stock Units Outstanding	
	Number of Units	Weighted Average Grant Date Fair Value Per Share
Non-vested at December 31, 2025	949	$ 6.72
Restricted stock units granted	1,030	$ 5.74
Restricted stock units vested	(248)	$ 8.26
Restricted stock units cancelled	(47)	$ 5.51
Non-vested at June 30, 2026	1,684	$ 5.93
Vested and unreleased restricted stock units at June 30, 2026	110	$ 3.26

The total fair value of restricted stock units vested during the three and six months ended June 30, 2026 was approximately $944 and $2,049, respectively. At June 30, 2026 there was approximately $7,804 of total unrecognized compensation expense related to restricted stock units and performance stock units, which is expected to be recognized over a weighted-average period of 2.7 years.

2020 Employee Stock Purchase Plan

In September 2020, the Board of Directors approved the LENSAR, Inc. 2020 Employee Stock Purchase Plan (the "2020 ESPP"), under which eligible employees are permitted to purchase common stock at a discount through payroll deductions. A total of 340 shares of common stock were initially reserved for issuance. The number of shares available for issuance under the 2020 ESPP includes an increase on the first day of each fiscal year, beginning in 2022, by an amount equal to the lesser of (i) 1.0% of the outstanding shares of common stock as of the last day of the immediately preceding fiscal year; or (ii) a lesser amount as determined by the Board of Directors. As of June 30, 2026, the Company has reserved 801 shares of common stock for issuance under the 2020 ESPP. The price of the common stock purchased will be the lower of 85% of the fair market value of the common stock at the beginning of an offering period or at the end of a purchase period. The 2020 ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code.

As of June 30, 2026, 545 shares of common stock have been issued to employees participating in the 2020 ESPP and 256 shares were available for future issuance under the 2020 ESPP. The grant date fair value of the shares to be issued under the Company's 2020 ESPP was estimated using the Black-Scholes valuation model.

The following table sets forth the total stock-based compensation expense recognized under the Incentive Plans and the 2020 ESPP in the Company's condensed statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue – product	$ —	$ 9	$ —	$ 10
Cost of revenue – product	52	53	107	90
Cost of revenue – service	50	46	106	78
Selling, general and administrative expenses	190	582	709	1,093
Research and development expenses	55	76	115	149
Total	$ 347	$ 766	$ 1,037	$ 1,420

Total unrecognized stock-based compensation expense is expected to be amortized as follows:

Fiscal Year	Amount
Remainder of 2026	$ 1,651
2027	2,762
2028	2,305
2029	878
2030	315
Total unrecognized stock-based compensation expense	$ 7,911

The amounts included in this table are based on restricted stock units, performance stock units, and stock options outstanding at June 30, 2026 and assumes the requisite service period is fulfilled for all awards outstanding. Actual stock-based compensation expense in future periods may vary from those reflected in the table.

Note 14. Income (Loss) per Share

The following is a reconciliation of the numerator (income (loss)) and the denominator (number of shares) used in the basic and diluted loss per share calculations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator				
Net income (loss)	$ 3,535	$ (1,764)	$ 39,867	$ (29,109)
Percentage allocated to common stockholders[(1)]	50%	100%	50%	100%
Numerator for basic earnings (loss) per common share	$ 1,767	$ (1,764)	$ 19,871	$ (29,109)
Undistributed income allocated to Series A Convertible Preferred Stock	1,141	—	12,901	—
Undistributed income allocated to Series A and Series B Warrants	627	—	7,096	—
Change in fair value of warrant liabilities	(1,230)	—	(25,178)	—
Numerator for diluted income (loss) per common share	$ 2,305	$ (1,764)	$ 14,690	$ (29,109)
Denominator				
Weighted average number of shares of common stock, basic	12,297	11,937	12,230	11,856
Series A Convertible Preferred Stock	7,940	—	7,940	—
Series A Warrants and Series B Warrants	2,261	—	2,911	—
Options	341	—	644	—
Restricted stock units and performance stock units	188	—	299	—
Weighted average number of common stock, diluted	23,027	11,937	24,024	11,856
Basic income (loss) per common share	$ 0.14	$ (0.15)	$ 1.62	$ (2.46)
Diluted income (loss) per common share	$ 0.10	$ (0.15)	$ 0.61	$ (2.46)
[(1)] Basic weighted average common stock outstanding	12,297	11,937	12,230	11,856
Basic weighted average common stock and participating securities (Series A Redeemable Convertible Preferred Stock, Series A Warrants, and Series B Warrants)	24,605	11,937	24,537	11,856
Percentage allocated to common stockholders	50%	100%	50%	100%

Basic earnings (loss) per common share is calculated by dividing the earnings (loss) attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, without consideration of potentially dilutive securities. Diluted earnings (loss) per share is computed by dividing the earnings (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 earnings (loss) per share calculation, Series A Redeemable Convertible Preferred Stock, Series A Warrants, and Series B Warrants, stock options, restricted stock awards, restricted stock units, and performance stock units are considered to be potentially dilutive securities. Basic and diluted earnings (loss) attributable to common stockholders per share is presented in conformity with the two-class method required for participating securities. The Company considers Series A Redeemable Convertible Preferred Stock, Series A Warrants, and Series B Warrants to be participating securities, because holders of such instruments participate in the event a dividend is paid on common stock. The holder of the Series A Redeemable Convertible Preferred Stock, Series A Warrants and Series B Warrants does not have a contractual obligation to share in the Company's losses. As such, losses are attributed entirely to common stockholders and for periods in which the Company has reported a net loss, diluted loss per common share is the same as basic loss per common share.

The Company excluded the following amounts of equity securities from its diluted loss per share calculations for the three and six months ended June 30, 2026 and 2025 because their effect was anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Series A Redeemable Convertible Preferred Stock	—	7,940	—	7,940
Series A Warrants and Series B Warrants	—	4,367	—	4,367
Restricted stock units and performance stock units	634	954	3	954
Outstanding stock options	1,031	1,833	170	1,833

The anti-dilutive weighted average shares excluded from the diluted loss per share calculations were:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Series A Redeemable Convertible Preferred Stock	—	7,940	—	7,940
Series A Warrants	—	1,787	—	1,756
Series B Warrants	—	1,688	—	1,649
Restricted stock units and performance stock units	334	526	3	550
Outstanding stock options	1,030	1,072	170	1,004
Total	1,364	13,013	173	12,899

Note 15. Segment Information

The Company's CODM is its Chief Executive Officer. The Company has determined that it operates in one operating segment and one reportable segment as the CODM reviews financial information presented on an entity-wide basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. The CODM uses revenue and net income (loss) to assess segment performance and allocate resources by comparing actual results to budget. The measure of segment assets is reported on the balance sheet as total assets. As of June 30, 2026 and December 31, 2025, 99% of long-lived assets were in the United States. Revenue is attributed to a geographic region based on the location of the customer, refer to Note 3, *Revenue from Contracts with Customers*.

A reconciliation of significant segment expenses to net income (loss) is below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	$ 16,495	$ 13,935	$ 29,923	$ 28,094
Less:				
Personnel expense	6,537	6,851	13,665	13,786
Acquisition-related costs	—	4,174	(4,373)	8,399
Other cost of revenue[1]	3,326	3,562	6,785	7,331
Other research and development expense[1]	278	392	587	803
Other sales and marketing expense[1]	856	1,681	1,765	2,874
Other general and administrative expense[1]	1,911	1,712	3,845	3,399
Stock-based compensation expense	347	757	1,037	1,410
Change in fair value of warrant liabilities	(1,230)	(4,332)	(25,178)	17,382
Depreciation expense	878	865	1,782	1,709
Amortization expense	228	230	457	462
Acquisition-related income	-	—	(10,000)	—
Other income, net	(171)	(193)	(316)	(352)
Net income (loss)	$ 3,535	$ (1,764)	$ 39,867	$ (29,109)

[1] The Company deducts personnel expense, stock-based compensation expense, depreciation expense, and amortization expense from GAAP expenses to arrive at other costs and expenses.

Note 16. Subsequent Events

In July 2026, the Company received $894 in IEEPA tariff refunds. Refer to Note 10, *Commitments and Contingencies*.

In August 2026, the Company entered into a $10,000 asset-based revolving credit facility with Salem Five Cents Savings Bank maturing August 2028. The revolving credit facility is secured by a first priority perfected security interest in substantially all of the assets of the Company, subject to customary exclusions. The amount available to borrow under the revolving credit facility is based on certain accounts receivable and future lease receivables. Borrowings under the revolving credit facility bear interest at the 1-month term SOFR plus 3%, which reduces to 1-month term SOFR plus 2.5% if no event of default occurs in the first year. The revolving credit facility contains customary events of default, including, without limitation, failure to make any payment when due. The revolving credit facility may be terminated at any time.

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 condensed financial statements and the related notes included elsewhere in this Quarterly Report, as well as the audited financial statements and the related notes thereto, and the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the "Annual Report"). Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks, uncertainties and other factors that could cause actual results to differ materially from those made, projected or implied in the forward-looking statements. Please see the "Risk Factors Summary" and "Risk Factors" sections for a discussion of the uncertainties, risks and assumptions associated with these statements.

Overview

We are a commercial-stage medical device company focused on designing, developing and marketing advanced laser systems for the treatment of cataracts and the management of pre-existing or surgically induced corneal astigmatism. Our systems incorporate a range of proprietary technologies designed to assist the surgeon in obtaining better visual outcomes, efficiency and reproducibility by providing advanced imaging, simplified procedure planning, efficient design and precision. We believe the cumulative effect of these technologies results in a laser system that can be quickly and efficiently integrated into a surgeon's existing practice, is easy to use and provides surgeons the ability to deliver improved visual outcomes more efficiently.

Our current product portfolio includes the LENSAR Laser System, or LLS, and the ALLY Robotic Cataract Laser System®, or ALLY System, (collectively, the Systems) and its associated consumable components. The consumable portion of the system consists of a disposable patient interface device kit, or PID kit, and the system also requires a procedure license. Each procedure on each system requires the use of a PID kit. The PID kit includes a suction ring, vacuum filter and fluidic connection that are designed to facilitate placement of the laser while minimizing a patient's discomfort, intraocular pressure and trauma to the retina and maintaining corneal integrity. The procedure license is downloaded onto the system as required or as purchased by the customer. The system will not perform a procedure without a valid license. We sell licenses individually and also offer licenses in a subscription package with minimum monthly obligations and the ability to increase procedure numbers as the practice grows to address increases in demand. We believe this structure allows the surgeon to implement a budget while also providing us with a predictable revenue stream.

We are focused on continuous innovation and have launched our proprietary next generation ALLY System. The ALLY System is designed to transform premium cataract surgery by utilizing our advanced robotic technologies with the ability to perform the entire procedure in a sterile operating room or in-office surgical suite, delivering operational efficiencies and reducing overhead. Our ALLY System received clearance from the U.S. Food and Drug Administration, or FDA, in June 2022 and was certified in August 2024 under Regulation (EU) No 2017/745, or EU MDR. The ALLY System is available to all U.S. and European Union, or EU, cataract surgeons and has also received regulatory clearance in India, Taiwan, South Korea, as well as certain other countries. Our growth, market presence and ability to sell the ALLY System will depend on whether the ALLY System receives additional regulatory clearances or certifications and the timing of these clearances or certifications, among other factors. Our future revenue and cash flows will depend on, among other factors, our installed base of Systems and the timing of and applicable clearances for our ALLY System.

We have built and are continuing to grow our commercial organization, which includes a direct sales force in the United States and distributors in Europe and Asia and other targeted international markets. We believe there is significant opportunity for us to expand our presence in these countries and other markets and regions, subject to applicable regulatory clearance or certification. In the United States, we sell our products through a direct sales organization that, as of June 30, 2026, consisted of approximately 70 commercial professionals, including regional sales managers, clinical applications and outcomes specialists, field service, marketing, technical and customer support personnel. We manufacture our Systems at a facility in Orlando, Florida. We purchase custom and off-the-shelf components from a number of suppliers, including some single-source suppliers. We purchase the majority of our components and major assemblies through purchase orders with limited long-term supply agreements and generally do not maintain large volumes of finished goods. We strive to maintain enough inventory of our various component parts to avoid the impact of potential disruptions in the supply chain; however, availability of these components can be outside of our control.

Our revenue increased from $13.9 million for the three months ended June 30, 2025 to $16.5 million for the three months ended June 30, 2026, representing an increase of 18%, primarily due to increased procedure volume. Our net income was $3.5 million for the three months ended June 30, 2026 compared to a net loss of $1.8 million for the three months ended June 30, 2025. Net income for the three months ended June 30, 2026 was primarily due to a $1.2 million decrease in the change in fair value of warrant liabilities. Net loss for the three months ended June 30, 2025 was primarily due to a $4.3 million increase in the change in fair value of warrant liabilities. Our revenue increased from $28.1 million for the six months ended June 30, 2025 to $29.9 million for the six months ended June 30, 2026, representing an increase of 7%, primarily due to an increase in procedure volume offset by a decrease in system sales. Our net income

was $39.9 million for the six months ended June 30, 2026 compared to a net loss of $29.1 million for the six months ended June 30, 2025. Our installed base of Systems is approximately 445 as of June 30, 2026.

Factors to Consider

We operate in a highly competitive environment that involves a number of risks, some of which are beyond our control. We are subject to risks common to medical device companies, including risks inherent in:

- our laser system development and commercialization efforts;
- clinical studies;
- uncertainty of regulatory actions and marketing approvals or certifications;
- reliance on a network of international distributors and a network of suppliers;
- levels of coverage and reimbursement by government or other third-party payors for procedures using our products;
- patients' willingness and ability to pay for procedures with significant costs not covered by or reimbursable through government or other third-party payors;
- enforcement of patent and proprietary rights;
- the need for future capital;
- all safety requirements and suggestions regarding patient treatment as required or suggested by health care authorities;
- clearance or certification by regulatory agencies, including the FDA, or notified bodies for our ALLY System;
- supply chain shortages, labor market shifts, tariffs, and price increases resulting from various macroeconomic factors;
- competition associated with our products; and
- reimbursement practices in jurisdictions where procedures using our Systems are performed, such as South Korea.

We cannot provide assurance that we will generate significant revenues or achieve and sustain profitability in the future. In addition, we can provide no assurance that we will have sufficient funding to meet our future capital requirements.

Our revenues and operating expenses are also difficult to predict and depend on several factors, including the level of ongoing research and development requirements necessary to further develop and/or obtain further regulatory clearance or certification of our ALLY System, the number of Systems we manufacture, sell, and lease on an annual basis, the availability of capital and direction from regulatory agencies or notified bodies, which are difficult to predict. We may be able to control the timing and level of research and development and selling, general and administrative expenses, but many of these expenditures will occur irrespective of our actions due to contractually committed activities and payments.

Global economic uncertainty and other factors, including tariff policies, political instability and conflicts in foreign regions, have impeded global supply chains, resulted in longer lead times and delays in procuring component parts and raw materials, and resulted in inflationary cost increases in certain raw materials, labor and transportation. We expect these inflationary impacts to continue for the foreseeable future. A high rate of inflation in the future, whether due to actual or uncertain impacts from increased tariffs or other trade barriers or other market volatility, may have an adverse effect on our ability to maintain and increase our gross margin or decrease our operating expenses as a percentage of our revenues if our selling prices of our products do not increase as much or more than our increase in costs.

As a result of these and other factors, our historical results are not necessarily indicative of future performance, and any interim results we present are not indicative of the results that may be expected for the full fiscal year.

Components of Our Results of Operations

Revenue

Total revenue comprises product revenue, service revenue and lease revenue. We derive product revenue from the sale of our Systems and sales of our PIDs and procedure licenses to our surgeon customers and to our distributors outside the United States. A PID and procedure license, which may also be referred to as an application license, is required to perform each procedure using our laser system. A procedure license represents a one-time right to utilize the system surgical application in connection with a surgery procedure. Service revenue is derived from the sale of extended warranties for our Systems that provide additional maintenance and service beyond our

standard limited warranty. In some situations, we lease our Systems to surgeons, primarily through non-cancellable leases with a fixed lease payment. The following table provides information about revenue and revenue attributable to recurring sources, which we consider to be all components of our revenue except for sales of our Systems:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	2026	2025	2026	2025
System	$ 2,809	$ 2,576	$ 3,645	$ 5,208
Recurring revenue:				
Procedure	10,233	8,334	19,473	16,620
Lease	1,772	1,645	3,453	3,529
Service	1,681	1,380	3,352	2,737
Total recurring revenue	13,686	11,359	26,278	22,886
Total revenue	$ 16,495	$ 13,935	$ 29,923	$ 28,094
Recurring revenue %	83%	82%	88%	81%

Cost of Revenue

Total cost of revenue comprises cost of product revenue, cost of lease revenue and cost of service revenue. Cost of product revenue primarily consists of the raw materials used in the manufacture of our products, plant overhead, personnel costs, such as salaries and wages, including stock-based compensation and benefits, packaging costs, depreciation expense, freight and other related costs, which include shipping, inspection and excess and obsolete inventory charges. Cost of service revenue primarily consists of costs associated with providing maintenance services under our standard limited warranty as well as extended warranty contracts. Cost of lease revenue primarily consists of depreciation expense associated with leased equipment and shipping costs associated with delivery of these Systems.

Selling, General and Administrative Expense

Our selling, general and administrative expenses consist primarily of acquisition-related costs, personnel costs, such as salaries and wages, including stock-based compensation and benefits, professional fees, marketing, insurance, travel and other expenses, and acquisition-related costs related to the then-pending merger with Alcon Research, LLC. We are continuing to grow our sales efforts in the United States. We expect our selling, general and administrative expenses to continue to increase in association with our planned growth.

Research and Development Expense

Our research and development expenses consist primarily of engineering, product development, clinical studies to develop and support our products, personnel costs, such as salaries and wages, including stock-based compensation and benefits, regulatory expenses, and other costs associated with products and technologies that are in development. Currently, our research and development expense primarily consists of costs associated with the continued development of our next generation system, the ALLY System, which combines all of the features from our LLS with a dual-modality laser, integrated in a small, compact cataract treatment system that is designed to allow surgeons to perform a sterile laser-assisted cataract surgery in a single operating room or in-office surgical suite.

Amortization of Intangible Assets

Intangible assets with finite useful lives consist primarily of acquired trademarks, acquired technology, and customer relationships. Acquired trademarks and acquired technology are amortized on a straight-line basis over their estimated useful lives of 15 to 20 years. Customer relationships are amortized on a straight-line basis or a double declining basis over their estimated useful lives up to 20 years, based on the method that better represents the economic benefits to be obtained.

Change in Fair Value of Warrant Liabilities

The change in fair value of warrant liabilities consists of the change in estimated fair value of the warrant liabilities using recently quoted market prices of the Company's common stock and the Black-Scholes option pricing model.

Income Taxes

Changes in our tax rates or exposure to additional tax liabilities could adversely affect our earnings and financial condition. On July 4, 2025, new U.S. tax legislation was signed into law (known as the “One Big Beautiful Bill Act” or “OBBBA”) which made permanent many of the tax provisions enacted in 2017 as part of the Tax Cuts and Jobs Act that were set to expire at the end of 2025. In addition,

the OBBBA made changes to certain U.S. corporate tax provisions, many of which became effective in 2026. Based on the Company's analysis of the provisions, the Company determined that the tax law changes do not have a material impact on the Company's financial statements. However, the Company will continue to evaluate their impact of such tax law changes on future periods.

Seasonality

We have historically experienced seasonal variations in the sales and leases of our products, with our fourth quarter typically being the strongest and the first quarter being the slowest. We believe these seasonal variations are consistent across our industry.

Results of Operations

Comparison of the Three and Six Months Ended June 30, 2026 and 2025

(Dollars in thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change from Prior Year (%)	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change from Prior Year (%)
Revenue						
Product	$ 13,042	$ 10,910	20%	$ 23,118	$ 21,828	6%
Lease	1,772	1,645	8%	3,453	3,529	(2)%
Service	1,681	1,380	22%	3,352	2,737	22%
Total revenue	$ 16,495	$ 13,935	18%	$ 29,923	$ 28,094	7%
Cost of revenue (excluding intangible amortization)						
Product	$ 3,839	$ 4,315	(11)%	$ 7,786	$ 8,781	(11)%
Lease	851	859	(1)%	1,740	1,689	3%
Service	2,029	1,737	17%	4,239	3,475	22%
Total cost of revenue	$ 6,719	$ 6,911	(3)%	$ 13,765	$ 13,945	(1)%

Revenue

Three Months Ended June 30, 2026 compared with the Three Months Ended June 30, 2025

Total revenue for the three months ended June 30, 2026 increased by $2.6 million, or 18%, compared to the three months ended June 30, 2025.

Product revenue for the three months ended June 30, 2026 increased by $2.1 million, or 20%, compared to the three months ended June 30, 2025. The increase was primarily attributable to increased procedure volume of $1.9 million and increased System sales of $0.2 million.

The following table provides information about procedure volume:

	2026	2025	2024
Q1	54,094	52,347	39,486
Q2	58,682	52,100	42,203
Q3	—	46,811	42,231
Q4	—	54,756	45,586
Total procedure volume	112,776	206,014	169,506

Service revenue for the three months ended June 30, 2026 increased by $0.3 million, or 22%, compared to the three months ended June 30, 2025. The increase was primarily attributable to the increased number of System placements. Our U.S. sales represented 71% and 63% of product and service revenue for the three months ended June 30, 2026 and 2025, respectively.

Lease revenue for the three months ended June 30, 2026 increased by $0.1 million, or 8%, compared to the three months ended June 30, 2025. The increase was primarily attributable to an increase in leased Systems.

The U.S. government has implemented significant changes in U.S. trade policy and taken certain actions that have impacted our business, including imposing tariffs on certain goods imported into the United States. Some of these changes have triggered retaliatory actions by

affected countries that could negatively impact demand for our products in these regions. The imposition of tariffs has increased the cost of the raw materials used in our ALLY Systems and PIDs. To date, we have not increased sales prices to our customers resulting in a reduction in our gross margin.

Six Months Ended June 30, 2026 compared with the Six Months Ended June 30, 2025

Total revenue for the six months ended June 30, 2026 increased by $1.8 million, or 7%, compared to the six months ended June 30, 2025.

Product revenue for the six months ended June 30, 2026 increased by $1.3 million, or 6%, compared to the six months ended June 30, 2025. The increase was primarily attributable to increased procedure volume of $2.9 million offset by decreased System sales of $1.6 million.

Service revenue for the six months ended June 30, 2026 increased by $0.6 million, or 22%, compared to the six months ended June 30, 2025. The increase was primarily attributable to the increased number of System placements. Our U.S. sales represented 72% and 59% of product and service revenue for the six months ended June 30, 2026 and 2025, respectively.

Lease revenue for the six months ended June 30, 2026 decreased by $0.1 million, or 2%, compared to the six months ended June 30, 2025. The decrease was primarily attributable to a decrease in the number of leased LLS units, partially offset by an increase in leased ALLY Systems.

Cost of Revenue

Three Months Ended June 30, 2026 compared with the Three Months Ended June 30, 2025

Total cost of revenue for the three months ended June 30, 2026 decreased by $0.2 million, or 3%, compared to the three months ended June 30, 2025.

Cost of product revenue for the three months ended June 30, 2026 decreased by $0.5 million, or 11%, compared to the three months ended June 30, 2025. The decrease in cost of product revenue was primarily due to the IEEPA tariff refund of $1.1 million offset by the increase in System sales.

We import certain raw materials for our ALLY System and PIDs from regions that have been impacted by the tariffs imposed by the U.S. government. This has resulted in an increase in the cost of our products and a negative impact to our gross profit margin. However, this quarter, the IEEPA tariff refund had a positive impact on our gross profit margin.

Cost of service revenue for the three months ended June 30, 2026 increased by $0.3 million, or 17%, compared to the three months ended June 30, 2025. The increase in cost of service revenue was primarily due to the increased number of System placements.

Cost of lease revenue was $0.9 million for the three months ended June 30, 2026, which was consistent with the three months ended June 30, 2025.

Six Months Ended June 30, 2026 compared with the Six Months Ended June 30, 2025

Total cost of revenue for the six months ended June 30, 2026 decreased by $0.2 million, or 1%, compared to the six months ended June 30, 2025. The decrease in cost of product revenue was primarily due to the IEEPA tariff refund of $1.1 million offset by the increase in System sales.

Cost of product revenue for the six months ended June 30, 2026 decreased by $1.0 million, or 11%, compared to the six months ended June 30, 2025. The decrease in cost of product revenue was primarily due to the IEEPA tariff refund of $1.1 million.

Cost of service revenue for the six months ended June 30, 2026 increased by $0.8 million, or 22%, compared to the six months ended June 30, 2025. The increase in cost of service revenue was primarily due to the increased number of System placements.

Cost of lease revenue for the six months ended June 30, 2026 increased by $0.1 million, or 3%, compared to six months ended June 30, 2025. The increase was primarily attributable to the depreciation of leased Systems as the number of leased Systems continued to grow.

Operating Expenses

Three Months Ended June 30, 2026 compared with the Three Months Ended June 30, 2025

Selling, General and Administrative. Selling, general and administrative expenses for the three months ended June 30, 2026 decreased by $5.5 million, or 47%, compared to the three months ended June 30, 2025. General and administrative costs decreased by $4.2 million of acquisition-related costs incurred during the three months ended June 30, 2025, which were not incurred for the three months ended June 30, 2026. Sales and marketing expenses decreased by $1.0 million due to program-level spending due to the pending merger at the time. We expect selling, general and administrative expenses to increase as we return to our historical levels of System placements.

Research and Development. Research and development expenses for the three months ended June 30, 2026 decreased by $0.2 million, or 11%, compared to the three months ended June 30, 2025.

Amortization of Intangible Assets. Amortization of intangible assets was $0.2 million for the three months ended June 30, 2026, consistent with the three months ended June 30, 2025.

Six Months Ended June 30, 2026 compared with the Six Months Ended June 30, 2025

Selling, General and Administrative. Selling, general and administrative expenses for the six months ended June 30, 2026 decreased by $14.1 million, or 62%, compared to the six months ended June 30, 2025. General and administrative costs decreased by $12.8 million in acquisition-related costs. Sales and marketing expenses decreased by $1.2 million due to the pending merger at the time. We expect selling, general and administrative expenses to increase as we return to our historical levels of System placements.

Research and Development. Research and development expenses for the six months ended June 30, 2026 decreased by $0.3 million, or 10%, compared to the six months ended June 30, 2025.

Amortization of Intangible Assets. Amortization of intangible assets was $0.5 million for the six months ended June 30, 2026, consistent with the six months ended June 30, 2025.

Non-Operating Income and Expense, Net

Non-operating income and expenses, net for the three months ended June 30, 2026 were $1.4 million as compared to $4.5 million for the three months ended June 30, 2025. Non-operating income and expenses consisted primarily of the change in fair value of warrant liabilities in each period.

Non-operating income and expenses, net for the six months ended June 30, 2026 were $35.5 million of income as compared to $17.0 million of expense for the six months ended June 30, 2025. Non-operating income and expenses consisted primarily of the change in fair value of warrant liabilities in each period and $10.0 million in acquisition-related income from the Merger Deposit in the six months ended June 30, 2026.

Non-GAAP Financial Measures

We prepare and analyze operating and financial data and non-GAAP measures to assess the performance of our business, make strategic and offering decisions and build our financial projections. The key non-GAAP measures we use, EBITDA and Adjusted EBITDA, are reconciled to net loss below for the three and six months ended June 30, 2026 and 2025.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	**2026**	**2025**	**2026**	**2025**
Net income (loss)	$ 3,535	$ (1,764)	$ 39,867	$ (29,109)
Less: Interest income	(171)	(193)	(316)	(352)
Add: Depreciation expense	878	865	1,782	1,709
Add: Amortization expense	228	230	457	462
EBITDA	4,470	(862)	41,790	(27,290)
Add: Stock-based compensation expense	347	766	1,037	1,420
Add: Change in fair value of warrant liabilities	(1,230)	(4,332)	(25,178)	17,382
Add: Acquisition-related costs	—	4,174	(4,373)	8,399
Less: Acquisition-related income	—	—	(10,000)	—
Adjusted EBITDA	$ 3,587	$ (254)	$ 3,276	$ (89)

EBITDA is defined as net loss before interest expense, interest income, income tax expense, depreciation and amortization expenses. EBITDA is a non-GAAP financial measure. EBITDA is included in this filing because we believe that EBITDA provides meaningful supplemental information for investors regarding the performance of our business and facilitates a meaningful evaluation of actual results on a comparable basis with historical results. Adjusted EBITDA is also a non-GAAP financial measure. We believe Adjusted EBITDA, which is defined as EBITDA and further excluding stock-based compensation expense, change in fair value of warrant liabilities, and acquisition-related costs and income provides meaningful supplemental information for investors when evaluating our results and comparing us to peer companies as stock-based compensation expense and change in fair value of warrant liabilities are significant non-cash charges, and acquisition-related costs and income are not recurring. We use these non-GAAP financial measures in order to have comparable financial results to analyze changes in our underlying business from quarter to quarter. However, there are a number of limitations related to the use of non-GAAP measures and their nearest GAAP equivalents. For example, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance and, therefore, any non-GAAP measures we use may not be directly comparable to similarly titled measures of other companies. Investors should not consider our non-GAAP financial measures in isolation or as a substitute for an analysis of our results as reported under GAAP.

Liquidity and Capital Resources

Overview

For the six months ended June 30, 2026 and 2025, we had net income of $39.9 million and net loss of $29.1 million, respectively, and as of June 30, 2026, we had an accumulated deficit of $137.7 million. Net income for the six months ended June 30, 2026 was primarily due to non-operating income consisting of the change in fair value of warrant liabilities and the Merger Deposit. The change in fair value of warrant liabilities increased net income by $25.2 million in the six months ended June 30, 2026, and it is difficult to predict how the fair value of warrant liabilities will impact our future results. The change in fair value of the warrant liability was a result of the decrease in the Company's stock price during the six months ended June 30, 2026. We expect to continue to incur losses and operating cash outflows for the near-term future.

Our liquidity needs will be largely determined by our ability to successfully commercialize our products and the progression, additional regulatory clearances or certifications and launch of the ALLY System in additional jurisdictions in the future. The ALLY System has received regulatory approval in the United States, India, Taiwan, South Korea, as well as certain other countries, and certification in the EU. Our growth, market presence and ability to sell the ALLY System will depend on whether the ALLY System receives additional regulatory clearances or certifications and the timing of these clearance or certifications, among other factors. In addition, our future revenue and cash flows will depend on, among other factors, our installed base of Systems, and the timing of and applicable clearances for our ALLY System. We intend to return to our previous growth trajectory of System placements we historically achieved prior to the announcement of the Merger.

We expect selling, general and administrative expenses to increase from current levels to support the expansion efforts in the U.S. and internationally for the ALLY System. The successful commercialization of the ALLY System depends in part on the Company's ability to produce the ALLY System in sufficient quantities, within requested timing and at an acceptable price to satisfy customer demand.

Our primary sources of liquidity are our cash and cash equivalents, cash from the sale and lease of our Systems and the sale of our consumables, and a $10.0 million asset-based revolving credit facility secured in August 2026. We maintain cash balances with financial institutions in excess of insured limits. As discussed above, ongoing global supply chain disruptions, inflationary pressures, recently enacted tariffs, and other macroeconomic conditions have negatively affected our capital requirements and more operating capital may be needed to fund our operations in the future. We have also experienced some reduced activity by our distributors following the announcement of the Merger, and we have adjusted our purchasing and production to manage our inventory accordingly. Our results could be adversely impacted if our distributors do not resume their sales activity to previous levels. Based on our current operating plan, we believe we have sufficient cash and cash equivalents on hand to support current operations for at least one year from the date of issuance of the financial statements included in this Quarterly Report.

In the future, we may need to raise additional capital through equity or debt financings, borrowings under credit facilities or from other sources to continue our operations. We may issue securities, including common stock, preferred stock, warrants, and/or debt securities through private placement transactions or registered public offerings in the future. If we issue equity securities to raise additional capital, our existing stockholders may experience dilution, and the new equity securities may have rights, preferences and privileges senior to those of our existing stockholders. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. Any debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders. In addition, if we raise additional capital through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to our products, potential products or proprietary technologies, or grant licenses on terms that are not favorable to us.

In March 2026, we entered into a Priority Credit Line Agreement, or the PCL Agreement, with Wells Fargo Bank, N.A, or Wells Fargo. The PCL Agreement provides for a revolving, non-purpose margin credit facility, secured by a first-priority lien on a designated brokerage account maintained at Wells Fargo, or the Collateral Account, of an amount based on the collateral value in the Collateral Account. We are permitted to borrow 90-95% of the Collateral Account value under the PCL Agreement. Borrowings under the PCL Agreement bear interest, at our election, at either (i) a fixed rate based on the Treasury Yield plus an applicable margin, over a designated term, or (ii) a variable rate based on the Secured Overnight Financing Rate (SOFR) plus an applicable margin. The PCL Agreement contains customary events of default, including, without limitation, failure to make any payment upon demand or otherwise when due or deposit additional collateral when required under the PCL Agreement; initiation of a bankruptcy petition or other insolvency proceeding; any event of default under any security agreement executed in connection with the Collateral Account; or the insufficiency of the value of the financial assets in the Collateral Account. At June 30, 2026, we have not utilized the PCL. The PCL Agreement was subsequently terminated in August 2026.

In August 2026, the Company entered into a $10.0 million asset-based revolving credit facility with Salem Five Cents Savings Bank (the "Revolving Credit Facility"). The Revolving Credit Facility is secured by a first priority perfected security interest in substantially all of the assets of the Company, subject to customary exclusions. The amount available to borrow is based on certain accounts receivable and future lease receivables. Borrowings under the revolving credit facility bear interest at the 1-month term SOFR plus 3%, which reduces to 1-month term SOFR plus 2.5% if no event of default occurs in the first year. The Revolving Credit Facility contains customary events of default, including, without limitation, failure to make any payment when due. The Revolving Credit Facility expires, and any amounts outstanding thereunder will become due and payable, on August 10, 2028 (the "Revolver Termination Date"), but we may be terminate at any time prior to the Revolver Termination Date without premium or penalty.

We expect our revenue and expenses to increase in connection with our on-going operating activities, particularly as we continue to execute on our growth strategy (including expansion of our sales and customer support teams, as well as increasing our fleet of equipment under lease). The primary factors determining our cash needs are the funding of operations, which we expect to continue to expand as the business grows, and enhancing our product offerings through the commercialization of the ALLY System. Our future liquidity needs, and ability to address those needs, will largely be determined by the success of our commercial efforts and those of our distributors; the ongoing impact of global macroeconomic conditions, tariffs and other supply chain issues on our business; and the timing, scope and magnitude of our commercial and development activities.

In May 2023, we entered into a Securities Purchase Agreement, or SPA, with NR-GRI Partners, LP, or NR-GRI, whereby we sold to NR-GRI, for an aggregate purchase price of $20.0 million, an aggregate of 20,000 shares of a newly established series of preferred stock designated as "Series A Convertible Preferred Stock, par value $0.01 per share", which has a stated value of $1,000 per share and is convertible into shares of the Company's common stock, and warrants, the Warrants, to purchase an aggregate of 4.4 million shares of our common stock, the Private Placement. Fifty percent of the Warrants have an exercise price equal to $2.45 per share, and 50% of the Warrants have an exercise price equal to $3.0625 per share, subject in each instance to adjustments as provided under the terms of the Warrants. Net proceeds from the transaction were approximately $19.1 million after offering expenses. The Series A Redeemable Convertible Preferred Stock, if converted, would result in the issuance of 7.9 million shares of our common stock. Additionally, the terms of our Series A Redeemable Convertible Preferred Stock restrict our ability to incur debt in excess of $1.0 million or issue new shares in an amount greater than 10% of our outstanding common stock as of May 18, 2023 without the approval of the holder of the Series A Redeemable Convertible Preferred Stock (subject to certain exceptions).

Our ability to raise additional funds will depend on, among other factors, financial, economic and market conditions, many of which are outside of our control, and we may be unable to raise financing when needed, or on terms favorable to us. If the necessary funds are not available from these sources, we may have to delay, reduce or suspend the scope of our sales and marketing efforts, research and development activities, or other components of our operations. Any of these events could adversely affect our ability to achieve our business and financial goals or to achieve or maintain profitability and could have a material adverse effect on our business, financial condition and results of operations. Additionally, the extent and duration of the impact that global economic uncertainty may have on our stock price and on those of other companies in our industry is highly uncertain and may make us look less attractive to investors and, as a result, there may be a less active trading market for our common stock, our stock price may be more volatile, and our ability to raise capital could be impaired, which could in the future negatively affect our liquidity and financial position.

Our material contractual obligations and commercial commitments at June 30, 2026 primarily consist of $2.4 million in operating lease liabilities for our facility lease and $9.3 million in remaining minimum purchase obligations for inventory components for the manufacture and supply of certain components within the next 18 months. In addition, we owe $8.1 million in acquisition-related costs, of which $4.4 million is classified as accounts payable, current and $3.8 million is classified as accounts payable, long-term on the condensed balance sheet at June 30, 2026. Furthermore, in connection with negotiated reduced acquisition-related cost payments, the Company agreed to pay certain acquisition-related vendors $1,000 in the event of a change in control.

Our contractual obligations have increased due to supply chain issues that have necessitated us to enter into longer-term and more expensive per unit contracts to build and source inventory to satisfy the expected commercial demand for the ALLY System, if approved by regulatory authorities or certified by notified bodies in the applicable regions. We expect to meet these requirements through cash and cash equivalents and cash provided by operations. Some of these amounts are based on management's estimates and assumptions about these obligations, including their duration, timing, anticipated actions by third parties and other factors. Because these estimates and assumptions are necessarily subjective, the obligations we will actually pay in future periods may vary from those described.

Cash Flows

The following table summarizes, for the periods indicated, selected items in our condensed statements of cash flows:

	Six Months Ended June 30,	
(Dollars in thousands)	**2026**	**2025**
Net cash used in operating activities	$ (4,398)	$ (11,936)
Net cash provided by (used in) investing activities	4,965	(6,961)
Net cash provided by financing activities	24	9,784
Net increase (decrease) in cash and cash equivalents	$ 591	$ (9,113)

Operating Activities

Net cash used in operating activities for the six months ended June 30, 2026 was $4.4 million, consisting primarily of net income of $39.9 million offset by non-cash charges of $31.5 million and a decrease in net operating assets of $12.8 million. Non-cash charges primarily consisted of the change in fair value of warrant liabilities and acquisition-related income from recognizing the Merger Deposit. The decrease in net operating assets was primarily due to changes in accounts payable, accrued liabilities, and inventories.

Net cash used in operating activities for the six months ended June 30, 2025 was $11.9 million, consisting primarily of a net loss of $29.1 million and a decrease in net operating assets of $4.0 million, partially offset by non-cash charges of $21.1 million. The decrease in net operating assets was primarily due to changes in inventories, partially offset by accounts payable. Non-cash charges primarily consisted of depreciation, amortization, stock-based compensation, and change in fair value of warrant liabilities.

Investing Activities

Net cash provided by investing activities for the six months ended June 30, 2026 was $5.0 million, consisting of maturities of investments.

Net cash used in investing activities for the six months ended June 30, 2025 was $7.0 million, consisting primarily of investment purchases, offset by maturities of investments.

Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2026 was not material.

Net cash provided by financing activities for the six months ended June 30, 2025 was $9.8 million, consisting primarily of the Merger Deposit.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with U.S. Generally Accepted Accounting Principles, or GAAP, and the discussion and analysis of our financial condition and operating results require our management to make judgments, assumptions and estimates that affect the amounts reported in our condensed financial statements. Management bases its estimates on historical experience and on various other assumptions it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. The impact of accounting estimates and judgments on our financial condition and results of operations due to global macroeconomic conditions has introduced additional uncertainties. We evaluate our estimates and assumptions on an ongoing basis. Actual results may differ from these estimates and such differences may be material.

There have been no significant and material changes in our critical accounting estimates during the three months ended June 30, 2026, as compared to those disclosed in “Management's Discussion and Analysis of Financial Condition and Results of Operations” included in the Annual Report.

Recently Issued Accounting Standards

See Note 2, *Summary of Significant Accounting Policies*, to our unaudited condensed financial statements included in this Quarterly Report for a discussion of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of June 30, 2026.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We had cash, cash equivalents and short-term and long-term investments of $13.6 million as of June 30, 2026. We generally hold our cash and cash equivalents in interest-bearing bank accounts, money market funds, and U.S. treasury bills. Our investments consist primarily of U.S. treasury bills and agency bonds, as well as certificates of deposit. All our investments are classified as available-for-sale. Our cash and cash equivalents are held in deposit demand accounts at large financial institutions in amounts in excess of the Federal Deposit Insurance Corporation, or FDIC, insurance coverage limit of $250,000 per depositor, per FDIC-insured bank, per ownership category. Management has reviewed the financial situation and government guarantees to depositors, if applicable, of the financial institutions and believes there to be little or no credit risk to us. A hypothetical 10% change in interest rates would not have had a material impact on the value of our cash and cash equivalents as of June 30, 2026.

In addition, we are exposed to changes in interest rates under the Revolving Credit Facility. Borrowings under the Revolving Credit Facility bear interest at the 1-month term SOFR plus 3%, which reduces to 1-month term SOFR plus 2.5% if no event of default occurs in the first year. As of August 13, 2026, we had no borrowings outstanding under the Revolving Credit Facility.

Financial instruments that potentially subject us to concentrations of credit risk principally consist of accounts receivable and notes receivable. We limit our credit risk with respect to accounts receivable and notes receivable by performing credit evaluations when deemed necessary, but we do not require collateral to secure amounts owed to us by our customers. We do have the ability to disable a system’s ability to operate for lack of payment and, in the case of notes receivable, repossess the system if scheduled payments lapse. As of June 30, 2026, no customer accounted for more than 10% of our accounts receivable, net.

We currently have limited exposure to foreign currency fluctuations and do not engage in any hedging activities as part of our normal course of business.

Item 4. Controls and Procedures.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

The Company’s management has evaluated, with the participation of the chief executive officer and the chief financial officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report. Based on this evaluation, the chief executive officer and chief financial officer concluded that the Company’s disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2026.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2026 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

From time to time, we may become involved in various legal proceedings relating to matters incidental to the terminated Merger Agreement and in the ordinary course of our business, including intellectual property, commercial, product liability, employment, class action, whistleblower and other litigation and claims, and governmental and other regulatory investigations and proceedings.

Because litigation is inherently unpredictable, we cannot assure you that the results of any such actions will not have a material adverse effect on our business, results of operations, financial condition or cash flows.

For a description of our legal proceedings, refer to Note 10, *Commitments and contingencies*, to our unaudited financial statements included elsewhere in this Quarterly Report, which is incorporated herein by reference.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this Quarterly Report, including our unaudited condensed financial statements and the related notes included elsewhere in this Quarterly Report, as well as our other public filings with the SEC, before deciding to invest in our common stock. If any of the following risks are realized, our business, financial condition, results of operations and prospects, as well as the price of our common stock, could be materially and adversely affected.

Risks Related to the Terminated Merger Agreement

The termination of the Merger Agreement could negatively impact our business, financial condition, results of operations or our stock price.

Our announcement of having entered into the Agreement and Plan of Merger, dated as of March 23, 2025, by and among the Company, Alcon Research, LLC, a Delaware limited liability company ("Alcon"), and VMI Option Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Alcon ("Merger Sub") has caused, and may continue to cause, a material disruption to our business. We also announced that the Merger Agreement has been terminated by us and Alcon, as described below. We are subject to several risks as a result of the announcement and subsequent termination of the Merger Agreement, including, but not limited to, the following:

- certain costs related to the Merger Agreement and the transactions contemplated thereunder (collectively, the "Merger"), including the fees and/or expenses of our legal, accounting and financial advisors that must be paid despite the Merger not being completed;
- our inability to retain existing key employees or hire new capable employees, given the uncertainty regarding our future, in order to execute on our continuing business operations;
- the failure to complete the Merger may result in negative publicity and/or a negative impression of us in the investment community or business community generally;
- difficulties maintaining relationships with collaborators, vendors, and other business partners;
- third parties may determine to terminate and/or attempt to renegotiate their relationship with us as a result of the termination of the Merger Agreement, whether pursuant to the terms of their existing agreements with us or otherwise; and
- we could be subject to further litigation related to the Merger, including the failure to complete the Merger.

We are not able to predict how long these risks will remain relevant following the termination of the Merger Agreement or the ultimate impact of the termination of the Merger Agreement on our business, financial condition and results of operations, including our ability to return to the growth trajectory of System placements we historically achieved prior to the announcement of the Merger.

We may experience shareholder litigation related to the termination of the Merger Agreement, which could result in payment of damages.

In connection with the Merger, certain purported stockholders of the Company have sent demand letters (the "Demands") alleging deficiencies and/or omissions regarding the disclosures made in the preliminary proxy statement filed by the Company with the SEC on May 7, 2025 or the definitive proxy statement filed by the Company with the SEC on May 19, 2025. In addition, certain purported stockholders filed a verified complaint to compel the inspection of books and records in the Delaware Court of Chancery in order to investigate, among other things, purported breaches of fiduciary duty by members of the Company's board of directors in connection with the Merger, in an action captioned Schaper v. Lensar, Inc., C.A. No. 2025-0749-RUA. On July 20, 2026, the stockholders voluntarily dismissed their complaint without prejudice. We may also be subject to additional demands or filed actions related to the termination of the Merger Agreement. These actions could have the effect of increasing the Company's costs, diverting our management's attention and resources, or resulting in the payment of damages, which could result in a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Business

Our results have been in the past, and could be in the future, adversely affected by economic uncertainty or deteriorations in economic conditions.

Global economic uncertainty, including due to factors such as increased inflation, rising interest rates, prolonged government shutdowns, geopolitical conflicts and increased tariffs and other trade barriers, has affected our business and operational performance. If economic uncertainty continues or increases or if economic conditions deteriorate, these conditions may have a material adverse impact on our revenue, profit margins, cash flow and liquidity in the future. In particular, our business is impacted by inflation, such as the recent inflationary pressures related to global supply chain disruptions that have increased the cost of certain raw materials, labor and transportation used in our business. These broad-based inflationary impacts have negatively impacted our financial condition, results of operations and cash flows, and we expect these inflationary impacts to continue for the foreseeable future. A high rate of inflation in the future may have an adverse effect on our ability to maintain and increase our gross margin or decrease our operating expenses as a percentage of our revenues if our selling prices of our products do not increase as much or more than our increase in costs.

We have experienced and expect to incur operating losses for the near-term future and we cannot assure you that we will be able to generate sufficient revenue to achieve or sustain profitability.

For the years ended December 31, 2024 and 2025, we had net losses of $31.4 million and $34.3 million, respectively, and for the six months ended June 30, 2025 and 2026, we had net losses of $29.1 million and net income of $39.9 million, respectively. As of June 30, 2026, we had an accumulated deficit of $137.7 million. We expect to continue to incur losses for the near-term future as a result of building our commercial and clinical infrastructure, pursuing further U.S. Food and Drug Administration, or FDA, and other regulatory body clearance or certification of and our further commercial launch of our proprietary, next generation cataract treatment system, known as our ALLY System, and investing in research and development. In addition, as a public company, we will incur significant legal, accounting and other expenses. We cannot make assurances that we will ever generate sufficient revenue from our operations to achieve profitability, and even if we achieve profitability, we cannot be sure that we will remain profitable for any substantial period of time. Our failure to achieve or maintain profitability could negatively affect the value of our securities and our ability to raise capital and continue operations.

We have historically derived our revenue from the sale or lease of our Systems as well as the associated procedure licenses and sale of consumables used in each procedure involving our Systems. The commercial success of our ALLY System will depend upon receipt of additional regulatory clearances or certifications and our ability to maintain and grow significant market acceptance for it.

We have historically derived our revenue from the sale or lease of our Systems and the associated procedure licenses and consumables used in each procedure involving our Systems and expect that this will account for a majority of our revenue in the foreseeable future. Accordingly, our ability to increase revenue is highly dependent on our ability to market and sell or lease our ALLY System and market the associated consumables. The ALLY System has also received certification in the European Union, or EU, and regulatory approval in India, Taiwan, South Korea, and certain other countries. Our growth, market presence and ability to sell the ALLY System will depend on whether the ALLY System receives additional regulatory clearances or certifications and the timing of these clearances or certifications, among other factors. In addition, our future revenue and cash flows will depend on, among other factors, our installed base of Systems.

Our ability to maintain our market share, execute our growth strategy, achieve commercial success and become profitable will depend upon the adoption and continued acceptance of our LLS and ALLY System by surgeons, hospital outpatient surgical facilities, in-office surgical suites and ambulatory surgery centers, or ASCs. Our systems are currently used in advanced cataract procedures for which surgeon reimbursement continues to decline and patients pay a significant portion of the cost of the procedure. We cannot predict the extent to which patients will continue to seek out these types of procedures. Further, we cannot predict if cataract surgeons will continue

to use our LLS or how quickly cataract surgeons will accept the ALLY System, or any planned or future products we introduce, and, if accepted, how frequently any such products will be used. Our current products may not maintain, and our ALLY System or any planned or future products we may develop or market may never gain, broad market acceptance among cataract surgeons and the medical community for the procedures in which they are designed to be used. Our ability to maintain and increase market acceptance of our products depends on a number of factors, including:

- our ability to provide visual outcomes and economic data that show the safety, efficacy, cost effectiveness and other patient benefits from use of our Systems or other future products;
- acceptance by cataract surgeons and others in the medical community of our Systems;
- the potential and perceived advantages and disadvantages of our Systems as compared to competing products;
- the willingness of patients to pay out-of-pocket for procedures in which our Systems or other future products is used but for which limited reimbursement by third-party payors, including government authorities, is available;
- the effectiveness of our sales and marketing efforts, and of those of our international distributors;
- the prevalence and severity of any complications associated with using our Systems;
- the ease of use, reliability and convenience of our Systems relative to competing products;
- competitive response and negative selling efforts from providers of competing products;
- quality of outcomes for patients in procedures in which surgeons use our Systems;
- the results of clinical trials and post-market clinical studies relating to the use of our Systems;
- the technical leadership of our research and development teams;
- the absence of third-party blocking intellectual property;
- our ability to introduce our products to the market with speed and on time with our projected timelines;
- pricing pressure, including from larger, well-capitalized and product-diverse competitors, corporate-owned ASCs, group purchasing organizations, and government payors;
- our ability to mitigate impacts to our business resulting from the termination of the Merger Agreement; and
- the availability of coverage and adequate reimbursement for procedures using our Systems or other future products from third-party payors, including government authorities.

Failure to maintain or increase market acceptance would limit our ability to generate revenue and would have a material adverse effect on our business, financial condition and results of operations.

Our growth depends on our ability to gain regulatory clearances and certifications, as well as our ability to meet production goals for our ALLY System.

The ALLY System, which has received clearance from the FDA, enables cataract surgeons to complete the robotic laser-assisted cataract surgery, or LACS, procedure seamlessly in a single, sterile environment. The ALLY System is available to cataract surgeons in all U.S. and EU jurisdictions and has also received regulatory clearance in India, Taiwan, South Korea, and certain other countries. In addition, our ability to meet production goals can also be impacted by supply chain interruptions. If we experience supply chain constraints, we may be unable to deliver ALLY Systems as planned.

The success of our ALLY System or any other new product offering or product enhancements we pursue will depend on several factors, including our ability to:

- properly identify and anticipate cataract surgeon and patient needs;
- develop and introduce new products and product enhancements in a timely manner;
- exclude competition based on our intellectual property rights;
- avoid infringing upon the intellectual property rights of third parties;
- demonstrate, if required, the safety and efficacy of new products with data from preclinical studies and clinical trials;
- obtain the necessary regulatory clearances, certifications or approvals for expanded indications, new products or product modifications;
- be fully FDA (or other regulatory authority)-compliant with manufacturing and marketing of new devices or modified products;
- provide adequate training to potential users of these products;
- receive adequate coverage and reimbursement for procedures performed with our ALLY System or any other products we may develop in the future; and
- develop an effective and dedicated sales and marketing team.

If we are not successful in expanding our product offering, our ability to increase our revenue may be impaired, which could have a material adverse effect on our business, financial condition and results of operations.

Patients may not be willing to pay for the price difference between a standard cataract procedure and an advanced cataract procedure in which a laser system such as ours is used, an increment which is typically not covered by Medicare, private insurance or other third-party payors.

Payment for a standard cataract procedure is typically covered by Medicare, private insurance or other third-party payors. However, a cataract patient seeking a greater and more versatile visual outcome may desire an advanced cataract procedure involving a laser system such as ours. The patient is typically responsible for the additional costs associated with the use of these premium technologies in the physician's practice, hospital outpatient surgical facilities, in-office surgical suites and ambulatory surgery centers. Due to this additional cost, patients may not elect to have such a procedure and our business may not grow as anticipated. Our future success depends in part upon patients achieving better visual outcomes from procedures using our Systems, or procedures involving similar laser systems that meets their expectations. If patients are not adequately satisfied with the results of such procedures, they or their surgeons may be less willing to recommend these procedures to other patients.

Additionally, weak or uncertain economic conditions may cause individuals to be less willing to pay for advanced cataract procedures. Our Systems' procedures are not covered by or reimbursable through government or other third-party payors. A decline in economic conditions in the United States or in international markets could result in a decline in demand for the procedures in which our Systems are used and could have a material adverse effect on our business, financial condition and results of operations.

If we are not able to effectively grow our U.S. sales and marketing organization or maintain or grow an effective network of international distributors, our business prospects, results of operations and financial condition could be adversely affected.

In order to generate future sales growth within the United States, we will need to expand the size and geographic scope of our U.S. direct sales organization. Accordingly, our future success will depend largely on our ability to train, retain and motivate skilled regional sales managers and direct sales representatives with significant technical knowledge of our Systems. Because of the competition for their services, we may not be able to retain such representatives on favorable or commercially reasonable terms, if at all. If we are unable to grow our global sales and marketing organization within the United States, we may not be able to increase our revenue, which would adversely affect our business, financial condition and results of operations.

Additionally, we rely exclusively on a network of independent distributors to generate sales and leases of our Systems as well as purchases of our consumables and licensed applications outside of the United States. For the six months ended June 30, 2026, one customer accounted for approximately 14% of our revenue. This customer concentration exposes us to a material adverse effect if any of these significant distributors were to significantly reduce purchases for any reason or favor competitors or new market participants. If a dispute arises with a distributor or if a distributor is terminated by us or goes out of business, it may take time to locate an alternative

distributor, to seek appropriate regulatory approvals and to train new personnel to market our Systems upon receiving regulatory clearance or certification in the applicable region, as well as our ability to sell those Systems in the region formerly serviced by such terminated distributor could be harmed. In addition, our international distributors may be unable to successfully market and sell our products and may not devote sufficient time and resources to support the marketing, sales, education and training efforts that we believe are necessary to enable the products to develop, achieve or sustain market acceptance. Any of these factors could reduce our revenues from affected markets, increase our costs in those markets or damage our reputation. In addition, if an independent distributor were to depart and be retained by one of our competitors, we may be unable to prevent that distributor from helping competitors solicit business from our existing customers, which could further adversely affect us. As a result of our reliance on third-party distributors, we may be subject to disruptions and increased costs due to factors beyond our control, including labor strikes, third-party error and other issues. If the services of any of these third-party distributors become unsatisfactory, we may experience delays in meeting our customers' demands and we may be unable to find a suitable replacement on a timely basis or on commercially reasonable terms. Any failure to deliver products in a timely manner may damage our reputation and could cause us to lose potential customers.

Our future capital needs are uncertain, and we may need to raise additional funds in the future, and such funds may not be available on acceptable terms or at all.

We expect our revenues and expenses to increase in connection with our ongoing activities, particularly as we continue to execute on our business strategy, including investment in our sales and customer support teams. The primary factors determining our cash needs are the funding of operations, which we expect to continue to expand as the business grows, and enhancing our product offerings through the research and development, further regulatory clearances and launches of the ALLY System. Our future liquidity needs, and ability to address those needs, will largely be determined by the success of our commercial efforts and those of our distributors; the timing, scope and magnitude of our commercial and development activities; and the timing of further regulatory clearance or certification of our ALLY System. We have also experienced negative effects on our capital requirements from supply chain interruptions, and we expect that supply chain disruptions will negatively affect our capital requirements and the availability of funds to finance those requirements in the future. Tariffs have resulted in increased costs on various components within the ALLY System and PIDs. As we have not passed on these additional costs to our customers, we have experienced a negative impact on our gross margin, which may continue to the extent we take this approach in future periods. Any tariff refunds we receive, such as refunds of IEEPA tariffs, may not fully offset related costs. In addition, market conditions impacting financial institutions could impact our ability to access some or all of our cash, cash equivalents and marketable securities, and we may be unable to obtain alternative funding when and as needed and on acceptable terms, if at all.

As of the date of this Quarterly Report, we expect our current cash and cash equivalents, together with cash generated from the future sale and lease of our products, to be sufficient to operate our business for at least one year from the date of issuance of the condensed financial statements included in this Quarterly Report. We may seek additional funds from public or private stock offerings, borrowings under credit facilities or other sources that we may not be able to maintain or obtain on acceptable or commercially reasonable terms, if at all. Our capital requirements will depend on many factors, including, but not limited to:

- the revenue generated by the sale, lease or use of our Systems;
- the costs associated with expanding our sales and marketing efforts;
- the expenses we incur in procuring, manufacturing and selling our Systems, including increased costs, uncertainties, and delays associated with global supply chain disruptions and inflationary pressures;
- the costs of commercializing the ALLY System, including increased costs associated with supply chain disruptions, inflationary pressures, the impact of increased tariffs or other trade barriers, sales in regions outside the U.S. or other new products or technologies;
- the scope, rate of progress and cost of our clinical studies that we are currently conducting or may conduct in the future;
- the cost and timing of obtaining and maintaining regulatory approval, certification or clearance of our products and planned or future products;
- costs associated with any product recall that may occur;
- the costs associated with complying with state, federal and foreign laws and regulations;
- the cost of filing and prosecuting patent applications and defending and enforcing our patent and other intellectual property rights;

- the cost of defending, in litigation or otherwise, any claims that we infringe third-party patent or other intellectual property rights;
- the cost of enforcing or defending against non-competition claims;
- the number and timing of acquisitions and other strategic transactions;
- the costs associated with increased capital expenditures;
- anticipated and unanticipated general and administrative expenses, including expenses related to operating as a public company and insurance expenses; and
- costs associated with any adverse market conditions or other macroeconomic factors.

Such capital may not be available on favorable terms, or at all. The existence of inflation in the economy has resulted in, and may continue to result in, higher interest rates and capital costs, which may impact our ability to obtain additional capital on favorable terms.

Furthermore, if we issue equity securities to raise additional capital, our existing stockholders may experience dilution, and the new equity securities may have rights, preferences and privileges senior to those of our existing stockholders. For example, in May 2023, we sold to NR-GRI Partners, LP, or NR-GRI, shares of Series A Redeemable Convertible Preferred Stock and warrants to purchase shares of our common stock, or Warrants, that collectively represented approximately 50.1% of our total outstanding shares of common stock based on our shares outstanding as of June 30, 2026, assuming full conversion of the Series A Redeemable Convertible Preferred Stock and full exercise of the Warrants for cash, pursuant to a Securities Purchase Agreement, or the SPA. So long as NR-GRI and its affiliates collectively beneficially own at least twenty percent of the securities issued pursuant to the SPA, including the Series A Redeemable Convertible Preferred Stock, we may not, without the consent of NR-GRI, liquidate, dissolve, or wind up our affairs or effect a merger or sale of the Company or other Fundamental Transaction (as defined in Note 11, *Redeemable Convertible Preferred Stock*, included elsewhere in this Quarterly Report); create, authorize, or issue shares of capital stock that are senior or pari passu to the Series A Redeemable Convertible Preferred Stock; complete an acquisition with consideration above $1.0 million; incur debt in excess of $1.0 million; change our line of business; or enter into certain related-party transactions. The Series A Redeemable Convertible Preferred Stock ranks senior to the common stock as to distributions and payments upon the liquidation, dissolution and winding up of the Company, and holders of Series A Redeemable Convertible Preferred Stock will participate with the holders of the common stock on an as-converted basis to the extent any dividends are declared on common stock. Holders of Series A Redeemable Convertible Preferred Stock are also entitled to redemption rights under certain circumstances. The redemption rights and liquidation preferences assigned to holders of the Series A Redeemable Convertible Preferred Stock, and any other repurchase or redemption rights or liquidation preferences we may assign to holders of preferred stock in the future, could affect the residual value of the common stock.

Our debt arrangements contain certain covenants and restrictions that may limit our flexibility in operating our business, and any failure to satisfy those covenants and restrictions could adversely affect our business and financial condition.

The agreement governing our Revolving Credit Facility (the "Credit Agreement") contains various affirmative and negative covenants and restrictions that limit our ability to engage in specific types of transactions, including limitations on our ability to:

- incur liens;
- incur or guarantee additional indebtedness or make payment on certain debt;
- pay dividends and make other distributions on, or redeem or repurchase, capital stock;
- make certain investments, including loans to other parties and forming new subsidiaries;
- make certain capital expenditures;
- enter into certain transactions with affiliates;
- transfer or sell assets; and/or
- merge, dissolve, liquidate or consolidate.

As of August 13, 2026, no revolving credit loans were outstanding under the Revolving Credit Facility. To the extent our cash flow from operations are needed to satisfy the payment of principal and interest on our debt, we will have less availability from such cash flow to fund operations, capital expenditures, and future business opportunities.

The interest rates on any borrowings under the Revolving Credit Facility will be variable and therefore we will be exposed to changes in interest rates, which could materially impact our ability to make interest payments as well as our results of operations and financial condition. If we cannot generate sufficient cash flow from operations to service our debt, we may need to refinance our debt, dispose of assets or issue equity to obtain necessary funds. We do not know whether we would be able to take any of these actions on a timely basis, on terms satisfactory to us, or at all. A failure by us or our subsidiaries to comply with the agreements governing our indebtedness could result in an event of default under such indebtedness and its acceleration by the lenders, which could adversely affect our ability to respond to changes in our business and manage our operations.

In addition, the Credit Agreement requires us to maintain a minimum of $3.0 million in cash on deposit with Salem Five Cents Savings Bank until we demonstrate compliance with a minimum EBITDA covenant for the fiscal year ending December 31, 2026 and to be in compliance with a 1.25 to 1.00 debt service coverage ratio commencing with the earlier of March 31, 2027 and the first fiscal quarter in which the revolving credit facility is drawn.

Upon the occurrence of an event of default under any of the agreements governing our indebtedness, the lenders could elect to declare all amounts outstanding to be due and payable and exercise other remedies as set forth in the agreements. If any of our indebtedness were to be accelerated and/or our lenders were to exercise other remedies, there can be no assurance that our assets would be sufficient to satisfy the accelerated obligations and any related amounts in full, which could have a material adverse effect on our business, financial condition, and results of operations.

Any additional debt financing or equity that we raise may also contain terms that restrict our operations or our ability to incur additional debt, or are otherwise not favorable to us or our stockholders. In addition, if we raise additional capital through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to our products, potential products or proprietary technologies, or grant licenses on terms that are not favorable to us. If we cannot raise capital on acceptable terms, we may not be able to develop or enhance our products, execute our business plan, take advantage of future opportunities or respond to competitive pressures, changes in our supplier relationships or unanticipated customer requirements. Any of these events could adversely affect our ability to achieve our business and financial goals or to achieve or maintain profitability and could have a material adverse effect on our business, financial condition and results of operations.

If the supply or manufacture of our Systems or other products associated with the Systems is materially disrupted, including by supply chain shortages and price increases, it may adversely affect our ability to manufacture products and could negatively affect our operating results.

We manufacture our Systems and provide the electronic license applications at our corporate headquarters in Orlando, Florida. This is also the location where we currently conduct substantially all of our research and development activities, customer and technical support, and management and administrative functions. If our facility suffers a crippling event, or a force majeure event such as an earthquake, hurricane, fire, flood or temporary shutdown due to a pandemic, epidemic or infectious disease, this could materially impact our ability to operate.

We purchase custom and off-the-shelf components from a number of suppliers and subject them to stringent quality specifications and processes. Some of the components necessary for the assembly of our Systems and associated consumables are currently provided by single-sourced suppliers (the only approved supply source for us among other sources). If one or more of our suppliers cease to provide us with sufficient quantities of materials in a timely manner or on terms acceptable to us, including due to costs associated with increased tariffs or other trade barriers, we would have to seek alternative sources of supply. Because of factors such as the proprietary nature of our products, our quality control standards and regulatory requirements, we may experience delays in engaging additional or replacement suppliers for certain components. There may also be disruptions outside our control in the availability and pricing of various component parts needed for our ALLY System.

In particular, a global semiconductor supply shortage has had, and is continuing to have, wide-ranging effects across multiple industries. According to certain market reports, both China and Taiwan are leading manufacturers of the world’s semiconductor supply. Conflict between China and Taiwan might lead to trade sanctions, technology disputes, or supply chain disruptions, which could, in particular, affect the semiconductor industry. If this were to occur, our ability to source an adequate supply of semiconductors would be further reduced, which would adversely affect our business. In addition, any further conflict between China and Taiwan could harm our operations globally, including the operations of our customers and suppliers.

We have seen significant disruptions in the supply of, timing of delivery of and fluctuations in pricing for various component parts needed for our products, including the integrated circuits used in our Systems, and expect these trends to continue. Our efforts to maintain an adequate supply of inventory may not be sufficient and we may be unable to source the necessary component parts on commercially acceptable terms to reflect in the price of our system. The long-term loss of these suppliers, or their long-term inability to provide us with an adequate supply of components or products on commercially reasonable terms, could potentially cause delay in the manufacture of our products, thereby impairing our ability to meet the demand of our customers and causing significant harm to our business. If it becomes necessary to identify and qualify a suitable second source to replace one of our key suppliers, that replacement supplier would not have access to our previous supplier's proprietary processes and would therefore be required to develop its own, which could also result in delay. Any disruption of this nature or increased expense could harm our commercialization efforts and could have a material adverse effect on our business, financial condition and results of operations. If these supply chain shortages and disruptions continue or worsen, there is no guarantee that the Company will be able to meet customer demand for the ALLY System. In addition, pricing increases in component parts for our Systems resulting from inflationary pressures, the impact of increased tariffs and other trade barriers, and other macroeconomic conditions may necessitate an increase in the overall cost to customers, which in turn may have an adverse impact on customer demand.

We and some of our suppliers and contract facilities are required to comply with regulatory requirements of the FDA (and other regulatory authorities). In particular, the FDA's Quality Management System Regulation, or QMSR, which includes FDA's current Good Manufacturing Practice requirements, or cGMPs, covers the procedures and documentation of the design, testing, production, control, quality assurance, inspection, complaint handling, recordkeeping, management review, labeling, packaging, sterilization, storage and shipping of our device products. The FDA audits compliance with these regulatory requirements through periodically announced and unannounced inspections of manufacturing and other facilities. If our manufacturing facilities or those of any of our suppliers or contract facilities are found to be in violation of applicable laws and regulations, the FDA could take enforcement action. Similar requirements must be complied with in foreign countries and foreign regulatory authorities could also take enforcement action. Additionally, in the event we must obtain a replacement supplier or contract facility, it may be difficult for us to identify and qualify a supplier or contract facility that complies with QMSR and cGMPs, which would adversely impact our operations.

We currently compete, and expect to compete in the future, against other companies, some of which have longer operating histories, more established products or greater resources than we do.

Our industry is global, highly competitive and subject to rapid and profound technological, market and product-related changes. We face significant competition from large multinational medical device companies, as well as smaller, emerging players focused on product innovation.

Our primary competitors in providing surgical solutions for cataract patients are Alcon Inc.; Bausch + Lomb Corporation; Johnson & Johnson; Carl Zeiss AG; Zeimer Ophthalmic Systems AG; and KERANOVA S.A. These competitors are focused on bringing new technologies to market and acquiring products and technologies that directly compete with our products or have potential product advantages that could render our products obsolete or noncompetitive. Bausch + Lomb announced, in November 2025, that they anticipate launching a second-generation femtosecond laser in the second half of 2026. The next-gen laser, SeeLyra™ is said to feature live optical coherence tomography guidance and soft docking. Although not all the features are known currently, this will be the first second-generation laser expected to compete with the ALLY System.

Many of our current and potential competitors are large publicly traded companies or divisions of publicly-traded companies and have several competitive advantages, including:

- greater financial and human resources for product development and sales and marketing;
- significantly greater name recognition;
- longer operating histories; and
- more established sales and marketing programs and distribution networks.

In addition, many of our competitors have their own intraocular lens, or IOLs, while we do not, which could put us at a competitive disadvantage. If we are unable to compete effectively in this environment, it could adversely affect our business.

To successfully market, sell and lease our products in markets outside of the United States, we must address many international business risks with which we have limited experience.

We have historically sold our products outside of the United States through a network of independent distributors and intend to increase our international presence in Europe and Asia, as well as other international markets. Our international business operations are subject to a number of risks, including:

- difficulties in staffing and managing our international operations;
- increased competition as a result of more products and procedures receiving regulatory approval, certification or clearance or otherwise becoming free to market in international markets;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- reduced or varied protection for intellectual property rights in some countries;
- tariffs, export restrictions, and other trade barriers, trade regulations, and foreign tax laws;
- fluctuations in currency exchange rates;
- foreign certification and regulatory clearance or approval requirements;
- difficulties in developing effective marketing campaigns in unfamiliar international markets;
- customs clearance and shipping delays;
- political, social, and economic instability abroad, terrorist attacks, and security concerns in general;
- preference for locally produced products;
- potentially adverse tax consequences, including the complexities of foreign value-added tax systems, tax inefficiencies related to our corporate structure, and restrictions on the repatriation of earnings;
- the burdens of complying with a wide variety of foreign laws and different legal standards; and
- increased financial accounting and reporting burdens and complexities.

For example, in June 2022, the Supreme Court of South Korea ruled that insurance benefits for cataract surgeries should only be provided within the applicable outpatient coverage limit if inpatient treatment is unnecessary. As a result, patients are experiencing a decrease in the maximum insurance coverage allowed for cataract surgeries, which in turn has significantly decreased overall demand for ophthalmic surgeries in the region. Following the Supreme Court's decision, we have experienced reduced revenue in South Korea, and we expect this trend to continue so long as this decision remains in effect.

These risks and uncertainties could negatively impact our ability to successfully market, sell and lease our products in markets outside of the United States. Furthermore, our ability to deal with these issues could be affected by applicable U.S. laws. Any such risks could have an adverse impact on our business, financial condition, results of operations, cash flows, or reputation.

We are exposed to the credit risk of some of our customers, which could result in material losses.

Customers may lease our Systems or finance the system through the product utilization, and we believe there has been an increase in demand for these types of customer leasing in recent years, especially in the United States. We may experience loss from a customer's failure to make payments according to the contractual lease terms or some other material decrease in the practice revenues and surgical procedure volume. Our exposure to the credit risks relating to our lease financing arrangements may increase if our customers are adversely affected by changes in healthcare laws, economic pressures or uncertainty, or other customer-specific factors. In addition, our credit risk may be highly concentrated, as we rely exclusively on a network of independent distributors to generate sales outside of the United States. Further, ongoing consolidation among distributors, retailers and healthcare provider organizations could increase the concentration of credit risk. The factors affecting our customers' ability to make timely payments according to the contractual lease

terms are out of our control, and as a result, exposes us to additional risks that may materially and adversely affect our business and results of operations. The occurrence of any such factors affecting our customers may cause delays in payments or, in some cases, defaults on payment obligations, which could result in material losses.

The programs we have designed to monitor and mitigate the associated risk may not be successful. There can be no assurance that such programs will be effective in reducing credit risks relating to these lease financing arrangements. If the level of credit losses we experience in the future exceed our expectations, such losses could have a material adverse effect on our business, financial condition and results of operations or adversely affect our ability to sell such assets as part of our monetization strategy.

We may be unable to accurately forecast customer demand and our inventory levels.

We generally do not maintain large volumes of finished goods and anticipating demand for our products may be challenging as cataract surgeon demand and adoption rates can be unpredictable. In addition, as use of our Systems is adopted by more cataract surgeons, we anticipate greater fluctuations in demand for our products, which makes demand forecasting more difficult. Our forecasts are based on management's judgment and assumptions, each of which may introduce error into our estimates. If we underestimate customer demand or if insufficient manufacturing capacity is available, we would miss revenue opportunities and potentially lose market share and damage our customer relationships. We could underestimate the worldwide demand for the ALLY System and be unable to fulfill customer requests. Conversely, if we overestimate customer demand or otherwise experience impacts to our inventory levels, our excess or obsolete inventory may increase. For example, we have experienced reduced activity by our distributors following the announcement of the Merger, which has resulted in a decrease in our production levels, and expect further negative impact in connection with the termination of the Merger Agreement. Our results could be adversely impacted if our distributors do not resume their sales activity to previous levels, and a significant increase in excess or obsolete inventory would reduce our gross margin and adversely affect our financial results.

Failure to secure adequate coverage or reimbursement by government or other third-party payors for certain procedures using our ALLY System or our other future products, or changes in current coverage or reimbursement, could materially impact our revenue and future growth.

Insurance agencies or insurers have recognized the use of advanced technologies during cataract surgery for their ability to provide patients with a reduced dependency on glasses or contact lenses after surgery. However the use of these advanced technologies is not part of the covered services provided by insurers. Patients may elect to have these advanced technologies used during their cataract procedure as a patient or private-pay part of their procedure. The ALLY System is an elective advanced technology that qualifies for patient or private-pay when used during cataract surgery, but does not qualify as a covered service. When the patient elects to have the ALLY System to be used during cataract surgery, the standard portion of the procedure is paid for by the third-party payor and the patient pays for the advanced or premium part of the procedure.

Therefore, adequate coverage and reimbursement from third-party payors, including government programs such as Medicare and Medicaid, private insurance plans and managed care programs, for certain procedures using our ALLY System or other products we may develop in the future, if approved, is central to the acceptance and adoption of these products. Hospitals, healthcare facilities, physicians and other healthcare providers that may purchase and use our ALLY System generally rely on third-party payors to pay for a part of the costs and fees associated with certain procedures using our ALLY System. If third-party payors reduce their levels of payment, if our costs of production increase faster than increases in reimbursement levels or if third-party payors deny reimbursement for procedures using our ALLY System, our ALLY System may not be adopted or accepted by hospitals, healthcare facilities, physicians or other healthcare providers and the prices paid for a procedure using our ALLY System may decline, which could have a material adverse effect on our business, financial condition or results of operations.

Physicians are reimbursed separately for their professional time and effort to perform a cataract procedure that is covered by third-party payors. Such party payors regularly update reimbursement amounts and also from time to time revise the methodologies used to determine reimbursement amounts. This includes routine updates to payments to physicians, hospitals and ambulatory surgery centers for procedures during which our ALLY System would be used. These updates could directly impact the demand for our future products. For example, the Medicare Access and CHIP Reauthorization Act of 2015, or MACRA, provided for a 0.5% annual increase in payment rates under the Medicare Physician Fee Schedule, or PFS, through 2019, but no annual update from 2020 through 2025. MACRA also introduced a Quality Payment Program for Medicare physicians, nurses and other "eligible clinicians" (as defined in MACRA) that adjusts overall reimbursement under the PFS based on certain performance categories. While MACRA applies only to Medicare reimbursement, Medicaid and private payors often follow Medicare payment limitations in setting their own reimbursement rates, and any reduction in Medicare reimbursement may result in a similar reduction in payments from private payors, which may result in reduced demand for our ALLY System or any other products we may develop in the future. However, there is no uniform policy of coverage and reimbursement among payors in the United States. Therefore, coverage and reimbursement for procedures can differ significantly from payor to payor. Many private payors require extensive documentation of a multi-step diagnosis before authorizing procedures

using our products. Some private payors may apply their own coverage policies and criteria inconsistently, and physicians and other healthcare providers may not be able to receive approval and reimbursement for certain procedures using our ALLY System consistently. Any perception by physicians and other healthcare providers that the reimbursement for procedures using our ALLY System or other future products is inadequate to compensate them for the work required, including diagnosis, documentation, obtaining third-party payor approval for the procedure and other burdens on their office staff or that they may not be reimbursed at all for the procedures using our ALLY System or other future products, may negatively affect the adoption and use of our ALLY System or other future products and technologies, and the prices paid for such products may decline.

The healthcare industry in the United States, and in our other operating regions, has experienced a trend toward cost containment as government and private insurers seek to control healthcare costs. Third-party payors are imposing lower payment rates and negotiating reduced contract rates with hospitals, other healthcare facilities, surgeons and other healthcare providers and being increasingly selective about the products, technologies and procedures they chose to cover and provide reimbursement for. Third-party payors may adopt policies in the future restricting access to products and technologies like ours or the procedures performed using such products. Therefore, we cannot be certain that any procedures performed with our ALLY System or other future products will be covered and reimbursed. There can be no guarantee that should we introduce new products and technologies, third-party payors will provide adequate coverage and reimbursement for those products or the procedures in which they are used. If third-party payors do not provide adequate coverage or reimbursement for such products, then our sales may be limited to circumstances where our products and procedures using our products are being largely or entirely self-paid by patients, as is currently the case with procedures using our Systems.

Additionally, market acceptance of our products and technologies in foreign markets may depend, in part, upon the availability of coverage and reimbursement within prevailing healthcare payment systems. Reimbursement and healthcare payment systems in international markets vary significantly by country and include both government-sponsored healthcare and private insurance. In the EU, reimbursement is entirely regulated at member state level and varies significantly between countries, and member states are facing increased pressure to limit public healthcare spending. We may not obtain additional international coverage and reimbursement approvals in a timely manner, if at all. Our failure to receive such approvals would negatively impact future market acceptance of our ALLY System or any of other products we may develop in the future in the international markets in which those approvals are sought.

We provide a limited warranty for our products.

We provide a limited warranty that our products are free of material defects and conform to specifications, and offer to repair, replace or refund the purchase price of defective products. As a result, we bear the risk of potential warranty claims on our products. In the event that we attempt to recover some or all of the expenses associated with a warranty claim against us from our suppliers or vendors, we may not be successful in claiming recovery under any warranty or indemnity provided to us by such suppliers or vendors and any recovery from such vendor or supplier may not be adequate. In addition, warranty claims brought by our customers related to third-party components may arise after our ability to bring corresponding warranty claims against such suppliers expires, which could result in costs to us.

Product liability suits brought against us could cause us to incur substantial liabilities, limit the selling or leasing of our existing products and interfere with commercialization of any products that we may develop.

If our product offerings are defectively designed or manufactured, contain defective materials, or are used or deployed improperly, or if someone alleges any of the foregoing, whether or not such claims are meritorious, we may become subject to substantial and costly litigation. Any product liability claims brought against us, with or without merit, could divert management's attention from our business, be expensive to defend, result in sizable damage awards against us, damage our reputation, increase our product liability insurance rates, prevent us from securing continuing coverage, or prevent or interfere with commercialization of our products. In addition, we may not have sufficient insurance coverage for all future claims. Product liability claims brought against us in excess of our insurance coverage would likely be paid out of cash reserves, harming our financial condition and results of operations.

Our insurance policies are expensive and protect us only from some business risks, which leaves us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter. We can give no assurance that the coverage under our product liability insurance in the United States will be available or adequate to satisfy any claims. Product liability insurance is expensive and subject to significant deductibles and exclusions, and may not be available on acceptable terms, if at all. If we are unable to obtain or maintain insurance at an acceptable cost or on acceptable terms with adequate coverage or otherwise protect against potential product liability claims, we could be exposed to significant liabilities. A product liability claim, recall or other claim with respect to uninsured liabilities or for amounts in excess of insured liabilities could have a material adverse effect on our business, financial condition and results of operations. Defending a suit, regardless of its merit or eventual outcome, could be costly, could divert

management's attention from our business and might result in adverse publicity, which could result in reduced acceptance of our products in the market, product recalls or market withdrawals.

We do not carry specific hazardous waste insurance coverage, and our insurance policies generally exclude coverage for damages and fines arising from hazardous waste exposure or contamination. Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals and certifications could be suspended.

We also expect that operating as a public company will make it more difficult and more expensive for us to obtain and maintain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers. We do not know, however, if we will be able to maintain existing insurance with adequate levels of coverage. Any significant uninsured liability may require us to pay substantial amounts, which would negatively affect our business, financial condition and results of operations.

Our financial results may fluctuate significantly and may not fully reflect the underlying performance of our business.

Our quarterly and annual results of operations may vary significantly in the future, and period-to-period comparisons of our operating results may not be meaningful. Accordingly, the results of any one quarter or period should not be relied upon as an indication of future performance. Our quarterly and annual financial results may fluctuate as a result of a variety of factors, many of which are outside our control and, as a result, may not fully reflect the underlying performance of our business. For example, we have historically experienced seasonal variations in the selling or leasing of our products and procedures involving our products, with our fourth quarter typically being the strongest and the first quarter being the slowest. We believe these seasonal changes are consistent across our industry. Other factors that may cause fluctuations in our quarterly and annual results include:

- fluctuations in the demand for the more advanced, patient-pay procedures in which our Systems are used;
- adoption of our Systems;
- our ability to establish and maintain an effective and dedicated sales organization in the United States and network of independent distributors outside the United States;
- pricing pressure applicable to our products from competitor pricing;
- results of clinical research and studies on our products or competitive products;
- the mix of sales and leases of our Systems;
- timing of delivery of Systems, new product offerings, acquisitions, licenses or other significant events by us or our competitors;
- decisions by surgeons, hospitals and ASCs to defer acquisitions of Systems in anticipation of the introduction of new products or product enhancements by us or our competitors;
- sampling by and additional training requirements for cataract surgeons upon the commercialization of a new product by us or one of our competitors;
- regulatory approvals, clearances or certifications and legislative changes affecting the products we may offer or those of our competitors;
- interruption in the manufacturing or distribution of our Systems;
- delays in, or failure of, component and raw material deliveries by our suppliers;
- the ability of our suppliers to timely provide us with an adequate supply of components;

- the effect of competing technological, industry and market developments; and
- changes in our ability to obtain regulatory clearance, certification or approval for our product candidates.

As a result, you should not rely on our results in any past period as an indication of future results and you should anticipate that fluctuations in our quarterly and annual operating results may continue and could generate volatility in the price of our common stock. Quarterly or annual comparisons of our financial results should not be relied upon as an indication of our future performance.

If we fail to manage our anticipated growth effectively, or are unable to increase or maintain our manufacturing capacity, we may not be able to meet customer demand for our products and our business could suffer.

We have experienced significant period-to-period growth in our business and we must continue to grow in order to meet our business and financial objectives. However, continued growth may create numerous challenges, including:

- new and increased responsibilities for our management team;
- increased pressure on our operating, financial and reporting systems;
- increased pressure to anticipate and satisfy market demand;
- additional manufacturing capacity requirements;
- strain on our ability to source a larger supply of components, including as a result of ongoing supply chain issues, in order to meet our required specifications on a timely basis;
- management of an increasing number of relationships with our customers, suppliers and other third parties;
- entry into new international territories with unfamiliar regulations and business approaches; and
- the need to hire, train and manage additional qualified personnel.

Our current and planned capacity may not be sufficient to meet our current business plans. There are uncertainties inherent in expanding our manufacturing capabilities, and we may not be able to sufficiently increase our capacity in a timely manner. For example, manufacturing and product quality issues may arise as we increase production rates at our manufacturing facility or launch new products. Also, we may not manufacture the right product mix to meet customer demand as we introduce new products. As a result, we may experience difficulties in meeting customer demand, in which case we could lose customers or be required to delay new product introductions, and demand for our products could decline. If we fail to manage any of the above challenges effectively, our business may be harmed.

If we choose to acquire new and complementary businesses, products or technologies, we may be unable to complete these acquisitions or to successfully integrate them in a cost-effective and non-disruptive manner.

Our success depends, in part, on our ability to continually enhance and broaden our product offerings in response to changing customer demands, competitive pressures and advances in technologies. Accordingly, although we have no current commitments with respect to any acquisition or investment, we may in the future pursue the acquisition of, or joint ventures relating to, complementary businesses, products or technologies instead of developing them ourselves. We do not know if we will be able to successfully complete any future acquisitions or joint ventures, or whether we will be able to successfully integrate any acquired business, product or technology or retain any key employees related thereto. Integrating any business, product or technology we acquire could be expensive and time-consuming, disrupt our ongoing business and distract our management. If we are unable to integrate any acquired businesses, products or technologies effectively, our business will be adversely affected. In addition, any amortization or charges resulting from the costs of acquisitions could increase our expenses.

Our future growth depends on our ability to retain members of our senior management and other key employees. If we are unable to retain or recruit qualified personnel for growth, our business results could suffer.

We have benefited substantially from the leadership and performance of our senior management as well as certain key employees. Our success will depend on our ability to retain our current management and key employees, and to attract and retain qualified personnel in the future. Competition for senior management and key employees in our industry is intense, and we cannot guarantee that we will be

able to retain our personnel or attract new, qualified personnel, or that we will be able to do so without incurring substantial additional costs. We have experienced increases in compensation levels in connection with our recruitment and retention efforts, which may increase further in the future. The loss of services of certain members of our senior management or key employees could prevent or delay the implementation and completion of our strategic objectives, or divert management's attention to seeking qualified replacements. Each member of senior management as well as our key employees may terminate employment without notice and without cause or good reason. The members of our senior management are not subject to non-competition agreements. Accordingly, the adverse effect resulting from the loss of certain members of senior management could be compounded by our inability to prevent them from competing with us.

In addition to competing for market share for our products, we also compete against our competitors for personnel, including qualified sales representatives that are necessary to grow our business. Universities and research institutions also compete with us for scientific personnel that are important to our research and development efforts. We also rely on consultants and advisors in our research, operations, clinical and commercial efforts to implement our business strategies. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. Our strategic plan requires us to continue growing our sales, marketing, clinical and operational infrastructure in order to generate, and meet, the demand for our products. If we fail to retain or attract these key personnel, we could fail to take advantage of the market for our products, adversely affecting our business, financial condition and results of operation.

We rely significantly on the use of information technology. Cybersecurity risks – any technology failures causing a material disruption to operational technology or cyber-attacks on our systems affecting our ability to protect the integrity and security of confidential customer and employee information – could harm our reputation and/or could disrupt our operations and negatively impact our business.

The efficient operation of our business depends on our information technology systems. We rely on our information technology systems to store and effectively manage sales and marketing data, accounting and financial functions, inventory management, product development tasks, clinical data, customer service and technical support functions, intellectual property, proprietary business information and personal information (collectively, Confidential Information). The future operation, success and growth of our business depends on streamlined processes made available through our uninhibited access to information technology systems, global communications, internet activity and other network processes. Like most companies, despite our current security measures, our information technology systems, and those of our third-party service providers, strategic partners and other contractors or consultants are vulnerable to information security breaches, acts of vandalism, social engineering/phishing, computer viruses and malware (such as ransomware), misconfigurations, "bugs" or other vulnerabilities, theft or loss of Confidential Information. Confidential Information might be improperly accessed due to a variety of events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. In addition, a variety of our software systems are cloud-based data management applications, hosted by third-party service providers whose security and information technology systems are subject to similar risks. We have technology security initiatives in place to mitigate our risk to these vulnerabilities, but there can be no assurance that our or our third-party service providers' cybersecurity risk management program and processes, including policies, controls or procedures, and other security measures, will be adequately designed, complied with, implemented or effective to ensure that our or their operations are not disrupted or that data security breaches do not occur. Furthermore, given the nature of complex systems, software and services like ours, and the scanning tools that we deploy across our networks and products, we regularly identify and track security vulnerabilities. We are unable to comprehensively apply patches or confirm that measures are in place to mitigate all such vulnerabilities, or that patches will be applied before vulnerabilities are exploited by a threat actor.

The risk of a security breach or disruption, particularly through cyberattacks or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased and evolved. If we or our third-party vendors were to experience a significant cybersecurity breach of our or their information systems or data, the costs associated with the investigation, remediation and potential notification of the breach to counterparties and data subjects could be material. In addition, our remediation efforts may not be successful. If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology and cybersecurity infrastructure, we could suffer significant business disruption, including transaction errors, supply chain or manufacturing interruptions, processing inefficiencies, data loss or the loss of or damage to Confidential Information.

Hackers and data thieves are increasingly sophisticated and operate large-scale and complex automated attacks which may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate, remediate or recover from incidents or breaches due to attackers increasingly using tools and techniques – including artificial intelligence – that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. We and certain of our service providers and customers are from time to time subject to cyberattacks, social engineering/phishing, and other security incidents. While to date no incidents have had a material impact on our operations or financial results, we cannot guarantee that material incidents will not occur in the future. Any information technology system failure, accident or security breach affecting us or third-party systems or Confidential Information could result in interruptions in our operations, damage to our reputation, the loss or misappropriation of Confidential Information, result in

key personnel being unable to perform duties or communicate throughout the organization, significant costs associated with the investigation, data restoration and remediation, legal claims or proceedings (such as class actions), and potential notification of the breach to third-parties, including counterparties, governmental authorities, and data subjects, and have other adverse impacts on our business. For example, laws in the EU and the UK may require businesses to provide notice to individuals whose personal information has been disclosed as a result of a data security breach. We may also be contractually required to notify customers or other counterparties of a security incident, including a data security breach. Ransomware attacks, including those from organized criminal threat actors, nation-states, and nation-state supported actors, are becoming increasingly prevalent and severe, and if made against us could lead to significant interruptions in our operations, loss of Confidential Information and income, reputational loss, diversion of funds, and may also result in fines, litigation and unwanted media attention. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting payments. Despite our existing security procedures and controls, compromises to our network could give rise to unwanted media attention, materially damage our customer relationships, decrease sales and leases of our products, increase overhead costs, harm our business, reputation, results of operations, cash flows and financial condition, result in regulatory investigations and enforcement actions, result in fines or litigation, and may increase the costs we incur to protect against such information security breaches, such as increased investment in technology, the costs of compliance with consumer protection laws and costs resulting from consumer fraud.

The costs of mitigating cybersecurity risks are significant and are likely to increase in the future. These costs include, but are not limited to, retaining the services of cybersecurity providers; compliance costs arising out of existing and future cybersecurity, data protection and privacy laws and regulations; and costs related to maintaining redundant networks, data backups and other damage-mitigation measures.

We do not carry cyber insurance, which may expose us to certain potential losses for damages or result in penalization with fines in an amount exceeding our resources.

The actual or perceived failure to comply with data privacy and security laws and other obligations could have a material adverse effect on our business, results of operations and financial condition.

The global data protection landscape is rapidly evolving, and we are or may become subject to numerous state, federal and foreign laws, requirements and regulations governing the collection, use, disclosure, retention, and security of personal information, such as information that we may collect in connection with clinical trials. Implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business. This evolution may create uncertainty in our business, affect our ability to operate in certain jurisdictions or to collect, store, transfer use and share personal information, necessitate the acceptance of more onerous obligations in our contracts, result in liability or impose additional costs on us. The cost of compliance with these laws, regulations and standards is high and is likely to increase in the future. Any failure or perceived failure by us to comply with federal, state or foreign laws or regulations, our internal policies and procedures or our contracts governing our processing of personal information could result in negative publicity, government investigations and enforcement actions, claims by third parties and damage to our reputation, any of which could have a material adverse effect on our business, results of operation, and financial condition.

Our business processes health-related and other personal information. When conducting clinical studies, we face risks associated with collecting trial participants' information, especially health information, in a manner consistent with applicable laws and regulations. We also face risks inherent in handling large volumes of Confidential Information and in protecting the security of such information. Data breaches could result in a violation of applicable U.S. and international privacy, data protection and other laws, and subject us to individual or consumer class action litigation and governmental investigations and proceedings by federal, state and local regulatory entities in the United States and by international regulatory entities, resulting in exposure to material civil or criminal liability, or both. Further, our general liability insurance and corporate risk program may not cover all potential claims to which we are exposed and may not be adequate to indemnify us for all liability that may be imposed.

We may be subject to state, federal and foreign laws relating to data privacy and security in the conduct of our business, including state breach notification laws, the Health Insurance Portability and Accountability Act, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (collectively, "HIPAA"), the EU General Data Protection Regulation 2016/679 and applicable national supplementing laws ("EU GDPR"), and the UK General Data Protection Regulation and Data Protection Act 2018 ("UK GDPR") (collectively, "GDPR"), and the California Consumer Privacy Act, as amended by the California Privacy Rights Act(collectively, "CCPA"). In the United States, HIPAA imposes, among other things, certain standards relating to the privacy, security, transmission and breach reporting of individually identifiable health information on covered entities, including healthcare providers and research institutions, from which we obtain clinical trial data, as well as their business associates that perform certain services that involve creating, receiving, maintaining or transmitting such information for or on behalf of such covered entities, and their covered subcontractors. Depending on the facts and circumstances, we could be subject to regulatory investigation and enforcement action, including significant penalties, if we violate HIPAA. Certain states have also adopted comparable privacy and security laws and

regulations, which govern the privacy, processing and protection of health-related and other personal information. Such laws and regulations will be subject to interpretation by various courts and other governmental authorities, thus creating potentially complex compliance issues for us and our future customers and strategic partners. For example, the CCPA requires covered businesses that process personal information of California residents to, among other things: provide certain disclosures to California residents regarding the business's collection, use, and disclosure of their personal information; receive and respond to requests from California residents to access, delete, and correct their personal information, or to opt-out of certain disclosures of their personal information; and enter into specific contractual provisions with service providers that process California resident personal information on the business's behalf. Similar laws have been passed in other states, and continue to be proposed at the state and federal level, reflecting a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by HIPAA, the CCPA or other domestic privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

Furthermore, the FTC and many state Attorneys General continue to enforce federal and state consumer protection laws against companies for online collection, use, dissemination and security practices that appear to be unfair or deceptive. The FTC has authority to initiate enforcement actions against entities that make deceptive statements about privacy and data sharing in privacy policies, fail to limit third-party use of personal information, fail to implement policies to protect health information or engage in other unfair practices that harm customers. For example, according to the FTC, failing to take appropriate steps to keep consumers' personal information secure can constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Additionally, federal and state consumer protection laws are increasingly being applied by FTC and state Attorneys General to regulate the collection, use, storage, and disclosure of personal health-related and other information, through websites or otherwise, and to regulate the presentation of website content.

In 2024, the National Security Division of the U.S. Department of Justice (DOJ) issued a new rule – referred to as the "Data Security Program" (DSP) – to implement Executive Order 14117 aimed at preventing access to "bulk U.S. sensitive personal data" and "government-related data" by "countries of concern" (including China, Russia, Iran, North Korea, Cuba, and Venezuela) and "covered persons" (as all such terms are defined in the DSP). Effective as of April 8, 2025, and fully enforceable as of July 9, 2025, the DSP imposes stringent obligations on companies within its scope and prohibits or restricts "covered data transactions" that grant countries of concern or covered persons access to bulk U.S. sensitive personal data or any amount of government-related data. The DSP is new, complex and has yet to be enforced, and as such, there is a risk that our interpretation of its applicability, scope, and requirements is incorrect, incomplete, or misapplied. Compliance with the DSP may require us to invest heavily in data security and compliance measures, such as implementing and complying with the Cybersecurity and Infrastructure Security Agency's guidelines and other burdensome recordkeeping, reporting, and auditing requirements. It may also require us to implement new processes, stop or restrict certain data transfers, alter the geographic scope of our operations, cease doing business with certain third parties or using certain tools or vendors, or change how data flows throughout our business, any of which could materially impact our business operations or hinder our ability to grow our business. Finally, non-compliance with the DSP could result in significant civil or criminal penalties, which could materially adversely affect our business, results of operations, and financial condition.

The GDPR comprehensively regulates our use of personal data of individuals from the European Economic Area, or EEA and/or the UK, or in the context of our activities within the EEA and/or the UK, including a principle of accountability and the obligation to demonstrate that appropriate legal bases are in place to justify data processing activities. Additionally, the GDPR regulates cross-border transfers of personal data out of the EEA and the UK. In addition, some of the personal data we process in respect of clinical trial participants is special category or sensitive personal data under the GDPR, and subject to additional compliance obligations and local law derogations. We may be subject to diverging requirements under EU Member State laws and UK law, such as whether consent can be used as the legal basis for processing and the roles, responsibilities, and liabilities as between CROs and sponsors. As these laws develop, we may need to make operational changes to adapt to these diverging rules, which could increase our costs and adversely affect our business, including laws relating to transfer of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States, and the efficacy and longevity of current transfer mechanisms between the EEA and the United States remains uncertain. Case law from the Court of Justice of the European Union, states that reliance on the standard contractual clauses, or SCCs, a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism, alone may not necessarily be sufficient in all circumstances and that transfers must be assessed on a case-by-case basis.

We currently rely on the SCCs to transfer personal data outside the EEA and the UK, including to the United States, with respect to both intragroup and third-party transfers. We expect the existing legal complexity and uncertainty regarding international personal data transfers to continue. As the regulatory guidance and enforcement landscape in relation to data transfers continue to develop, we could suffer additional costs, complaints and/or regulatory investigations or fines; we may have to stop using certain tools and vendors and make other operational changes; we may have to implement alternative data transfer mechanisms under the GDPR and/ or take additional

compliance and operational measures; and/or it could otherwise adversely affect the manner in which we operate our business and could adversely affect our business, operations, and financial condition.

Failure to comply with the GDPR could result in penalties for noncompliance. Penalties for certain breaches are up to the greater of EUR 20 million/GBP 17.5 million or 4% of our global annual turnover. Since we are subject to the supervision of relevant data protection authorities under multiple legal regimes (including under both the EU GDPR and the UK GDPR), we could be fined under those regimes independently in respect of the same breach. In addition to fines, a breach of the GDPR may result in regulatory investigations, reputational damage, orders to cease/change our data processing activities, enforcement notices, assessment notices (for a compulsory audit) and/ or civil claims (including class actions).

As we continue to expand into other foreign countries and jurisdictions, we may be subject to additional laws and regulations that may affect how we conduct business. We expect that there will continue to be new laws, regulations and industry standards concerning privacy, data protection and information security proposed and enacted in various jurisdictions. For example, Washington State enacted the "My Health My Data Act," which broadly defines "consumer health data", creates a private right of action to allow individuals to sue for violations of the law, imposes stringent consent requirements and grants consumers certain rights with respect to their health data, including to request deletion of their information. Consumer health data is defined to include personal information that is linked or reasonably linkable to a consumer and that identifies a consumer's past, present, or future physical or mental health status; consumer health data also includes information that is derived or extrapolated from non-health information, such as algorithms and machine learning. Other states, including Connecticut and Nevada, have also passed consumer health data laws, and given the increased focus on the use of health data by entities that are not subject to HIPAA, additional states are expected to pass consumer health privacy laws.

Furthermore, these laws impose substantial requirements that require the expenditure of significant funds and employee time to comply, and additional states and countries are enacting new data privacy and security laws, which will require future expansion of our compliance efforts. We also rely on third parties in relation to the operation of our business, a number of which host or otherwise process personal data on our behalf. In some instances, these third parties have experienced immaterial failures to protect data privacy. There can be no assurances that the privacy and security-related measures and safeguards we have put in place in relation to these third parties will be effective to protect us and/or the relevant personal information from the risks associated with the third-party processing, storage, and transmission of such data. Any violation of data or security laws, or of our relevant measures and safeguards, by our third-party processors could have a material adverse effect on our business, result in applicable fines and penalties, damage our reputation, and/ or result in civil claims. We will need to expend additional resources and make significant investments to comply with data privacy and security laws. Our failure to comply with our posted privacy policies or with any federal, state, or international privacy and security laws, regulations, industry standards or other legal obligations relating to data privacy and information security or any failure to prevent security breaches of such data could result in significant liability under applicable laws, cause disruption to our business, harm our reputation, have a material adverse effect on our business, and may result in claims, complaints, liabilities, proceedings or actions against us by governmental entities or others, or may require us to change our operations. Any such claims, complaints, proceedings or actions could force us to incur significant expenses in defense of such proceedings or actions, distract our management, increase our costs of doing business, and result in the imposition of monetary penalties.

Performance issues, service interruptions or price increases by our shipping carriers could adversely affect our business and harm our reputation and ability to provide our products on a timely basis.

Reliable shipping is essential to our operations. We rely on providers of transport services for reliable and secure point-to-point transport of our products to our customers and for tracking of these shipments. Should a carrier encounter delivery performance issues such as loss, damage or destruction of any of our products, it could be costly to replace such products in a timely manner and such occurrences may damage our reputation and lead to decreased demand for our products and increased cost and expense to our business. In addition, any significant increase in shipping rates could adversely affect our operating margins and results of operations. Similarly, strikes, severe weather, natural disasters or other service interruptions affecting delivery services we use would adversely affect our ability to deliver our products (or any other products we commercialize in the future) on a timely basis.

Intangible assets on our books may lead to significant impairment charges.

We carry a significant amount of intangible assets on our balance sheet, partially due to the value of the LENSAR brand name, but also intangible assets associated with our technologies, acquired research and development, currently marketed products, and marketing know-how. As a result, we have incurred and may incur significant impairment charges if the fair value of the intangible assets would be less than their carrying value on our balance sheet at any point in time.

We regularly review our long-lived intangible and tangible assets, including identifiable intangible assets, for impairment. Intangible assets with an indefinite useful life (such as the LENSAR brand name), acquired research projects not ready for use, and acquired

development projects not yet ready for use are subject to impairment review. We review other long-lived assets for impairment when there is an indication that an impairment may have occurred.

Risks Related to Government Regulation

Our products and operations are subject to extensive government regulation and oversight both in the United States and abroad, and our failure to comply with applicable requirements could harm our business.

Our products are regulated as medical devices. We and our products are subject to extensive regulation in the United States and elsewhere, including by the FDA and its foreign counterparts. The FDA and foreign regulatory agencies regulate, among other things, with respect to medical devices: design, development and manufacturing; testing, labeling, content and language of instructions for use and storage; clinical studies; product safety; establishment registration and device listing; marketing, sales and distribution; pre-market clearance, certification and approval; record keeping procedures; advertising and promotion; recalls and field safety corrective actions; post-market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury; post-market approval or certification studies; and product import and export.

The regulations to which we are subject are complex and have tended to become more stringent over time. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, higher than anticipated costs or lower than anticipated sales. In addition, the FDA or other regulatory agencies may change their policies, adopt additional regulations, revise existing regulations, or take other actions that may prevent or delay approval or clearance of our products under development or impact our ability to modify our currently approved or cleared products on a timely basis. We may be found non-compliant as a result of future changes in. or interpretations of, regulations by the FDA or other regulatory agencies.

The FDA, foreign regulatory authorities and notified bodies enforce their regulatory requirements through, among other means, periodic unannounced inspections and audits. We do not know whether we will be found compliant in connection with any future FDA (or foreign regulatory authorities) inspections or notified bodies' audits. Failure to comply with applicable regulations could jeopardize our ability to sell our products and result in enforcement actions such as: warning letters; fines; injunctions; civil penalties; termination of distribution; recalls or seizures of products; delays in the introduction of products into the market; total or partial suspension of production; refusal to grant future clearances, certifications or approvals; withdrawals or suspensions of current approvals or certifications, resulting in prohibitions on sales of our products; and in the most serious cases, criminal penalties.

We may not receive, or may be delayed in receiving, the necessary clearances, certifications or approvals for our future products, or modifications to our current products, and failure to timely obtain additional clearances, certifications or approvals for our ALLY System and future products or modifications to our current products would adversely affect our ability to grow our business.

In the United States, before we can market a new medical device, or a new use of, new claim for or significant modification to an existing product, we must first receive either clearance under Section 510(k) of the Federal Food, Drug, and Cosmetic Act, or the FDCA, or approval of a pre-market approval application, or PMA, from the FDA, unless an exemption applies. In the 510(k) clearance process, before a device may be marketed, the FDA must determine that a proposed device is "substantially equivalent" to a legally-marketed "predicate" device, which includes a device that has been previously cleared through the 510(k) process, a device that was legally marketed prior to May 28, 1976 (pre-amendments device), a device that was originally on the U.S. market pursuant to an approved PMA and later down-classified, or a 510(k)-exempt device. To be "substantially equivalent," the proposed device must have the same intended use as the predicate device, and either have the same technological characteristics as the predicate device or have different technological characteristics and not raise different questions of safety or effectiveness than the predicate device. Clinical data are sometimes required to support substantial equivalence. In the process of obtaining PMA approval, the FDA must determine that a proposed device is safe and effective for its intended use based, in part, on extensive data, including, but not limited to, technical, pre-clinical, clinical trial, manufacturing and labeling data. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices. To date, our products have received marketing authorization pursuant to the 510(k) clearance process.

Modifications to products that are approved through a PMA application generally require FDA approval. Similarly, certain modifications made to products cleared through a 510(k) may require a new 510(k) clearance. Both the PMA approval and the 510(k) clearance process can be expensive, lengthy and uncertain. The FDA's 510(k) clearance process usually takes from three to 12 months, but can last longer. The process of obtaining a PMA is much more costly and uncertain than the 510(k) clearance process and generally takes from one to three years, or even longer, from the time the application is filed with the FDA. In addition, a PMA generally requires the performance of one or more clinical trials. Despite the time, effort and cost, a device may not be approved or cleared by the FDA. Any delay or failure to obtain regulatory clearances or approvals could harm our business. Furthermore, even if we are granted regulatory clearances or approvals, they may include significant limitations on the indicated uses for the device, which may limit the market for the device.

In the United States, we have obtained clearance of our Systems through the 510(k) clearance process. Any modification to these Systems that has not been previously cleared may require us to submit a new 510(k) premarket notification and obtain clearance, or submit a PMA and obtain FDA approval, prior to implementing the change. Specifically, any modification to a 510(k)-cleared device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, design or manufacture, requires a new 510(k) clearance or, possibly, approval of a PMA. The FDA requires every manufacturer to make this determination in the first instance, but the FDA may review any manufacturer's decision. The FDA may not agree with our decisions regarding whether new clearances or approvals are necessary. We have made modifications to 510(k)-cleared products in the past and have determined based on our review of the applicable FDA regulations and guidance that in certain instances new 510(k) clearances or PMA approvals were not required. We may make modifications or add additional features to our products in the future that we believe do not require a new 510(k) clearance or approval of a PMA. If the FDA disagrees with our determination and requires us to submit new 510(k) notifications or PMA applications for modifications to our previously cleared products for which we have concluded that new clearances or approvals are unnecessary, we may be required to cease marketing or to recall the modified product until we obtain clearance or approval, and we may be subject to significant regulatory fines or penalties. If the FDA requires us to go through a lengthier, more rigorous examination for future products or modifications to existing products than we had expected, product introductions or modifications could be delayed or canceled, which could adversely affect our ability to grow our business.

The ALLY System, which has received clearance from the FDA and certification in the EU, enables cataract surgeons to complete the laser-assisted procedure seamlessly in a single, sterile environment. The ALLY System is available to all cataract surgeons in the U.S. and EU jurisdictions and has also received regulatory clearance in India, Taiwan, South Korea, as well as certain other countries.

The FDA, foreign regulatory authorities or notified bodies can delay, limit or deny clearance, certification or approval of a device for many reasons, including:

- our inability to demonstrate to the satisfaction of the FDA or the applicable foreign regulatory authority or notified body that our products are safe or effective for their intended uses;
- the disagreement of the FDA or the applicable foreign regulatory authority or notified body with the design or implementation of our clinical trials or the interpretation of data from pre-clinical studies or clinical trials;
- serious and unexpected adverse device effects experienced by participants in our clinical trials;
- the data from our pre-clinical studies and clinical trials may be insufficient to support clearance, certification or approval, where required;
- our inability to demonstrate that the clinical and other benefits of the device outweigh the risks;
- the manufacturing process or facilities we use may not meet applicable requirements; and
- the potential for approval or certification policies or regulations of the FDA or applicable foreign regulatory authority or notified body to change significantly in a manner rendering our clinical data or regulatory filings insufficient for clearance, certification or approval.

Subject to the transitional provisions and in order to sell our products in EU member states, our products must comply with the general safety and performance requirements of the EU Medical Devices Regulation, which repeals and replaces the EU Medical Devices Directive. Compliance with these requirements is a prerequisite to be able to affix the European Conformity, or CE mark, to our products, without which they cannot be sold or marketed in the EU. All medical devices placed on the market in the EU must meet the general safety and performance requirements laid down in Annex I to the EU Medical Devices Regulation, including the requirement that a medical device must be designed and manufactured in such a way that, during normal conditions of use, it is suitable for its intended purpose. Medical devices must be safe and effective and must not compromise the clinical condition or safety of patients, or the safety and health of users and, where applicable, other persons, provided that any risks which may be associated with their use constitute acceptable risks when weighed against the benefits to the patient and are compatible with a high level of protection of health and safety, taking into account the generally acknowledged state of the art. To demonstrate compliance with the general safety and performance requirements, we must undergo a conformity assessment procedure, which varies according to the type of medical device and its (risk) classification. A conformity assessment procedure generally requires the intervention of a notified body. The notified body would typically audit and examine the technical file and the quality system for the manufacture, design and final inspection of our devices. If satisfied that the relevant product conforms to the relevant general safety and performance requirements, the notified body issues a certificate of conformity, which the manufacturer uses as a basis for its own declaration of conformity. The manufacturer may then apply the CE mark to the device, which allows the device to be placed on the market throughout the EU. The aforementioned EU rules

are generally applicable in the EEA which consists of the 27 EU member states plus Norway, Liechtenstein and Iceland. If we fail to comply with applicable laws and regulations, we would be unable to affix the CE mark to our products, which would prevent us from selling them within the EU and these three countries.

In the EU, the EU Medical Devices Regulation became effective on May 26, 2021. In accordance with its recently extended transitional provisions, both (i) devices lawfully placed on the market pursuant to the EU Medical Devices Directive prior to May 26, 2021 and (ii) legacy devices lawfully placed on the market after May 26, 2021 in accordance with the transitional provisions of the EU Medical Devices Regulation may generally continue to be made available on the market or put into service, provided that the requirements of the transitional provisions are fulfilled. In particular, no substantial change must be made to the device as such a modification would trigger the obligation to obtain a new certification under the EU Medical Devices Regulation and therefore to have a notified body conducting a new conformity assessment of the devices. Once our devices are certified under the EU Medical Devices Regulation, we must inform the notified body that carried out the conformity assessment of the medical devices that we market or sell in the EU and the EEA of any planned substantial changes to our quality system or substantial changes to our medical devices that could affect compliance with the general safety and performance requirements laid down in Annex I to the EU Medical Devices Regulation or cause a substantial change to the intended use for which the device has been CE marked. The notified body will then assess the planned changes and verify whether they affect the products' ongoing conformity with the EU Medical Devices Regulation. If the assessment is favorable, the notified body will issue a new certificate of conformity or an addendum to the existing certificate attesting compliance with the general safety and performance requirements and quality system requirements laid down in the Annexes to the EU Medical Devices Regulation. The notified body may disagree with our proposed changes and product introductions or modifications could be delayed or canceled, which could adversely affect our ability to grow our business.

On June 16, 2025, an amendment to the Medical Devices Regulations 2002, or UK Medical Devices Regulations, became applicable which is intended to clarify and strengthen the post-market surveillance requirements for medical devices in Great Britain. It also intends to bring the UK regulatory framework for medical devices, which is based on the EU Medical Devices Directive, into closer alignment with the EU Medical Devices Regulation. In addition, on May 8, 2026, the MHRA published a draft amendment to the UK Medical Devices Regulations, that if implemented, will update the pre-market requirements for medical devices in Great Britain. The draft amendment is expected to be adopted in December 2026 and come into force in June 2027, subject to review and approval by the UK Parliament. Under the UK Medical Devices Regulations, in order to be lawfully placed on the Great Britain market, class I (non-sterile, non-measuring or non-re-useable) medical devices need to be "UKCA" self-certified, and other medical devices need to be "UKCA" certified by a UK approved body. However, certain medical devices in compliance with: (1) the EU Medical Devices Directive can continue to be placed on the Great Britain market until the sooner of certificate expiration or June 30, 2028; or (2) the EU Medical Devices Regulation can continue to be placed on the Great Britain market until June 30, 2030. The MHRA launched a consultation from February 16, 2026 to April 10, 2026 regarding the indefinite recognition of EU Medical Devices Regulation-compliant medical devices in Great Britain. The outcome of this consultation is currently pending. Medical devices also need to bear a physical UKCA mark in order to be lawfully placed on the Great Britain market. However, the draft amendment to the UK Medical Devices Regulations would remove the requirement for a medical device and its labeling (for example packaging and instructions for use) in Great Britain to bear a physical UKCA mark. Instead of requiring a medical device and its labeling to bear a UKCA mark, manufacturers would be required to assign a unique design identification, ("UDI"), to a medical device and register the UDI in a publicly accessible database before the medical device is placed on the Great Britain market. If this change is implemented, we may no longer be required to affix the physical UKCA mark to our medical devices, but we may need to assign and affix a UDI, and register the UDI in a publicly accessible database.

Failure to comply with post-marketing regulatory requirements could subject us to enforcement actions, including substantial penalties, and might require us to recall or withdraw a product from the market.

We are subject to ongoing and pervasive regulatory requirements governing, among other things, the manufacture, marketing, advertising, medical device reporting, sale, promotion, import, export, registration, and listing of devices. The regulations to which we are subject are complex and have become more stringent over time. Regulatory changes could result in restrictions on our ability to continue or expand our operations, higher than anticipated costs, or lower than anticipated sales. Even after we have obtained the proper regulatory approval, certification or clearance to market a device, we have ongoing responsibilities under FDA regulations and applicable foreign laws and regulations. The FDA, state and foreign regulatory authorities have broad enforcement powers. Our failure to comply with applicable regulatory requirements could result in enforcement action by the FDA, state or foreign regulatory authorities or notified bodies, which may include any of the following sanctions:

- untitled letters or warning letters;
- fines, injunctions, consent decrees and civil penalties;
- recalls, termination of distribution, administrative detention, or seizure of our products;

- customer notifications or repair, replacement or refunds;
- operating restrictions or partial suspension or total shutdown of production;
- delays in or refusal to grant our requests for future clearances, certifications or approvals (including foreign regulatory approvals) of new products, new intended uses, or modifications to existing products;
- withdrawals or suspensions of our current 510(k) clearances or certifications, resulting in prohibitions on sales of our products;
- FDA refusal to issue certificates to foreign governments needed to export products for sale in other countries; and
- criminal prosecution.

Any of these sanctions could result in higher than anticipated costs or lower than anticipated sales and have a material adverse effect on our reputation, business, financial condition and results of operations.

In addition, the FDA and foreign regulatory authorities may change their clearance or certification policies, adopt additional regulations or revise existing regulations, or take other actions, which may prevent or delay clearance, certification or approval of our future products under development or impact our ability to modify our currently cleared or certified products on a timely basis. Such policy or regulatory changes could impose additional requirements upon us that could delay our ability to obtain new clearances, certifications or approvals, increase the costs of compliance or restrict our ability to maintain our clearances of our current products. For more information, see "—Legislative or regulatory reforms in the United States or the EU may make it more difficult and costly for us to obtain regulatory clearances, certifications or approvals for our products or to manufacture, market or distribute our products after clearance, certification or approval is obtained."

Our products must be manufactured in accordance with federal, state and foreign regulations, and we or any of our suppliers could be forced to recall products or terminate production if we fail to comply with these regulations.

The methods used in, and the facilities used for, the manufacture of our products must comply with the FDA's QMSR, which is a complex regulatory scheme that covers the procedures and documentation of the design, testing, production, process controls, quality assurance, labeling, packaging, handling, storage, distribution, installation, servicing and shipping of medical devices. Furthermore, we are required to verify that our suppliers maintain facilities, procedures and operations that comply with our quality standards and applicable regulatory requirements. The FDA enforces the QMSR through periodic announced or unannounced inspections of medical device manufacturing facilities, which may include the facilities of subcontractors. Our products are also subject to similar state regulations and various laws and regulations of foreign countries governing manufacturing.

Our third-party manufacturers may not take the necessary steps to comply with applicable regulations, which could cause delays in the delivery of our products. In addition, failure to comply with applicable FDA (or other regulatory authorities) requirements or later discovery of previously unknown problems with our products or manufacturing processes could result in, among other things: warning letters or untitled letters; fines, injunctions or civil penalties; suspension or withdrawal of approvals or certifications; seizures or recalls of our products; total or partial suspension of production or distribution; administrative or judicially imposed sanctions; the FDA's (or foreign regulatory authorities' or notified bodies') refusal to grant pending or future clearances, certifications or approvals for our products; clinical holds; refusal to permit the import or export of our products; and criminal prosecution of us or our employees.

Any of these actions could significantly and negatively affect supply of our products. If any of these events occurs, our reputation could be harmed, we could be exposed to product liability claims and we could lose customers and experience reduced sales and increased costs.

The misuse or off-label use of our LLS or ALLY System may harm our reputation in the marketplace, result in injuries that lead to product liability suits or result in costly investigations, fines or sanctions by regulatory bodies if we are deemed to have engaged in the promotion of these uses, any of which could be costly to our business.

Our Systems are ophthalmic surgical lasers indicated for the creation of anterior capsulotomies, use in patients undergoing surgery requiring laser-assisted fragmentation of the cataractous lens, and for creating cuts/incisions in the cornea. We train our marketing personnel and direct sales force to not promote our devices for uses outside of the FDA-approved indications for use, known as "off-label uses." We cannot, however, prevent a physician from using our devices off-label, when in the physician's independent professional medical judgment he or she deems it appropriate. There may be increased risk of injury to patients if physicians attempt to use our devices off-label. Furthermore, the use of our devices for indications other than those approved by the FDA or a foreign regulatory

authority or certified by a notified body may not effectively treat such conditions, which could harm our reputation in the marketplace among physicians and patients.

If the FDA or any foreign regulatory authority determines that our promotional materials or training constitute promotion of an off-label use, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance or imposition of an untitled letter, which is used for violators that do not necessitate a warning letter, injunction, seizure, civil fine or criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action under other regulatory authority, such as false claims laws, if they consider our business activities to constitute promotion of an off-label use, which could result in significant penalties, including, but not limited to, criminal, civil and administrative penalties, damages, fines, disgorgement, exclusion from participation in government healthcare programs and the curtailment of our operations.

In addition, physicians may misuse our products or use improper techniques if they are not adequately trained, potentially leading to injury and an increased risk of product liability. If our devices are misused or used with improper technique, we may become subject to costly litigation by our customers or their patients. Product liability claims could divert management's attention from our core business, be expensive to defend and result in sizeable damage awards against us that may not be covered by insurance.

Our products may cause or contribute to adverse medical events or be subject to failures or malfunctions that we are required to report to the FDA (or similar foreign authorities), and if we fail to do so, we would be subject to sanctions that could harm our reputation, business, financial condition and results of operations. The discovery of serious safety issues with our products, or a recall of our products either voluntarily or at the direction of the FDA or another governmental authority, could have a negative impact on us.

We are subject to the FDA's medical device reporting regulations and similar foreign regulations, which require us to report to the FDA (or similar foreign authorities) when we receive or become aware of information that reasonably suggests that one or more of our products may have caused or contributed to a death or serious injury or malfunctioned in a way that, if the malfunction were to recur, it could cause or contribute to a death or serious injury. The timing of our obligation to report is triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events of which we become aware within the prescribed timeframe. We may also fail to recognize that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of the product. If we fail to comply with our reporting obligations, the FDA (or similar foreign authorities) could take action, including warning letters, untitled letters, administrative actions, criminal prosecution, imposition of civil monetary penalties, revocation of our device clearance, certification or approval, seizure of our products or delay in clearance, certification or approval of future products.

The FDA and foreign regulatory authorities have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture of a product or in the event that a product poses an unacceptable risk to health. The FDA's authority to require a recall must be based on a finding that there is reasonable probability that the device could cause serious injury or death. We may also choose to voluntarily recall a product if any material deficiency is found. A government-mandated or voluntary recall by us could occur as a result of an unacceptable risk to health, component failures, malfunctions, manufacturing defects, labeling or design deficiencies, packaging defects or other deficiencies or failures to comply with applicable regulations. Product defects or other errors may occur in the future.

Depending on the corrective action we take to redress a product's deficiencies or defects, the FDA (or foreign regulatory authorities) may require, or we may decide, that we will need to obtain new clearances, certifications or approvals for the device before we may market or distribute the corrected device. Seeking such clearances, certifications or approvals may delay our ability to replace the recalled devices in a timely manner. Moreover, if we do not adequately address problems associated with our devices, we may face additional regulatory enforcement action, including warning letters from the FDA (or foreign regulatory authorities), product seizure, injunctions, administrative penalties or civil or criminal fines.

Companies are required to maintain certain records of recalls and corrections, even if they are not reportable to the FDA (or similar foreign authorities). We may initiate voluntary withdrawals or corrections for our products in the future that we determine do not require notification of the FDA (or similar foreign authorities). If the FDA (or similar foreign authorities) disagrees with our determinations, it could require us to report those actions as recalls and we may be subject to enforcement action. A future recall announcement could harm our reputation with customers, potentially lead to product liability claims against us and negatively affect our sales. Any corrective action, whether voluntary or involuntary, as well as defending ourselves in a lawsuit, will require the dedication of our time and capital, distract management from operating our business and may harm our reputation and financial results.

If we do not obtain and maintain international regulatory registrations, clearances, certifications or approvals for our products, we will be unable to market and sell our products outside of the United States.

Sales of our products outside of the United States are subject to foreign regulatory requirements that vary widely from country to country. In addition, the FDA regulates exports of medical devices from the United States. While the regulations of some countries may not impose barriers to marketing and selling our products or only require notification, others require that we obtain the clearance, certification or approval of a specified regulatory body. Complying with foreign regulatory requirements, including obtaining registrations, clearances, certifications or approvals, can be expensive and time-consuming, and we may not receive regulatory clearances, certifications or approvals in each country in which we plan to market our products or we may be unable to do so on a timely basis. The time required to obtain registrations, clearances, certifications or approvals, if required by other countries, may be longer than that required for FDA clearance or approval, and requirements for such registrations, clearances, certifications or approvals may significantly differ from FDA requirements. If we modify our products, we may need to apply for additional regulatory clearances, certifications or approvals before we are permitted to sell the modified product. In addition, we may not continue to meet the quality and safety standards required to maintain the authorizations (approvals or certifications) that we have received. If we are unable to maintain our authorizations or certifications in a particular country, we will no longer be able to sell the applicable product in that country.

Regulatory clearance or approval by the FDA does not ensure registration, clearance, certification or approval by regulatory authorities or notified bodies in other countries, and registration, clearance, certification or approval by one or more foreign regulatory authorities or notified bodies does not ensure registration, clearance, certification or approval by regulatory authorities or notified bodies in other foreign countries or by the FDA. However, a failure or delay in obtaining registration or regulatory clearance, certification or approval in one country may have a negative effect on the regulatory process in others.

The clinical trial process is lengthy and expensive with uncertain outcomes. Results of earlier studies may not be predictive of future clinical trial results, or the safety or efficacy profile for such products.

Clinical testing is difficult to design and implement, can take many years, can be expensive and carries uncertain outcomes. We intend to conduct additional clinical trials and to generate clinical data that will help us demonstrate the benefits of our system compared to manual cataract surgery conducted without a laser system, or with competing laser systems.

The results of preclinical studies and clinical trials of our products conducted to date and ongoing or future studies and trials of our current, planned or future products may not be predictive of the results of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. Our interpretation of data and results from our clinical trials do not ensure that we will achieve similar results in future clinical trials. In addition, preclinical and clinical data are often susceptible to various interpretations and analyses, and many companies that have believed their products performed satisfactorily in preclinical studies and earlier clinical trials have nonetheless failed to replicate results in later clinical trials. Products in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through nonclinical studies and earlier clinical trials. Failure can occur at any stage of clinical testing. Our clinical studies may produce negative or inconclusive results, and we may decide, or regulators or notified bodies may require us, to conduct additional clinical and non-clinical testing in addition to those we have planned.

The initiation and completion of any of clinical studies may be prevented, delayed, or halted for numerous reasons. We may experience delays in our ongoing clinical trials for a number of reasons, which could adversely affect the costs, timing or successful completion of our clinical trials, including related to the following:

- we may be required to submit an Investigational Device Exemption, or IDE, application to FDA, which must become effective prior to commencing certain human clinical trials of medical devices, and FDA may reject our IDE application and notify us that we may not begin clinical trials, and similar risks may apply in foreign jurisdictions;
- regulators and other comparable foreign regulatory authorities may disagree as to the design or implementation of our clinical trials;
- regulators, Institutional Review Boards, or IRBs, or other reviewing bodies may not authorize us or our investigators to commence a clinical trial, or to conduct or continue a clinical trial at a prospective or specific trial site;
- we may not reach agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- clinical trials may produce negative or inconclusive results, and we may decide, or regulators or notified bodies may require us, to conduct additional clinical trials or abandon product development programs;

- the number of subjects or patients required for clinical trials may be larger than we anticipate, enrollment in these clinical trials may be insufficient or slower than we anticipate, and the number of clinical trials being conducted at any given time may be high and result in fewer available patients for any given clinical trial, or patients may drop out of these clinical trials at a higher rate than we anticipate;

- our third-party contractors, including those manufacturing products or conducting clinical trials on our behalf, may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;

- we might have to suspend or terminate clinical trials for various reasons, including a finding that the subjects are being exposed to unacceptable health risks;

- we may have to amend clinical trial protocols or conduct additional studies to reflect changes in regulatory requirements or guidance, which we may be required to submit to an IRB (or other reviewing bodies), regulatory authorities, or both, for re-examination;

- regulators, IRBs, other reviewing bodies, or other parties may require or recommend that we or our investigators suspend or terminate clinical research for various reasons, including safety signals or noncompliance with regulatory requirements;

- the cost of clinical trials may be greater than we anticipate;

- clinical sites may not adhere to the clinical protocol or may drop out of a clinical trial;

- we may be unable to recruit a sufficient number of clinical trial sites;

- regulators, IRBs, or other reviewing bodies may fail to approve or subsequently find fault with our manufacturing processes or facilities of third-party manufacturers with which we enter into agreement for clinical and commercial supplies, the supply of devices or other materials necessary to conduct clinical trials may be insufficient, inadequate or not available at an acceptable cost, or we may experience interruptions in supply;

- approval or certification policies or regulations of FDA or applicable foreign regulatory agencies may change in a manner rendering our clinical data insufficient for certification or approval; and

- our current or future products may have undesirable side effects or other unexpected characteristics.

Any of these occurrences may significantly harm our business, financial condition and prospects. In addition, disruptions related to public health crises may increase the likelihood that we encounter such difficulties or delays in initiating, enrolling, conducting or completing our planned and ongoing clinical trials. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval or certification of our product candidates.

Patient enrollment in clinical trials and completion of patient follow-up depend on many factors, including the size of the patient population, the nature of the trial protocol, the proximity of patients to clinical sites, the eligibility criteria for the clinical trial, patient compliance, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages of the product being studied in relation to other available therapies, including any new treatments that may be approved for the indications we are investigating. For example, patients may be discouraged from enrolling in our clinical trials if the trial protocol requires them to undergo extensive post-treatment procedures or follow-up to assess the safety and efficacy of a product candidate, or they may be persuaded to participate in contemporaneous clinical trials of a competitor's product candidate. In addition, patients participating in our clinical trials may drop out before completion of the trial or experience adverse medical events unrelated to our products. Delays in patient enrollment or failure of patients to continue to participate in a clinical trial may delay commencement or completion of the clinical trial, cause an increase in the costs of the clinical trial and delays, or result in the failure of the clinical trial.

Clinical trials must be conducted in accordance with the laws and regulations of the FDA and other applicable regulatory authorities' legal requirements, regulations or guidelines, and are subject to oversight by these governmental agencies and IRBs, or other reviewing bodies, at the medical institutions where the clinical trials are conducted. In addition, clinical trials must be conducted with supplies of our devices produced under cGMP, requirements and other regulations. Furthermore, we rely on CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials and while we have agreements governing their committed activities, we have limited influence over their actual performance. We depend on our collaborators and on medical institutions and CROs to conduct our clinical trials in compliance with good clinical practice, or GCP, requirements. To the extent our collaborators or the CROs fail to enroll participants for our clinical trials, fail to conduct the study to GCP standards or are delayed for a significant time in the execution of trials, including achieving full enrollment, we may be affected by increased costs, program delays or both. In addition, clinical trials that

are conducted in countries outside the United States may subject us to further delays and expenses as a result of increased shipment costs, additional regulatory requirements and the engagement of non-U.S. CROs, as well as expose us to risks associated with clinical investigators who are unknown to the FDA, and different standards of diagnosis, screening and medical care.

Even if our future products are cleared or approved in the United States, commercialization of our products in foreign countries would require clearance, certification or approval by regulatory authorities or notified bodies in those countries. Clearance, certification or approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials. Any of these occurrences could have an adverse effect on our business, financial condition and results of operations.

Legislative or regulatory reforms in the United States or the EU may make it more difficult and costly for us to obtain regulatory clearances, certifications or approvals for our products or to manufacture, market or distribute our products after clearance, certification or approval is obtained.

From time to time, legislation is drafted and introduced in Congress that could significantly change the statutory provisions governing the regulation of medical devices. The FDA may change its clearance and approval policies, adopt additional regulations or revise existing regulations, or take other actions, which may prevent or delay approval or clearance of our future products under development or impact our ability to modify our currently cleared products on a timely basis.

In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business and our products. For example, on February 2, 2026, the FDA's final rule implementing the FDA's Quality Management System Regulation, or QMSR, became effective. The QMSR, which replaced the FDA's former Quality System Regulation, or QSR, sets forth the FDA's cGMP requirements for medical devices, and among other things, incorporates by reference certain elements of the quality management system requirements of ISO 13485:2016. Although the FDA has stated that the standards contained in ISO 13485:2016 are substantially similar to those set forth in the QSR, and although our quality management system is designed to comply with ISO:13485, the FDA has indicated that ISO:13485 certification alone will not ensure compliance under the QMSR, nor will ISO certification exempt manufacturers from FDA inspection. The QMSR also includes certain compliance obligations, such as those relating to unique device identification, product traceability, and maintenance of complaint and service records, that align more closely with the FDA's existing medical device requirements than with ISO standards. Accordingly, it remains unclear the extent to which the QMSR may impose additional or different regulatory requirements on us that could increase the costs of compliance or otherwise negatively affect our business. Any new statutes, regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of any future products or make it more difficult to obtain approval for, manufacture, market or distribute our products. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future. Such changes could, among other things, require additional testing prior to obtaining clearance or approval; changes to manufacturing methods; recall, replacement or discontinuance of our products; or additional record keeping. The FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory clearance or approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may be subject to enforcement action and we may not achieve or sustain profitability.

In addition, the regulatory landscape related to medical devices in the EU recently evolved, and continues to undergo legislative changes. On May 26, 2021, the EU Medical Devices Regulation became applicable, and repealed and replaced the EU Medical Devices Directive and the Active Implantable Medical Devices Directive. Unlike directives, which must be implemented into the national laws of the EU member states, regulations are directly applicable (i.e., without the need for adoption of EU member state laws implementing them) in all EU member states and are intended to eliminate current differences in the regulation of medical devices among EU member states. The EU Medical Devices Regulation, among other things, is intended to establish a uniform, transparent, predictable and sustainable regulatory framework across the EU for medical devices and ensure a high level of safety and health while supporting innovation. These requirements are in active implementation and may change as the European Commission adopts additional implementing acts and considers targeted revisions to related medical device rules. In addition, on December 16, 2025, the European Commission published a targeted revision proposal of the MDR to address structural issues, certification delays, and burdens on Small and medium-sized enterprises ("SMEs"). The proposal entered the ordinary legislative process in March 2026 and is currently not expected to be adopted before late 2026 or early 2027.

The modifications brought by this new Regulation may have an effect on the way we intend to develop our business in the EU and EEA. For example, as a result of the transition towards the new regime, notified body review times have lengthened, and product introductions or modifications could be delayed, which could adversely affect our ability to grow our business in a timely manner.

Disruptions at the FDA and other government agencies and notified bodies caused by funding shortages, staffing limitations, or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, cleared or approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA, foreign regulatory agencies and notified bodies to review and clear, certify or approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's, foreign regulatory agencies' and notified bodies' ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's, foreign regulatory agencies' and notified bodies' ability to perform routine functions. Average review times at the FDA, foreign regulatory agencies and notified bodies have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA, foreign regulatory agencies and notified bodies may also slow the time necessary for new medical devices or modifications to cleared, certified or approved medical devices to be reviewed and cleared, certified or approved by necessary government agencies (or other notified bodies), which would adversely affect our business. For example, over the last several years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities. In addition, the current U.S. Presidential administration has issued certain policies and Executive Orders directed towards reducing the employee headcount and costs associated with U.S. administrative agencies, including the FDA, and it remains unclear the degree to which these efforts may limit or otherwise adversely affect the FDA's ability to conduct their activities.

If there were a prolonged government shutdown in response to a health pandemic or otherwise, or if global health concerns, funding shortages or staffing limitations prevent the FDA or other regulatory authorities or notified bodies from conducting their regular inspections, audits, reviews, or other regulatory activities, it could significantly impact the ability of the FDA, or other regulatory authorities or notified bodies, to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

In the EU, notified bodies must be officially designated to certify products and services in accordance with the EU Medical Devices Regulation. Their designation process, which is significantly stricter under the new Regulation, has experienced considerable delays following the COVID-19 pandemic. Despite an increase in designations, the current number of notified bodies designated under the new Regulation remains significantly lower than the number of notified bodies designated under the previous regime. The current designated notified bodies are therefore facing a backlog of requests as a consequence of which review times have lengthened. This situation may impact the way we are conducting our business in the EU and the EEA and the ability of our notified body to timely review and process our regulatory submissions and perform its audits.

Enacted and future healthcare legislation may increase the difficulty and cost for us to commercialize our ALLY System or other products we may develop in the future and may affect the prices we may set.

In the United States, the EU and other jurisdictions, there have been and continue to be a number of legislative initiatives and judicial challenges to contain healthcare costs. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively the ACA, was passed, which substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted the United States medical device industry.

Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA, as well as other efforts to challenge, repeal or replace the ACA that may impact our business or financial condition. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA without specifically ruling on the constitutionality of the ACA.

Moreover, other legislative changes have been proposed and adopted since the ACA was enacted. For example, the Budget Control Act of 2011, among other things, included reductions to Medicare payments to providers. Additionally, the American Taxpayer Relief Act of 2012, among other things, reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. More recently, the One Big Beautiful Bill Act (the "OBBBA") was signed into law in July 2025, which also included significant reforms to Medicaid, including an estimated $1 trillion in reduced federal Medicaid spending from 2025 through 2034, the imposition of work requirements for certain adult enrollees, more frequent eligibility redeterminations, and increased cost-sharing for beneficiaries. These changes are expected to reduce overall Medicaid enrollment and access to care. Although the effect on our business is currently unknown, any decrease in the number of insured patients or reimbursement levels for our products could adversely affect our revenue and commercial prospects.

We expect that additional U.S. federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that the U.S. federal government will pay for healthcare products and services, which could result in reduced demand for our products or additional pricing pressures and could seriously harm our business.

For EU member states, in December 2021, the EU Regulation No 2021/2282 on Health Technology Assessment, or HTA, amending Directive 2011/24/EU, was adopted. The Regulation entered into force in January 2022 and has been applicable since January 2025, with phased implementation based on the type of product, for example, certain high-risk medical devices as of 2026. The Regulation intends to boost cooperation among EU member states in assessing health technologies, including certain high-risk medical devices, and provide the basis for cooperation at the EU level for joint clinical assessments in these areas. It will permit EU member states to use common HTA tools, methodologies, and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative health technologies with the highest potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU member states will continue to be responsible for assessing non-clinical (e.g., economic, social, ethical) aspects of health technology, and making decisions on pricing and reimbursement.

We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action in the United States, the EU or any other jurisdiction. If we or any third parties we may engage are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, we may not be able to achieve or sustain profitability or successfully market our ALLY System or any other products we may develop and obtain clearance for in the future.

We may be subject to certain federal, state and foreign laws pertaining to healthcare fraud and abuse, including anti-kickback, self-referral, false claims and fraud laws, and any violations by us of such laws could result in fines or other penalties.

Although none of the procedures using our products are currently covered by any state, federal or foreign government healthcare programs or other third-party payors, applicable agencies and regulators may interpret that our commercial, research and other financial relationships with healthcare providers, institutions and GPOs are nonetheless subject to various federal, state and foreign laws intended to prevent healthcare fraud and abuse, including the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, to induce either the referral of an individual for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs. Remuneration has been broadly defined to include anything of value, including cash, improper discounts and free or reduced price items and services. In addition, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the federal False Claims Act, which prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, false claims, or knowingly using false statements, to obtain payment from the federal government, and which may apply to entities that provide coding and billing advice to customers. The federal False Claims Act has been used to prosecute persons submitting claims for payment that are inaccurate or fraudulent, that are for services not provided as claimed or for services that are not medically necessary. In addition, the government may assert that a claim including items and services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act. The federal False Claims Act also includes a whistleblower provision that allows individuals to bring actions on behalf of the federal government and share a portion of the recovery of successful claims;

- the federal Civil Monetary Penalties law, which prohibits, among other things, offering or transferring remuneration to a federal healthcare beneficiary that a person knows or should know is likely to influence the beneficiary's decision to order or receive items or services reimbursable by the government from a particular provider or supplier;

- the federal Health Insurance Portability and Accountability Act of 1996, as amended, also created federal criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the Physician Payments Sunshine Act and its implementing regulations, which require certain manufacturers of drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid, or the Children's Health Insurance Program to report annually to the government information related to certain payments and other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain non-physician providers such as physician assistants and nurse practitioners, and teaching hospitals, as well as ownership and investment interests held by the physicians described above and their immediate family members;

- analogous state and foreign laws and regulations, including state anti-kickback and false claims laws, which apply to items and services reimbursed by any third-party payor, including private insurers and self-pay patients; state laws that require device manufacturers to comply with the industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the U.S. federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; and state laws and regulations that require manufacturers to track gifts and other remuneration and items of value provided to healthcare professionals and entities; and

- EU and other foreign law equivalents of each of the laws, including reporting requirements detailing interactions with and payments to healthcare providers.

If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, such as Medicare and Medicaid or similar programs in other countries or jurisdictions, disgorgement, individual imprisonment, contractual damages, reputational harm, diminished profits and the curtailment or restructuring of our operations. Further, defending against any such actions can be costly, time-consuming and may require significant personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

We are subject to anti-corruption, anti-bribery and similar laws and any violations by us of such laws could result in fines or other penalties.

A majority of our revenue is derived from operations outside of the United States and is subject to requirements under the U.S. Treasury Department's Office of Foreign Assets Control, anti-corruption, anti-bribery and similar laws, such as the Foreign Corrupt Practices Act, or FCPA, the U.K. Bribery Act 2010, and other anti-corruption, anti-bribery and anti-money laundering laws in countries in which we conduct activities. The FCPA prohibits, among other things, improper payments or offers of payments to foreign governments and their officials for the purpose of obtaining or retaining business. Recently, the U.S. Department of Justice has increased its enforcement activities with respect to the FCPA.

Our safeguards to discourage improper payments or offers of payments by our employees, consultants, sales agents or distributors may be ineffective. Any violations of the FCPA and similar laws may result in severe criminal or civil sanctions, or other liabilities or proceedings against us, and would likely harm our reputation, business, financial condition and result of operations.

Our employees, independent contractors, principal investigators, consultants, vendors, distributors and contract research organizations may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk that our employees, independent contractors, principal investigators, consultants, vendors, distributors and contractor research organizations, or CROs, may engage in fraudulent or other illegal activity. While we have policies and procedures in place prohibiting such activity, misconduct by these parties could include among other infractions or violations intentional, reckless or negligent conduct or unauthorized activity that violates: (i) FDA (and foreign regulatory authorities') regulations, including those laws that require the reporting of true, complete and accurate information to the FDA (or foreign regulatory authorities); (ii) manufacturing standards; (iii) federal, state and foreign healthcare fraud and abuse laws and regulations; (iv) laws that require the true, complete and accurate reporting of financial information or data; or (v) other commercial or regulatory laws or requirements. Specifically, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Activities subject to these laws also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter misconduct by our employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Risks Related to Intellectual Property Matters

Our success will depend on our ability to obtain, maintain, and protect our intellectual property rights.

Our commercial success will depend in part on our success in obtaining and maintaining issued patents, trademarks and other intellectual property rights in the United States and elsewhere and protecting our proprietary technology. If we do not adequately protect our intellectual property and proprietary technology, competitors may be able to use our technologies we have acquired in the marketplace and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability.

We rely on a combination of contractual provisions, confidentiality procedures and patent, copyright, trademark, trade secret and other intellectual property laws to protect the proprietary aspects of our products, brands, technologies and data. These legal measures afford only limited protection, and competitors or others may gain access to or use our intellectual property and proprietary information. Our success will depend, in part, on preserving our trade secrets, maintaining the security of our data and know-how and obtaining and maintaining other intellectual property rights. We may not be able to obtain or maintain intellectual property or other proprietary rights necessary to our business or in a form that provides us with a competitive advantage.

In addition, our efforts to enter into confidentiality agreements with our employees, consultants, clients and other vendors who have access to our confidential information, our trade secrets, data and know-how may not prevent unauthorized use, misappropriation, or disclosure to unauthorized parties, and such information could otherwise become known or be independently discovered by third parties. Our intellectual property, including trademarks, could be challenged, invalidated, infringed, or circumvented by third parties, and our trademarks could also be diluted, declared generic or found to be infringing on other marks. If any of the foregoing occurs, we could be forced to re-brand our products, resulting in loss of brand recognition and requiring us to devote resources to advertising and marketing new brands, and suffer other competitive harm. Third parties may also adopt trademarks similar to ours, which could harm our brand identity and lead to market confusion.

Failure to obtain and maintain intellectual property rights necessary to our business and failure to protect, monitor, and control the use of our intellectual property rights could negatively impact our ability to compete and cause us to incur significant expenses. The intellectual property laws and other statutory and contractual arrangements in the United States and other jurisdictions may not provide sufficient protection in the future to prevent the infringement, use, violation or misappropriation of our trademarks, data, technology, and other intellectual property and services, and may not provide an adequate remedy if our intellectual property rights are infringed, misappropriated or otherwise violated.

We rely, in part, on our ability to obtain, maintain, expand, enforce, and defend the scope of our intellectual property portfolio or other proprietary rights, including the amount and timing of any payments we may be required to make in connection with the filing, licensing, defending, and enforcement of any patents or other intellectual property rights. The process of applying for and obtaining a patent is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications at a reasonable cost, in a timely manner, or in all jurisdictions where protection may be commercially advantageous, or we may not be able to protect our proprietary rights at all in such jurisdictions. We may not be successful in protecting our proprietary rights, and unauthorized parties may be able to obtain and use information that we regard as proprietary.

We own numerous issued patents and pending patent applications. As of June 30, 2026, we owned approximately 74 U.S. patents, 24 pending U.S. patent applications, 239 issued foreign patents, and 73 pending foreign and Patent Cooperation Treaty applications. The patent positions of medical device companies, including our patent position, may involve complex legal and factual questions, and therefore, the scope, validity, and enforceability of any patent claims that we may obtain cannot be predicted with certainty.

Though an issued patent is presumed valid and enforceable, its issuance is not conclusive as to its validity or its enforceability and it may not provide us with adequate proprietary protection or competitive advantages against competitors with similar products. Patents (or some of the claims therein), if issued, may be challenged, deemed unenforceable, invalidated, or circumvented. Proceedings challenging our patents could result in either loss of the patent, or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such proceedings may be costly. Thus, any patents that we may own may not provide any protection against competitors. Furthermore, an adverse decision may result in a third party receiving a patent right sought by us, which in turn could affect our ability to commercialize our products.

Competitors could purchase our products and attempt to replicate or reverse engineer some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our patents, or develop and obtain patent protection for more effective technologies, designs, or methods. We may be unable to prevent the unauthorized disclosure or use of our technical knowledge or trade secrets by consultants, suppliers, vendors, former employees, and current employees. Further, the laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the United States, including the

protection of surgical and medical methods, and we may encounter significant problems in protecting our proprietary rights in these countries.

In addition, proceedings to enforce or defend our patents could put our patents (or some of the claims therein) at risk of being invalidated, held unenforceable, or interpreted narrowly. Such proceedings could also provoke third parties to assert claims against us, including that some or all of the claims in one or more of our patents are invalid or otherwise unenforceable. If any of our patents covering our products are invalidated or found unenforceable, or if a court found that valid, enforceable patents held by third parties covered one or more of our products, our competitive position could be harmed or we could be required to incur significant expenses to enforce or defend our rights.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- any of our patents, or any of our pending patent applications, if issued, will include claims having a scope sufficient to protect our products;
- any of our pending patent applications will issue as patents;
- we will be able to successfully commercialize our products on a substantial scale, if approved, before our relevant patents expire;
- we were the first to make the inventions covered by each of our patents and pending patent applications;
- we were the first to file patent applications for these inventions;
- others will not develop similar or alternative technologies that do not infringe our patents;
- any of our patents will ultimately be found to be valid and enforceable;
- any patents issued to us will provide a basis for an exclusive market for our commercially viable products, will provide us with any competitive advantages, or will not be challenged by third parties;
- we will develop additional proprietary technologies or products that are separately patentable; or
- our commercial activities or products will not infringe upon the patents of others.

Even if we are able to obtain patent protection, such patent protection may be of insufficient scope to achieve our business objectives. Issued patents may be challenged, narrowed, invalidated, or circumvented. Decisions by courts and governmental patent agencies may introduce uncertainty in the enforceability or scope of patents owned by or licensed to us. Furthermore, the issuance of a patent does not give us the right to practice the patented invention. Third parties may have blocking patents that could prevent us from marketing our own products and practicing our own technology. Alternatively, third parties may seek approval or certification to market their own products similar to or otherwise competitive with our products. In these circumstances, we may need to defend or assert our patents, including by filing lawsuits alleging patent infringement. In any of these types of proceedings, a court or agency with jurisdiction may find our patents invalid, unenforceable, or not infringed; competitors may then be able to market products and use manufacturing and analytical processes that are substantially similar to ours. Even if we have valid and enforceable patents, these patents still may not provide protection against competing products or processes sufficient to achieve our business objectives.

Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The U.S. Patent and Trademark Office, or USPTO, and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee-payment, and other similar provisions during the patent application process. In addition, periodic maintenance fees on issued patents often must be paid to the USPTO and foreign patent agencies over the lifetime of the patent. While an unintentional lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Even if a lapse is cured, thus reviving the patent or application, there is a risk that the revival can be challenged by third parties in administrative proceedings and litigation, and that the revival can be overruled. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official

actions within prescribed time limits, non-payment of fees, and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our products, we may not be able to stop a competitor from marketing products that are the same as or similar to our products, which would have a material adverse effect on our business.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our existing and future products.

Future changes to existing patent law could lead to uncertainties and increased costs surrounding the prosecution, enforcement, and defense of our patents and applications. Furthermore, U.S. and foreign courts have made, and will likely continue to make, changes in how the patent laws in their respective jurisdictions are interpreted. In several recent patent cases, the U.S. Supreme Court has narrowed the scope of patent protection available or weakened the rights of patent owners in certain situations. We cannot predict future changes in the interpretation of patent laws and regulations or changes to patent laws and regulations that might be enacted into law by U.S. and foreign legislative bodies and patent offices. Those changes may materially affect our ability to obtain additional patent protection in the future, the value of our patents, and our ability to enforce our patents.

If we cannot license and maintain rights to use third-party technology on reasonable terms, we may not be able to successfully commercialize our products. Our licensed or acquired technology may lose value or utility over time.

In the past, we have licensed the right to use technology from third parties and may choose or need to do so in the future, including to develop or commercialize new products or services. We may also need to negotiate licenses to practice certain intellectual property rights such as patents or patent applications before or after introducing a commercial product, and we may not be able to obtain necessary licenses to such intellectual property rights. If we are unable to enter into the necessary licenses on acceptable terms or at all, if any necessary licenses are subsequently terminated, if the licensors fail to abide by the terms of the licenses or fail to prevent infringement by third parties, or if the licensed patents or other rights are found to be invalid or unenforceable, our business may suffer. In addition, any technology licensed or acquired by us may lose value or utility, including as a result of a change in the industry, in our business objectives, others' technology, a dispute with the licensor, or circumstances outside our control. In return for the use of a third party's technology or intellectual property rights, we may agree to pay the licensor royalties based on sales of our products or services. If we are unable to negotiate reasonable royalties or if we have to pay royalties on technology that becomes less useful for us or ceases to provide value to us, our profit margin will be reduced and we may suffer losses.

We may become a party to intellectual property litigation or administrative proceedings that could be costly and could interfere with our ability to sell and market our products.

The medical device industry has been characterized by extensive litigation regarding patents, trademarks, trade secrets, and other intellectual property rights, and companies in the industry have used intellectual property litigation to gain a competitive advantage. It is possible that U.S. and foreign patents and pending patent applications or trademarks controlled by third parties may be alleged to cover our products, or that we may be accused of misappropriating third parties' trade secrets. Additionally, our products include components that we purchase from vendors, and may include design components that are outside of our direct control. Our competitors, many of which have substantially greater resources and have made substantial investments in patent portfolios, trade secrets, trademarks, and competing technologies, may have applied for or obtained, or may in the future apply for or obtain, patents or trademarks that will prevent, limit, or otherwise interfere with our ability to make, use, sell, or export our products or to use our technologies or product names. Moreover, in recent years, individuals and groups that are non-practicing entities, commonly referred to as "patent trolls," have purchased patents and other intellectual property assets for the purpose of making claims of infringement in order to extract settlements. From time to time, we may receive threatening letters, notices, or "invitations to license," or may be the subject of claims that our products and business operations infringe or violate the intellectual property rights of others. These matters can be time consuming and costly to defend in litigation, divert management's attention and resources, damage our reputation and brand and cause us to incur significant expenses or make substantial payments. Vendors from whom we purchase hardware or software may not indemnify us in the event that such hardware or software is accused of infringing a third party's patent or trademark or of misappropriating a third party's trade secret or such indemnification may be insufficient to fully cover the expenses incurred.

Since patent applications are confidential for a period of time after filing, we cannot be certain that we were the first to file any patent application related to our products. Because of the confidential nature of patent applications, we do not know at any given time what patent applications are pending that may later issue as a patent and be asserted by a third party against us. Competitors may also contest our patents, if issued, by showing the patent examiner that the invention was not original, was not novel, or was invalid or unenforceable for other reasons. In litigation or administrative proceedings, a competitor could claim that our patents, if issued, are not valid for a number of reasons. If such competitor prevails, we could lose our rights to those challenged patents or have the scope of those rights narrowed.

In addition, we may in the future be subject to claims by our former employees or consultants asserting an ownership right in our patents, patent applications or other intellectual property, as a result of the work they performed on our behalf. Although we have a general requirement that our employees, consultants, and any other partners or collaborators who have access to our proprietary know-how, information or technology assign to us, or grant us similar rights to, their inventions, this may not fully protect us from intellectual property claims. Additionally, we cannot be certain that we have executed such agreements with all parties who may have contributed to our intellectual property, that our agreements with such parties will be upheld in the face of a potential challenge, that such agreements will adequately protect us, or that such agreements will not be breached, nor can we be certain that we will have an adequate remedy for any of the foregoing.

Any lawsuits relating to intellectual property rights could subject us to significant liability for damages and invalidate our proprietary rights. Any potential intellectual property litigation also could force us to do one or more of the following:

- stop making, selling, or using products or technologies that allegedly infringe the asserted intellectual property;
- lose the opportunity to license our intellectual property to others or to collect royalty payments based upon successful protection and assertion of our intellectual property rights against others;
- incur significant legal expenses;
- pay substantial damages or royalties to the party whose intellectual property rights we may be found to be infringing;
- pay the attorney's fees and costs of litigation to the party whose intellectual property rights we may be found to be infringing;
- redesign those products or technologies that contain the allegedly infringing intellectual property, which could be costly and disruptive, and may be infeasible; and
- attempt to obtain a license to the relevant intellectual property from third parties, which may not be available on reasonable terms or at all, or from third parties who may attempt to license rights that they do not have.

Any litigation or claim against us, even those without merit or those where we prevail, may cause us to incur substantial costs, and could place a significant strain on our financial resources, divert the attention of management from our core business, and harm our reputation. If we are found to have infringed the intellectual property rights of third parties, we could be required to pay substantial damages, including third-party lost profits, the disgorgement of our profits, or substantial royalties (all of which may be increased, including three times the awarded damages, if we are found to have willfully infringed third-party patents or trademarks or to have misappropriated trade secrets) and could be prevented from selling our products unless we obtain a license or are able to redesign our products to avoid infringement. Any such license may not be available on reasonable terms, if at all, and there can be no assurance that we would be able to redesign our products in a way that would not infringe the intellectual property rights of others. Although patent, trademark, trade secret, and other intellectual property disputes in the medical device area are often settled through licensing or similar arrangements, costs associated with such arrangements may be substantial and could include ongoing royalties. If we do not obtain necessary licenses, we may not be able to redesign our products to avoid infringement. We could encounter delays in product introductions while we attempt to develop alternative methods or products, and these alternative methods or products may be less competitive, which could adversely affect our competitive business position. If we fail to obtain any required licenses or fail to make any necessary changes to our products or technologies, we may have to withdraw existing products from the market or may be unable to commercialize one or more of our products.

In addition, we generally indemnify our customers with respect to our products' infringement of the proprietary rights of third parties. If third parties assert infringement claims against our customers, these claims may require us to initiate or defend protracted and costly litigation on behalf of our customers, regardless of the merits of these claims. If any of these claims succeed or settle, we may be forced to pay damages or settlement payments on behalf of our customers or may be required to obtain licenses for the products they use. If we cannot obtain all necessary licenses on commercially reasonable terms, our customers may be forced to stop using our products.

Similarly, interference or derivation proceedings provoked by third parties or brought by the USPTO may be necessary to determine priority with respect to our patents, patent applications, trademarks or trademark applications. We may also become involved in other proceedings, such as reexamination, inter partes review, post-grant review, derivation proceedings, or opposition proceedings before the USPTO or other jurisdictional body relating to our intellectual property rights or the intellectual property rights of others. Adverse determinations in a judicial or administrative proceeding or failure to obtain necessary licenses could prevent us from manufacturing our products or using product names, which would have a significant adverse impact on our business, financial condition, and results of operations.

Additionally, competitors may infringe our issued patents or other intellectual property. To counter infringement or unauthorized use, we may be required to file infringement claims or initiate other proceedings to protect or enforce our patents or other intellectual property rights, which could be expensive, time-consuming, and unsuccessful. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringed their intellectual property. In addition, in a patent or other intellectual property infringement proceeding, a court may decide that a patent or other intellectual property of ours is invalid or unenforceable, in whole or in part, construe the patent's claims or other intellectual property narrowly, or refuse to stop the other party from using the technology at issue on the grounds that our patents or other intellectual property do not cover the technology in question. Furthermore, even if our patents or other intellectual property are found to be valid and infringed, a court may refuse to grant injunctive relief against the infringer and instead grant us monetary damages or ongoing royalties. Such monetary compensation may be insufficient to adequately offset the damage to our business caused by the infringer's competition in the market. An adverse result in any litigation proceeding could put one or more of our patents or other intellectual property at risk of being invalidated or interpreted narrowly, which could adversely affect our competitive business position, financial condition, and results of operations.

If we are unable to protect the confidentiality of our other proprietary information, our business and competitive position may be harmed.

In addition to patent protection, we also rely on protection of trade secrets, know-how, and other proprietary information that is not patentable or that we elect not to patent. However, trade secrets can be difficult to protect and some courts are less willing to protect trade secrets to the extent we deem necessary to adequately enforce our rights. To maintain the confidentiality of our trade secrets and proprietary information, we rely heavily on confidentiality provisions contained in the contracts executed by our employees, consultants, collaborators, and others upon the commencement of their relationship with us. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes. Also, despite the existence of these confidentiality restrictions or our efforts to monitor how our trade secrets are used or disclosed, we may not be able to prevent the unauthorized disclosure or use of our technical knowledge or other trade secrets by such third parties. These contracts may not provide meaningful protection for our trade secrets, know-how, or other proprietary information in the event the unauthorized use, misappropriation, or disclosure of such trade secrets, know-how, or other proprietary information is outside the scope of the provisions of the contracts. There can be no assurance that such third parties will not breach their agreements with us, that we will become aware of such breaches, that we will have adequate remedies for any breach, or that our trade secrets will not otherwise become known or independently developed by competitors.

Monitoring unauthorized use and disclosure of our intellectual property is difficult, and we do not know whether the steps we have taken to protect our intellectual property or other proprietary rights will be adequate. In addition, the laws of many foreign countries will not protect our intellectual property or other proprietary rights to the same extent as the laws of the United States. Consequently, we may be unable to prevent our proprietary technology from being exploited abroad, which could affect our ability to expand to international markets or require costly efforts to protect our technology. To the extent our intellectual property or other proprietary information protection is insufficient, we would be exposed to a greater risk of direct competition. A third party could, without authorization, copy or otherwise obtain and use our products or technology, or develop similar technology. Our competitors could purchase our products and attempt to replicate some or all of the competitive advantages we derive from our development efforts or design around our protected technology. Our failure to secure, protect and enforce our intellectual property rights could substantially harm the value of our products, brand, and business. The theft or unauthorized use or publication of our trade secrets and other confidential business information could reduce the differentiation of our products and harm our business, the value of our investment in development or business acquisitions could be reduced, and third parties might make claims against us related to losses of their confidential or proprietary information. Any of the foregoing could materially and adversely affect our business, financial condition, and results of operations.

Further, it is possible that others will independently develop the same or similar technology or products or otherwise work around our patented technology, and in such cases, we could not assert any trade secret rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our trade secret rights and related confidentiality and nondisclosure provisions. If we fail to obtain or maintain trade secret protection, or if our competitors obtain our trade secrets or independently develop technology or products similar to ours or competing technologies or products, our competitive market position could be materially and adversely affected.

We also seek to preserve the integrity and confidentiality of our data and other confidential information by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in the individuals, organizations and systems which comprise our security measures, agreements and security protections may be breached and detecting the disclosure or misappropriation of confidential information and enforcing a claim that a party illegally disclosed or misappropriated confidential information is difficult, expensive and time-consuming, and the outcome is unpredictable. Further, we may not be able to obtain adequate remedies for any breach.

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

A company may attempt to commercialize competing products utilizing our proprietary design, trademarks or trade names in foreign countries where we do not have any patents or patent applications and where legal recourse may be limited. This may have a significant commercial impact on our foreign business operations.

Filing, prosecuting, and defending patents or trademarks on our current and future products in all countries throughout the world would be prohibitively expensive. The requirements for patentability and trademark protection may differ in certain countries, particularly in developing countries. The laws of some foreign countries do not protect intellectual property rights including the protection of surgical and medical methods, to the same extent as laws in the United States. Consequently, we may not be able to prevent third parties from utilizing our inventions and trademarks in all countries outside the United States. Competitors may use our technologies or trademarks in jurisdictions where we have not obtained patent or trademark protection to develop or market their own products and further, may export otherwise infringing products to territories where we do have patent and trademark protection, but enforcement against infringing activities is inadequate. These products or trademarks may compete with our products or trademarks, and our patents, trademarks or other intellectual property rights may not be effective or sufficient to prevent them from competing. Proceedings to enforce our patent and trademarks rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents, patent applications, trademarks, and trademark applications in those jurisdictions, as well as elsewhere, at risk of being invalidated or interpreted narrowly and our patent or trademark applications at risk, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Certain countries in Europe and certain developing countries, including India and China, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we may have limited remedies if our patents are infringed or if we are compelled to grant a license to our patents to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license. Finally, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws.

We may be subject to claims that we or our employees have misappropriated the intellectual property of a third party, including trade secrets or know-how, or are in breach of non-competition or non-solicitation agreements with our competitors.

Many of our employees and consultants were previously employed at or engaged by other medical device or other biotechnology companies, including our competitors or potential competitors. Some of these employees, consultants, and contractors may have executed proprietary rights, non-disclosure, and non-competition agreements in connection with such previous employment. Our efforts to ensure that our employees and consultants do not use the intellectual property, proprietary information, know-how, or trade secrets of others in their work for us may not be successful, and we may be subject to claims that we or these individuals have, inadvertently or otherwise, misappropriated the intellectual property or disclosed the alleged trade secrets or other proprietary information of these former employers or competitors.

Additionally, we may be subject to claims from third parties challenging our ownership interest in intellectual property we regard as our own, based on claims that our employees or consultants have breached an obligation to assign inventions to another employer, to a former employer, or to another person or entity. Litigation may be necessary to defend against any other claims, and it may be necessary or we may desire to enter into a license to settle any such claim; however, there can be no assurance that we would be able to obtain a license on commercially reasonable terms, if at all. If our defense to those claims fails, in addition to paying monetary damages, a court could prohibit us from using technologies or features that are essential to our products, if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. An inability to incorporate technologies or features that are important or essential to our products could have a material adverse effect on our business, financial condition, and results of operations, and may prevent us from selling our products. In addition, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against these claims, litigation could result in substantial costs and could be a distraction to management. Any litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent sales representatives. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our products, which could have an adverse effect on our business, financial condition, and results of operations.

The failure of third parties to meet their contractual, regulatory, and other obligations could adversely affect our business.

We rely on suppliers, vendors, outsourcing partners, consultants, alliance partners and other third parties to research, develop, manufacture and commercialize our products and manage certain parts of our business. Using these third parties poses a number of risks, such as:

- they may not perform to our standards or legal requirements;

- they may not produce reliable results or products;
- they may not perform in a timely manner;
- they may not maintain the confidentiality of our proprietary information;
- disputes may arise with respect to ownership of rights to technology developed with our partners, and those disputes may be resolved against us; and
- disagreements could cause delays in, or termination of, the research, development or commercialization of our products or result in litigation or arbitration.

Moreover, some third parties are located in markets subject to political and social risk, corruption, infrastructure problems and natural disasters, in addition to country-specific privacy and data security risk given current legal and regulatory environments. Failure of third parties to meet their contractual, regulatory, and other obligations may materially affect our business.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets and our business may be adversely affected.

We rely on trademarks, service marks, trade names and brand names to distinguish our products from the products of our competitors, and have registered or applied to register many of these trademarks. It is possible that some of our trademark applications may be rejected. Although we are given an opportunity to respond, we may be unable to overcome such rejections. In addition, in proceedings before the USPTO and comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition and could require us to devote resources towards advertising and marketing new brands. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. Additionally, certain of our current or future trademarks may become so well known by the public that their use becomes generic and they lose trademark protection. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business, financial condition, and results of operations may be adversely affected.

Risks Related to Artificial Intelligence Technologies

We use artificial intelligence technologies in our business, and the deployment, use, and maintenance of these technologies involve significant technological and legal risks.

We develop and use artificial intelligence, or AI, machine learning, and automated decision-making technologies, including proprietary AI and machine learning algorithms and models, (collectively "AI Technologies"), throughout our business, and are making significant investments in this area.

For example, we use AI Technologies in our ALLY System to register and analyze patients' eyes and determine eye surface and cataract density, which helps optimize laser patterns and energy settings in cataract procedures, with the goal of minimizing the overall energy delivered in the eye for quicker visual recovery and better patient outcomes.

We expect that increased investment will be required in the future to continuously improve our use of AI Technologies. As with many technological innovations, there are significant risks involved in developing, maintaining, and deploying these technologies, including that AI-generated content, analyses, or recommendations we utilize could be deficient, that our competitors may more quickly or effectively adopt AI capabilities, or that our use of AI or other emerging technologies increases regulatory, cybersecurity and other significant risks. There can be no assurance that the usage of or our investments in such technologies will always enhance our products or services or be beneficial to our business, including our efficiency or profitability.

In particular, if the models underlying our AI Technologies are, for example: incorrectly designed or implemented; trained or reliant on incomplete, inadequate, inaccurate, biased, or otherwise poor quality data, or on data to which we do not have sufficient rights or in relation to which we and/or providers of such data have not implemented sufficient legal compliance measures; used without sufficient oversight and governance to ensure their responsible use; and/or adversely impacted by unforeseen defects, technical challenges, cybersecurity threats, data privacy concerns, or material performance issues, the performance of our products, services, and business, as

well as our reputation and the reputations of our customers, could suffer, or we could incur liability resulting from the violation of laws or contracts to which we are a party or civil claims.

We are in varying stages of development in relation to our products and internal business processes involving AI Technologies. The continuous development, maintenance and operation of our AI Technologies is expensive and complex and may involve unforeseen difficulties including, without limitation, material performance problems, undetected defects, or errors. For instance, the models underlying AI Technologies can experience decay (also known as "model drift") in which their performance and accuracy decrease over time without further human intervention to correct such decay. We may be unsuccessful in our ongoing development and maintenance of these technologies in the face of novel and evolving technical, reputational and market factors. Further, our ability to continue to develop or use such technologies may be dependent on access to specific third-party software, services, and infrastructure, such as processing hardware, and we cannot control the availability or pricing of such third-party software and infrastructure, especially in a highly competitive environment.

We may not be able to obtain sufficient intellectual property protection for our AI Technologies to prevent competitors from implementing the same or similar technology in their businesses, and other individuals may apply for or obtain intellectual property protection which could limit our ability to use technology that we are currently developing.

A number of aspects of intellectual property protection in the field of AI and machine learning are currently under development, and there is uncertainty and ongoing litigation in different jurisdictions as to the degree and extent of protection warranted for AI and machine learning systems. If we fail to obtain protection for the intellectual property rights concerning our AI Technologies or products that incorporate AI Technologies, or later have our intellectual property rights invalidated or otherwise diminished, our competitors may be able to take advantage of our research and development efforts to develop competing products which could adversely affect our business, reputation, and financial condition.

Given the long history of development of AI Technologies, other parties may have (or in the future may obtain) patents or other proprietary rights that would prevent, limit, or interfere with our ability to make or use our proprietary AI Technologies.

The regulatory framework governing the use of AI Technologies is rapidly evolving, and we cannot predict how future legislation and regulation will impact our ability to offer products or services that we develop which leverage AI Technologies.

The regulatory framework for AI Technologies is rapidly evolving. Already, certain existing legal regimes (e.g., relating to data privacy) regulate certain aspects of AI Technologies, and many federal, state, and foreign government bodies and agencies have enacted or are currently considering additional laws and regulations governing AI Technologies. Additionally, existing laws and regulations may be enjoined in judicial proceedings from being enforced, or may be interpreted or enforced in ways that would affect the operation of our AI Technologies, or could be rescinded or amended as new administrations take differing approaches to evolving AI Technologies. As a result, implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot predict the impact future laws, regulations, or standards, or the market perception of their requirements may have on our business or how we will respond to these laws or regulations. Failure to appropriately respond to this evolving landscape may result in reputational, competitive and business harm as well as litigation and regulatory action and fines, penalties and expenses related thereto.

In the United States, the regulatory framework for AI Technologies faces significant uncertainty. At the federal level, Congress has yet to enact meaningful AI legislation. Instead, federal policy on AI has been shaped by a series of executive orders that have shifted priorities and requirements substantially depending on the administration in power. In the absence of federal AI legislation, states have filled the void by enacting laws regulating different aspects of AI Technologies. For example, California has enacted laws and regulations related to AI safety protocols, reporting and transparency, among other AI-related topics. In addition, Utah's Artificial Intelligence Policy Act establishes disclosure requirements and accountability measures for the use of generative AI in certain consumer interaction, and the Texas Responsible Artificial Intelligence Governance Act prohibits the development and deployment of AI systems for certain purposes while establishing a regulatory sandbox. Moreover, various comprehensive state privacy laws, including the California Consumer Privacy Act ("CCPA"), regulate the use of automated decision-making technology that results in legal or similarly significant effects on individuals, and provide rights to individuals with respect to that automated decision making. Many states have also enacted sector-specific AI laws, including related to the use of AI for health-related purposes.

Numerous other states have enacted, passed, or are considering AI-focused legislation, creating a patchwork of regulations and a complex compliance challenge. However, the durability of these laws and the potential of additional state-level legislative activity faces uncertainty following President Trump's December 2025 Executive Order "Ensuring a National Policy Framework for Artificial Intelligence." This Executive Order establishes a federal policy favoring a uniform national AI regulatory framework designed to promote innovation and U.S. global competitiveness. The order directs federal agencies to identify, challenge, and potentially pre-empt state and local AI laws that are viewed as inconsistent with or burdensome to this national approach. It remains to be seen how agencies will effectuate this directive, and how states will approach AI legislation moving forward. Any or all of the foregoing regulatory

developments could affect our use of AI and our ability to provide, improve or commercialize our services, require changes to our operations and processes, and materially adversely affect our business, results of operations, and financial condition. Further, any failure or perceived failure by us to comply with existing or newly enacted laws, regulations and other requirements relating to AI Technologies could result in legal claims or proceedings (including class actions), regulatory investigations or enforcement actions.

In Europe, on August 1, 2024, the EU Artificial Intelligence Act, or the EU AI Act, entered into force, and establishes a comprehensive, risk-based governance framework for AI in the EU market. The majority of the substantive requirements were expected to apply from August 2, 2026. However, on May 7, 2026, EU legislators reached a provisional political agreement on the Digital Omnibus on AI, which defers the compliance deadline for high-risk AI systems from August 2, 2026 to December 2, 2027 (or August 2, 2028 for AI systems embedded in regulated products). This agreement has not yet been formally adopted as of the date of this filing. Certain requirements, including transparency obligations, apply from August 2, 2026 regardless. The EU AI Act applies to companies that develop, use and/or provide AI systems in the EU and depending on the AI use case includes requirements around transparency, conformity assessments and monitoring, risk assessments, human oversight, security, accuracy, general purpose AI and foundation models, and fines for breach of up to 7% of worldwide annual turnover. In addition, the revised EU Product Liability Directive came into force in December 2024, to be implemented into EU member state national law by December 2026. This Directive extends the EU's existing strict product liability regime to AI Technologies and AI-enabled products, and facilitates civil claims in respect of harm caused by AI. Once fully applicable, the EU AI Act and the EU Product Liability Directive are expected to have a material impact on the way AI is regulated in the EU. Further, in Europe we are subject to the GDPR, which regulates our use of personal data for automated decision making that results in a legal or similarly significant effect on individuals, and provides rights to individuals in respect of that automated decision making. Recent case law from the Court of Justice of the European Union, or the CJEU, has taken an expansive view of the scope of the GDPR's requirements around automated decision making and introduced uncertainty in the interpretation of these rules. Specifically, the CJEU has expanded the scope for automated decision making under the GDPR by finding that automated decision-making activities can fall within the GDPR's restrictions on those activities even if the required legal or similarly significant effect for the individual is carried out by a third party. The EU AI Act, and developing interpretation and application of the GDPR in respect of automated decision making, together with developing guidance and/or decisions in this area, may affect our use of AI Technologies and our ability to provide, improve or commercialize our services, require additional compliance measures and changes to our operations and processes, and result in increased compliance costs and potential increases in civil claims against us, and could adversely affect our business, operations and financial condition.

It is possible that further new laws and regulations will be adopted in the United States and in other non-U.S. jurisdictions, or that existing laws and regulations, including competition, antitrust, data privacy and consumer protection laws, may be interpreted or enforced in ways that would limit our ability to use AI Technologies for our business, or require us to change the way we use AI Technologies in a manner that negatively affects the performance of our products, services, and business and the way in which we use AI Technologies. We may need to expend resources to adjust our products or services in certain jurisdictions if the laws, regulations, or decisions are not consistent across jurisdictions. Further, the cost to comply with such laws, regulations, or decisions and/or guidance interpreting existing laws, or to adjust our business plans based on changes to how such laws are enforced, including adapting to loosened regulation to remain competitive, could be significant and would increase our operating expenses (such as by imposing additional reporting obligations regarding our use of AI Technologies). Such an increase in operating expenses could adversely affect our business, financial condition and results of operations. In addition, if we fail or are perceived to fail to comply with these laws and regulations, we may face lawsuits (including class actions), investigations, enforcement actions, negative reputational impacts, and other penalties that materially impact our business.

Risks Related to Owning Our Common Stock

The large number of shares eligible for public sale could depress the market price of our common stock.

Members of our management and our board of directors hold or beneficially own a significant portion of our common stock and may sell their shares of our common stock to the extent not restricted by contract or under securities laws. We have filed registration statements registering shares that we may issue under our equity compensation plan and employee stock purchase plan. In addition, we have filed a resale registration statement registering shares of our common stock issuable upon conversion of our Series A Redeemable Convertible Preferred Stock and exercise of outstanding Warrants. The total number of shares of common stock offered under the resale registration statement represented approximately 50.1% of our total outstanding shares of common stock based on our shares outstanding as of June 30, 2026, assuming full conversion of the Series A Redeemable Convertible Preferred Stock and full exercise of the Warrants for cash. We may file additional registration statements relating to shares or awards held by our management and board of directors in the future. The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market, and such declines may be significant. The perception that these sales could occur may also depress the market price of our common stock. A decline in the price of shares of our common stock might impede our ability to raise capital through the issuance of additional shares of our common stock or other equity securities.

We also may issue our shares of common stock from time to time as consideration for future acquisitions and investments. If any such acquisition or investment is significant, the number of shares that we may issue may in turn be significant. In addition, we may also grant registration rights covering those shares in connection with any such acquisitions and investments**.**

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

We are a "smaller reporting company" as defined in the Exchange Act. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as we remain a smaller reporting company. Under current Exchange Act rules, we will remain a smaller reporting company for so long as our voting and non-voting common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than $100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter.

If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may decline or become more volatile.

We have issued shares of redeemable convertible preferred stock, and may in the future issue additional shares of preferred stock, with terms that could dilute the voting power or reduce the value of our common stock.

Our amended and restated certificate of incorporation authorizes us to issue, without the approval of our stockholders, one or more series of preferred stock having such designation, powers, privileges, preferences, including preferences over our common stock respecting dividends and distributions, terms of redemption and relative participation, optional, or other rights, if any, of the shares of each such series of preferred stock and any qualifications, limitations or restrictions thereof, as our board of directors may determine. The terms of one or more series of preferred stock could dilute the voting power or reduce the value of our common stock. For example, the repurchase or redemption rights or liquidation preferences we could assign to holders of preferred stock could affect the residual value of the common stock.

Pursuant to the SPA, we issued an aggregate of 20,000 shares of a newly established series of preferred stock designated as "Series A Convertible Preferred Stock, par value $0.01 per share," which have a stated value of $1,000 per share and are convertible into shares of common stock. Holders of shares of Series A Redeemable Convertible Preferred Stock are entitled to vote on an as-converted basis with holders of shares of common stock. In addition, so long as NR-GRI and its affiliates collectively beneficially own at least twenty percent of the securities issued pursuant to the SPA, including the Series A Redeemable Convertible Preferred Stock, we may not, without the consent of NR-GRI, liquidate, dissolve, or wind up our affairs or effect a merger or sale of the Company or other Fundamental Transaction (as defined in Note 11, *Redeemable Convertible Preferred Stock*, included elsewhere in this Quarterly Report); create, authorize, or issue shares of capital stock that are senior or pari passu to the Series A Redeemable Convertible Preferred Stock; complete an acquisition with consideration above $1.0 million; incur debt in excess of $1.0 million; change our line of business; or enter into certain related-party transactions.

The Series A Redeemable Convertible Preferred Stock ranks senior to the common stock as to distributions and payments upon the liquidation, dissolution and winding up of the Company, and holders of Series A Redeemable Convertible Preferred Stock will participate with the holders of the common stock on an as-converted basis to the extent any dividends are declared on common stock. Holders of Series A Redeemable Convertible preferred stock are also entitled to redemption rights under certain circumstances. The redemption rights and liquidation preferences assigned to holders of the Series A Redeemable Convertible Preferred Stock, and any other repurchase or redemption rights or liquidation preferences we may assign to holders of preferred stock in the future, could affect the residual value of the common stock.

North Run and its affiliates' ownership may limit or preclude other stockholders' ability to influence corporate matters.

North Run Capital, LP, or North Run, and its affiliates held 44.9% of the voting power of our capital stock based on shares outstanding as of June 30, 2026, in addition North Run may acquire additional shares of common stock and voting power upon exercise of the Warrants. For as long as North Run and its affiliates hold a significant amount of our Series A Redeemable Convertible Preferred Stock and common stock, they will be able to exert significant control over us. This concentrated control may limit or preclude other stockholders' ability to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that stockholders may believe are in their best interest. North Run and its affiliates may also determine to sell substantial amounts of our securities in one or more transactions, including to one or several private parties in negotiated transactions. In that case, those buyers may subsequently be able to exert significant control over us.

We do not anticipate paying cash dividends, and accordingly, stockholders must rely on stock appreciation for any return on their investment.

We do not anticipate paying cash dividends in the foreseeable future. As a result, only appreciation of the price of our common stock, which may never occur, will provide a return to stockholders. Investors seeking cash dividends should not invest in our common stock.

Certain provisions in our charter documents and Delaware law could discourage takeover attempts and lead to management entrenchment and, therefore, may depress the trading price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could have the effect of delaying or preventing changes in control or changes in our management without the consent of our board of directors, including, among other things:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the ability of our board of directors to determine to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- limitations on the removal of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by the chairperson of our board of directors, the chief executive officer, the president (in absence of a chief executive officer) or our board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the approval of the holders of at least two-thirds of the shares entitled to vote at an election of directors is required to adopt, amend or repeal our bylaws or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors;
- the ability of our board of directors, by majority vote, to amend the amended and restated bylaws, which may allow our board of directors to take additional actions to prevent a hostile acquisition and inhibit the ability of an acquirer from amending the amended and restated bylaws to facilitate a hostile acquisition; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

These provisions may not be successful in protecting our stockholders from coercive or harmful takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors with adequate time to assess any acquisition proposal. These provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage, delay or prevent a transaction involving a change in control that is in the best interest of our stockholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging future takeover attempts.

We are also subject to certain anti-takeover provisions under the Delaware General Corporation Law, or DGCL. Under the DGCL, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, our board of directors has approved the transaction.

Our amended and restated certificate of incorporation designates certain courts as the sole and exclusive forums for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees or our stockholders; (iii) any action asserting a claim arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws; or (iv) any action asserting a claim governed by the internal affairs doctrine. Additionally, our amended and restated certificate of incorporation provides that the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action against us or any of our directors, officers, employees or agents and arising under the Securities Act. Our amended and restated certificate of incorporation further provides that any person or entity purchasing or acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions described above. This forum selection provision in our amended and restated certificate of incorporation may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. This exclusive forum provision will not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

An active, liquid and orderly market for our common stock may not be sustained, and the trading price of our common stock is likely to be volatile.

An active trading market for our common stock may not be sustained, which could depress the market price of our common stock and could affect your ability to sell your shares. The trading price of our common stock is likely to be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. In addition to the factors discussed in this "Risk Factors" section of this Quarterly Report, these factors include:

- a shift in our investor base;
- actual or anticipated fluctuations in our quarterly financial condition and operating performance;
- the operating and stock price performance of similar companies;
- introduction of new products by us or our competitors;
- success or failure of our business strategy;
- our ability to obtain financing as needed;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the overall performance of the equity markets;
- the number of shares of our common stock publicly owned and available for trading;
- threatened or actual litigation or governmental investigations;
- changes in laws or regulations affecting our business, including tax legislation;
- announcements by us or our competitors of significant acquisitions or dispositions;
- any major change in our board of directors or management;
- changes in earnings estimates by securities analysts or our ability to meet earnings guidance;
- publication of research reports about us or our industry or changes in recommendations or withdrawal of research coverage by securities analysts;

- large volumes of sales of our shares of common stock by existing stockholders;
- short sales of our common stock;
- investor perception of us and our industry; and
- changes in financial markets or general economic conditions, including the effects of recession or slow economic growth in the U.S. and abroad, interest rates, tariff and other trade barriers, fuel prices, international currency fluctuations, corruption, political instability, acts of war, including the ongoing war between Russia and Ukraine and the conflicts in the Middle East, acts of terrorism, natural disasters and public health crises or pandemics.

In addition, the stock market in general, and the market for medical device companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. This could limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company's securities and suits have been initiated against us to date. This type of litigation could result in very substantial costs, divert our management's attention and resources, and could have a material adverse effect on our business, financial condition and results of operations.

General Risk Factors

We are obligated to develop and maintain proper and effective internal control over financial reporting and will be subject to other requirements that will be burdensome and costly.

As a public company, we are required to file with the SEC annual, quarterly and current reports that are specified in Section 13 of the Exchange Act. We are required to prepare financial statements that are fully compliant with all SEC reporting requirements on a timely basis. In addition, we are subject to other reporting and corporate governance requirements, including the requirements of the Nasdaq Stock Market, or Nasdaq, and certain provisions of the Sarbanes-Oxley Act and the regulations promulgated thereunder, which impose significant compliance obligations upon us.

We expect to continue to devote significant resources and time to comply with the internal control over financial reporting requirements of the Sarbanes-Oxley Act, including costs associated with auditing and legal fees and accounting and administrative staff. In addition, Section 404(a) under the Sarbanes-Oxley Act requires that we assess the effectiveness of our controls over financial reporting. Our future compliance with the annual internal control report requirement will depend on the effectiveness of our financial reporting and data systems and controls across our operating subsidiaries. We cannot be certain that these measures will ensure that we design, implement and maintain adequate controls over our financial processes and reporting in the future. Any failure to implement required new or improved controls, or difficulties encountered in their implementation or operation, could harm our operating results, cause us to fail to meet our financial reporting obligations, or cause us to suffer adverse regulatory consequences or violate applicable stock exchange listing rules. Inadequate internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock and our access to capital.

For as long as we remain a non-accelerated filer, we will not be required to comply with Section 404(b) of the Sarbanes-Oxley Act, which would require our independent auditors to issue an opinion on their audit of our internal control over financial reporting, until the date we cease to be a non-accelerated filer. If, once we are required to comply with Section 404(b) under the Sarbanes-Oxley Act, our independent registered public accounting firm cannot provide an unqualified attestation report on the effectiveness of our internal control over financial reporting, investor confidence and, in turn, the market price of our common stock, could decline.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Exchange Act. The design of our disclosure controls and procedures can only provide reasonable assurance that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

If securities or industry analysts do not continue to publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us were to downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts were to cease coverage of us or fail to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline and may also impair our ability to expand our business with existing customers and attract new customers.

Scrutiny and stakeholder expectations regarding environmental, social, and governance matters may cause us to incur expenses and liabilities or otherwise adversely impact our business, financial condition, or operations.

Companies across industries may face scrutiny from a variety of stakeholders related to their environmental, social, and governance, or ESG, practices. Expectations regarding voluntary ESG initiatives and disclosures may result in increased costs (including but not limited to increased costs related to compliance, stakeholder engagement, contracting and insurance), changes in demand for certain offerings, enhanced compliance or disclosure obligations, or other adverse impacts to our business, financial condition, or results of operations.

While we may at times engage in voluntary initiatives (such as voluntary disclosures, certifications, or goals, among others) or commitments to improve the ESG profile of our Company and/or offerings, such initiatives or achievements of such commitments may be costly and may not have the desired effect. For example, certain statements in our voluntary disclosures may be based on assumptions, estimates, hypothetical expectations, or third-party information. Additionally, expectations around the Company's management of ESG matters continues to evolve, in many instances due to factors that are out of our control. In addition, we may commit to certain initiatives or goals and we may not ultimately be able to achieve such commitments or goals due to factors that are within or outside of our control. Moreover, actions or statements that we may take based on based on expectations, assumptions, or third-party information that we currently believe to be reasonable may subsequently be determined to be erroneous or be subject to misinterpretation. Even if this is not the case, our current actions may subsequently be determined to be insufficient by various stakeholders, and we may be subject to investor or regulator engagement on our ESG initiatives and disclosures, even if such initiatives are currently voluntary.

In addition, new ESG rules and regulations have been adopted and may continue to be introduced in various states and other jurisdictions. Our failure to comply with any applicable rules or regulations could lead to penalties and adversely impact our reputation, customer attraction and retention, access to capital and employee retention.

Our ability to use our net operating loss carryforwards to offset future taxable income may be subject to certain limitations.

As of December 31, 2025, we had net operating loss, or NOL, carryforwards of $52.6 million for U.S. federal income tax purposes and $36.1 million for state income tax purposes, which may be available to offset our future taxable income, if any. Our federal NOL carryforwards are not subject to expiration, but generally may be used to offset only 80% of future taxable income in a given year. Certain of our state NOL carryforwards begin to expire in 2028. Our state NOL carryforwards could expire unused, to the extent subject to expiration, and be unavailable to offset future taxable income.

Under Sections 382 and 383 of the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to use its pre-change NOL and tax credit carryforwards to offset future taxable income and income taxes, respectively. For these purposes, an ownership change generally occurs where the aggregate change in stock ownership of one or more stockholders or groups of stockholders owning at least 5% of a corporation's stock exceeds 50 percentage points (by value) over a rolling three-year period. Similar rules may apply under state tax laws. We completed an ownership change analysis pursuant to Section 382 of the Code through our taxable year ended December 31, 2023, and determined we experienced an ownership change on May 18, 2023 in connection with the Private Placement of Series A Redeemable Convertible Preferred Stock. Our ability to utilize our NOL carryforwards and other tax attributes to offset future taxable income or income taxes is limited as a result of such ownership change. We may experience ownership changes in the future as a result of future transactions in our stock, some of which may be outside our control. If we undergo ownership changes in the future, our ability to use our NOL carryforwards and other tax attributes could be further limited.

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

(a) *The information set forth below is included for the purpose of providing disclosure under Item 1.01 – "Entry into a Material Definitive Agreement" of Form 8-K.*

On August 10, 2026, the Company entered into a Loan and Security Agreement (the "Credit Agreement") with Salem Five Cents Savings Bank (the "Lender"), providing for a $10.0 million asset-based revolving credit facility (the "Revolving Credit Facility") secured by a first priority perfected security interest in substantially all of the assets of the Company, subject to customary exclusions.

The amount available to borrow under the Revolving Credit Facility is based on certain accounts receivable and future lease receivables. Borrowings under the Revolving Credit Facility bear interest at the 1-month term SOFR plus 3%, which reduces to 1-month term SOFR plus 2.5% if no event of default occurs in the first year.

The Credit Agreement contains customary conditions precedent, representations and warranties, affirmative and negative covenants, events of default and indemnities. Certain changes of control with respect to the Company would constitute an event of default under the Credit Agreement. Upon the occurrence and during the continuance of an event of default, the Lender could elect to declare all amounts outstanding to be due and payable and exercise other remedies as set forth in the Credit Agreement. Borrowings under the Revolving Credit Facility are prepayable at the Company's option in whole or in part without premium or penalty.

In addition, the Credit Agreement requires the Company to maintain a minimum of $3.0 million in cash on deposit with the Lender until the Company demonstrates compliance with a minimum EBITDA covenant for the fiscal year ending December 31, 2026 and to be in compliance with a 1.25 to 1.00 debt service coverage ratio commencing with the earlier of March 31, 2027 and the first fiscal quarter in which the Revolving Credit Facility is drawn.

The Revolving Credit Facility expires, and any amounts outstanding thereunder will become due and payable, on August 10, 2028 (the "Revolver Termination Date"), but may be terminated by the Company at any time prior to the Revolver Termination Date without premium or penalty.

As of August 13, 2026, no revolving credit loans were outstanding under the Revolving Credit Facility.

The foregoing description of the Credit Agreement and the Revolving Credit Facility is qualified in its entirety by reference to the full text of the Credit Agreement, which is filed as Exhibit 10.2 to this Quarterly Report and incorporated by reference herein.

(b) None.

(c) During the three months ended June 30, 2026, no directors or "officers" (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted, modified or terminated a "Rule 10b5-1 trading arrangement" and/or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Description	Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
2.1+	Separation and Distribution Agreement between PDL BioPharma, Inc. and LENSAR, Inc.	Form 8-K	001-39473	2.1	10/2/2020	
3.1	Amended and Restated Certificate of Incorporation of LENSAR, Inc.	Form 8-K	001-39473	3.1	10/2/2020	
3.2	Amended and Restated Bylaws of LENSAR, Inc.	Form 10-Q	001-39473	3.2	11/07/2024	
3.3	Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock filed May 18, 2023	Form 8-K	001-39473	3.1	5/18/2023	
4.1	Form of Certificate of Common Stock	Form 10/A	001-39473	4.1	9/14/2020	
4.2	Registration Rights Agreement, dated May 12, 2023, between LENSAR, Inc, and NR-GRI Partners, LP	Form 8-K	001-39473	10.2	5/15/2023	
4.3	Class A Common Stock Purchase Warrant, dated May 18, 2023	Form 8-K	001-39473	4.1	5/18/2023	
4.4	Class B Common Stock Purchase Warrant, dated May 18, 2023	Form 8-K	001-39473	4.2	5/18/2023	
10.1	Consulting Agreement, dated May 26, 2026, by and between the Company and Monomoy Advisors LLC					*
10.2	Loan and Security Agreement, dated August 10, 2026, by and between the Company and Salem Five Cents Savings Bank					*
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended					*
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended					*
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data file because its XBRL tags are embedded within the Inline XBRL document					*
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents					*
104	Cover Page Interactive Data File (as formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith.

** Furnished herewith.

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.

LENSAR, Inc.

Date: August 13, 2026

By: /s/ Nicholas T. Curtis
Nicholas T. Curtis
Chief Executive Officer
(Principal Executive Officer)

Date: August 13, 2026

/s/ Michael A. Rossi
Michael A. Rossi
Interim Chief Financial Officer
(Principal Financial Officer)

Date: August 13, 2026

/s/ Kendra W. Wong
Kendra W. Wong
Principal Accounting Officer
(Principal Accounting Officer)

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") is made effective as of May 26, 2026 (the "Effective Date"), by and between LENSAR, Inc., a Delaware corporation (the "Client") and Monomoy Advisors LLC, a Delaware limited liability company ("Monomoy"). The Client and Monomoy are herein sometimes referred to individually as a "Party" and collectively as the "Parties." The Parties agree that Monomoy will be engaged on the following terms and conditions.

1. Services. Monomoy and Monomoy's employees or contracted agents (the "Monomoy Personnel") will provide services to the Client (the "Services") which are described in Exhibit A. The Services may be amended or adjusted upon written agreement by both Parties and will be periodically reviewed.

2. Compensation. In consideration of Monomoy's performance of the Services, the Client shall compensate Monomoy as described in Exhibit A, which compensation shall consist of a cash consulting fee (the "Consulting Fee"). Consulting Fees will be invoiced as incurred and are due within thirty (30) days of the date of undisputed invoice, which shall include sufficient information to identify the nature of the Services. If the Parties agree to amend or adjust the Services pursuant to Paragraph 1 of this Agreement, the Parties will also negotiate in good faith to adjust the Consulting Fee accordingly. The Consulting Fee is subject to an annual increase of no more than 6%, effective January 1 of each year, beginning as of January 1, 2028, pursuant to written notice by Monomoy. Additional fees are payable hereunder as described below and in Exhibit A.

3. Expenses. The Client will reimburse Monomoy for all reasonable out-of-pocket business expenses ("Expenses"), including but not limited to travel and parking, incurred by Monomoy in performing the Services, upon submission by Monomoy of supporting documentation reasonably acceptable to the Client. Any Expenses in any given three (3)-month period that, in the aggregate, exceed $1,000 shall be submitted to the Client for its prior written approval.

4. Term and Termination. The term of this Agreement will commence on the Effective Date and will continue until such time as the Agreement is terminated in accordance with this Paragraph 4. This Agreement may be terminated upon mutual agreement of the Parties. In addition, this Agreement may be terminated by either Party (a) in connection with any material breach of this Agreement by the other Party (or, in the case of Monomoy, any Monomoy Personnel), which material breach is not cured within thirty (30) days of receipt of written notice; (b) for any reason upon thirty (30) days' prior written notice to the other Party, or (c) immediately upon the identification of any gross negligence, fraud, embezzlement, illegal acts or any other act that may materially harm a Party or bring it into public disrepute, performed by the other Party (or, in the case of Monomoy, any Monomoy Personnel), unless a continuation of the term is otherwise agreed to by the Parties. For purposes of this Agreement, all obligations to pay undisputed unpaid Consulting Fees or Expenses owed for Services actually performed and incurred prior to termination hereunder shall survive any termination of this Agreement. Further, the following provisions survive any termination of this Agreement: Paragraphs 10 - 15, 18, 20 and 24.

5. Time Commitment. Monomoy will devote sufficient time to perform the Services under this Agreement as may reasonably be required, and as set forth in Exhibit A. The duration of this Contract is minimum of three months and can be extended contingent on both parties agreement.

6. Staffing. Monomoy shall have the exclusive authority to make staffing decisions with respect to use of its personnel in the provision of the Services. This authority includes the right to reassign personnel; provided, however, that the Services shall continue to be provided in accordance with the terms of this Agreement. Notwithstanding the foregoing, the Client may request the removal of any Monomoy Personnel at any time in writing and Monomoy shall change such Monomoy Personnel subject to the Client's right of pre-approval. Monomoy shall be permitted to subcontract any of its obligations under this Agreement in connection with its performance of the Services, provided that Monomoy shall ensure that all such subcontractors comply with the applicable terms of this Agreement, including without limitation all confidentiality provisions set forth herein.

7. Place of Performance. Monomoy will perform the Services at such locations as are indicated on Exhibit A or upon which the Parties may otherwise mutually agree.

8. Client Responsibilities. The Client shall provide all information, data and access which may be reasonably required to perform the Services. Such items may include, but are not limited to, contractual records, accounting and financial systems, document file systems, building access, and access to discuss items with appropriate officers, directors and employees of the Client.

9. Compliance with Policies and Guidelines. Monomoy will perform the Services in accordance with all rules or policies adopted by the Client that the Client discloses in writing to Monomoy.

10. Confidential Information. During the course of performing the Services, the Client may make available to Monomoy information which is owned or controlled by the Client and is marked or designated as confidential at the time of disclosure or is of a type that is customarily considered to be confidential information (the "Confidential Information"). The Confidential Information or any part thereof is the exclusive property of the Client and shall not be disclosed to any third party, or used by Monomoy or any Monomoy Personnel except as may be necessary to provide the Services, without first obtaining the written consent of the Client. Monomoy further agrees to take all practical steps to ensure that the Confidential Information, and any part thereof, shall not be disclosed to its affiliates, agents, contractors, or employees (including the Monomoy Personnel), unless such parties are bound by applicable terms of confidentiality and non-use at least as protective as those set forth herein. Confidential Information shall not include information that (i) is known to Monomoy at the time of disclosure by the Client as evidenced by written records of Monomoy, (ii) has become publicly known and made generally available through no wrongful act of Monomoy, (iii) has been rightfully received by Monomoy from a third party who is authorized to make such disclosure, or (iv) is required to be disclosed by law or court order. In addition to the foregoing, Monomoy acknowledges that the Confidential Information will be "material nonpublic information" of the Client for purposes of applicable securities laws until the information is publicly announced by the Client, and neither Monomoy nor any Monomoy Personnel that receive Confidential Information will trade in the Client's securities at any time while they have possession of material nonpublic information regarding the Client. Monomoy shall require all Monomoy Personnel that provide Services hereunder to execute a written agreement acknowledging and agreeing to the provisions of this Paragraph 10.

11. Intellectual Property. All ideas, inventions, discoveries, creations, manuscripts, properties, innovations, improvements, know-how, designs, developments, apparatus, techniques, methods, and formulae that Monomoy or any Monomoy Personnel conceives, makes, develops or improves as a result of performing the Services or being provided with Confidential Information, whether or not reduced to practice and whether or not patentable, alone or in conjunction with any other party (collectively, "Client Materials"), shall be a "work made for hire" as that term is defined in the U.S. Copyright Act, and will be the Client's sole and exclusive property. If any Client Material is for any reason not a "work made for hire," this Agreement constitutes an irrevocable assignment to the Client of the copyright to the Client Material throughout the world. Monomoy shall cause Monomoy Personnel to irrevocably waive, to the extent permitted by applicable law, any and all claims such Monomoy Personnel may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of droit moral with respect to the Client Materials. Notwithstanding the foregoing, Monomoy may develop, utilize and/or provide templates, formats, policies, or other similar items in connection with its provision of the Services that are generally applicable to Monomoy's business and/or its clients and that do not contain Confidential Information of the Client (collectively, "Monomoy Materials"). Monomoy shall retain all right, title and interest in all Monomoy Materials, and hereby grants the Client a non-exclusive, perpetual, worldwide license to use the Monomoy Materials. Monomoy shall require all Monomoy Personnel that provide Services hereunder to execute a written agreement acknowledging and agreeing to the provisions of this Paragraph 11.

12. Use of Name and Logo. Subject to the prior written consent of the Client (which consent may be withheld in the Client's sole discretion), Monomoy is permitted, with prior written consent of the Client to use the

Client's name and logo in customer lists on its web site and in other marketing materials. Monomoy shall not use the Client's name or logo in any general advertising materials without the Client's prior written consent (which consent may be withheld in the Client's sole discretion).

13. Non-Solicitation of Monomoy Representatives and Conversion. The Client agrees not to solicit, hire or retain services from any Monomoy Personnel, for the shorter of either (a) so long as the Monomoy Personnel are employees or contracted agents of Monomoy and for two (2) years thereafter or (b) so long as Monomoy is providing the Services to the Client and for two (2) years thereafter, without the prior written permission of Monomoy. If the Client seeks Monomoy's consent to solicit, hire or retain services from a Monomoy Representative and Monomoy provides such consent, then in such event, if the Monomoy Representative is hired or retained by the Client as an employee or consultant, a conversion fee (the "Conversion Fee") will be payable to Monomoy. The Conversion Fee will be 30% of the Monomoy Personnel's starting annual base salary, payable within thirty (30) days of the Monomoy Personnel's start date with the Client. Additionally, the Conversion Fee will be 30% of the Monomoy Personnel's 2026 earned and paid bonus, payable within thirty (30) days of the bonus payout..

14. Limited Warranty. Monomoy represents and warrants that (a) it will perform Services in accordance with (i) the terms of this Agreement and any timelines agreed upon by the Parties, and (ii) all applicable industry standards and all applicable laws, regulations, rules and guidelines; and (b) Monomoy and Monomoy Personnel or any other person used by Monomoy to perform Services has not been (x) debarred, convicted or is subject to a pending debarment or conviction, pursuant to the United States Food, Drug and Cosmetic Act, or any other federal or state law, rule or regulation, or (y) listed by any government or regulatory agencies as ineligible to participate in any government healthcare programs or government procurement or non-procurement programs, or excluded, debarred, suspended or otherwise made ineligible to participate in any such program. Except for any express warranties stated herein, the Services are provided on an "as is" basis, and the Client disclaims any and all warranties, conditions, or representations (express, implied, oral or written), relating to the Services or any part thereof. Further, in performing the Services, Monomoy is not engaged to disclose illegal acts, including fraud or defalcations, which may have taken place. The foregoing notwithstanding, Monomoy will promptly notify the Client if Monomoy becomes aware of any such illegal acts during the performance of the Services. Monomoy is not expressing a formal written opinion as to whether financial statements provided by the Client are in conformity with generally accepted accounting principles or any other standards or guidelines, or whether the underlying financial and other data provide a reasonable basis for the statements.

15. Indemnification. Each Party hereto agrees to indemnify and hold the other Party hereto, its directors, officers, agents and employees harmless against any claim based upon circumstances alleged to be inconsistent with such representations and/or warranties contained in this Agreement. The Client shall indemnify and hold harmless Monomoy and any of its subcontractors against any claims, losses, damages or liabilities (or actions in respect thereof) that arise out of or are based on the Services performed hereunder, except for any such claims, losses, damages or liabilities arising out of the negligence or willful misconduct of Monomoy or any of its subcontractors (including the Monomoy Personnel).

16. Independent Contractor. Monomoy and the Monomoy Personnel are not, nor shall they be deemed to be at any time during the term of this Agreement, employees of the Client, and therefore Monomoy and the Monomoy Personnel shall not be entitled to any benefits provided by the Client to its employees. Monomoy's status and relationship with the Client shall be that of an independent contractor and consultant. Monomoy shall not state or imply, directly or indirectly, that Monomoy or any Monomoy Personnel are empowered to bind the Client without the Client's prior written consent. Nothing herein shall create, expressly or by implication, a partnership, joint venture or other association between the Parties. Monomoy will be solely responsible for payment of all charges and taxes arising from Monomoy's and the Monomoy Personnel's relationship to the Client as consultants.

17. Records. Upon termination of Monomoy's relationship with the Client, Monomoy shall deliver to the Client any property or Confidential Information of the Client relating to the Services which may be in its possession or the possession of Monomoy Personnel.

18. Notices. Any notice under this Agreement shall be in writing (except in the case of verbal communications, emails and teleconferences updating either Party as to the status of the Services). Notices under this Agreement shall be sent to the specified representatives of the Parties on Exhibit B.

19. Assignment and Successors. This Agreement may not be assigned by a Party without the consent of the other which shall not be unreasonably withheld, except that each Party may assign this Agreement and the rights, obligations and interests of such Party, in whole or in part, to any of its Affiliates, to any purchaser of all or substantially all of its assets or to any successor entity resulting from any merger or consolidation of such Party with or into such entity.

1. LIMITATION OF LIABILITY. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS ARISING OUT OF THIS AGREEMENT OR THE SERVICES, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING LIMITATIONS SHALL NOT APPLY TO (A) A PARTY'S INDEMNIFICATION OBLIGATIONS, OR (B) DAMAGES OR LIABILITY CAUSED BY (i) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS, (ii) A PARTY'S INFRINGEMENT OR MISAPPROPRIATION OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS, (iii) A PARTY'S NEGLIGENCE OR WILLFUL MISCONDUCT, OR (iv) FRAUD COMMITTED BY A PARTY. IN NO EVENT SHALL MONOMOY BE LIABLE FOR AGGREGATE MONEY DAMAGES OF ANY TYPE EXCEEDING THE CONSULTING FEES PAID UNDER THIS AGREEMENT IN THE ONE YEAR PERIOD PRECEDING THE DATE OF THE CLAIM.

2. Force Majeure. Neither Party shall be liable for failure of or delay in performing obligations set forth in this Agreement, and neither shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of such Party. In the event of such force majeure, the Party affected thereby shall use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

3. Headings. The Paragraph headings are intended for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

4. Integration; Severability. This Agreement is the sole agreement with respect to the subject matter hereof and shall supersede all other agreements and understandings between the Parties with respect to the same. If any provision of this Agreement is or becomes invalid or is ruled invalid by any court of competent jurisdiction or is deemed unenforceable, it is the intention of the Parties that the remainder of the Agreement shall not be affected.

1. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, excluding choice of law principles. The Parties agree that any action or proceeding arising out of or related in any way to this Agreement shall be brought solely in a Federal or State court of competent jurisdiction sitting in the State of Delaware.

2. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one agreement.

[*Signature page follows*]

This Agreement has been executed by the Client and Monomoy to be effective as of the Effective Date.

MONOMOY ADVISORS LLC		LENSAR, INC.	
By:	/s/ Michael Wyzga	By:	/s/ Nicholas Curtis
Print Name:	Michael Wyzga	Print Name:	Nicholas Curtis
Title:	Partner	Title:	CEO

Exhibit A

Description of Potential Services and Fees

Monomoy will perform the following Services:

Interim CFO services to include partnering with the leadership team on all operational and strategic issues as they may arise, actively assist in fundraising activities and due diligence, overseeing the preparation and approval of all financial reporting materials; preparing and communicating monthly and annual financial and operational packages to the Board of Directors and internal leadership team, managing cash flow, developing the annual budget, forecast and other financial planning activities, identifying and implementing tools and business practices that help the business address opportunities for improvement, maintaining direct working relationships with the Board of Directors, investors, bankers, insurance brokers, attorneys and other service providers as necessary, attending periodic Company and Board meetings and calls, helping facilitate annual audit (if any) and tax returns, providing leadership and mentorship to the accounting team, and other responsibilities as normally required of CFO. Interim CFO services to be provided by Michael Rossi will be for approximately 40 hours a week at a rate of $375 per hour approximately which will be payable to Monomoy. Mr. Rossi will render the Services at the Client's principal executive office in Orlando, Florida, at a mutually agreed upon schedule, and from his home office.

Exhibit B

Notices

All written notices under this Agreement shall be sent to the following specified representatives of the Parties:

MONOMOY ADVISORS LLC		LENSAR, INC.	
Name:	Michael Wyzga	Name:	Nicholas Curtis
Title:	Partner	Title:	CEO
Address:	2221 Washington St, Building One, Suite 102, Newton, MA 02462	Address:	2800 Discovery Drive Orlando, FL 32826
Phone:	[* * *]	Phone:	
Email:	[* * *]	Email:	[* * *]

Exhibit 10.2

LOAN AND SECURITY AGREEMENT

Dated as of August 10, 2026

LENSAR, Inc.

as Borrower, and

SALEM FIVE CENTS SAVINGS BANK,

as Lender

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LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "Agreement") is dated as of August 10, 2026, between **LENSAR, INC.**, a Delaware corporation (the "Borrower"), and **SALEM FIVE CENTS SAVINGS BANK**, a Massachusetts savings bank ("Lender").

R E C I T A L S:

Borrower has requested that Lender provide a credit facility to Borrower to finance its business enterprise. Lender is willing to provide the credit facility on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for valuable consideration hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS; RULES OF CONSTRUCTION

1.1. **Definitions**. As used herein, the following terms have the meanings set forth below:

Account Transition Date: as defined in **Section 9.1.9**.

Affiliate: with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have correlative meanings.

Adjusted EBITDA: net income, calculated before (i) interest expense, (ii) provision for taxes (including any Cash Taxes), (iii) depreciation and amortization expense, (iv) gains or losses arising from the sale of capital assets, excluding the sale of equipment under lease in the ordinary course of business, gains or losses arising from the write-up or write-down of assets, and any extraordinary gains or losses (in each case, to the extent included in determining net income), (v) any non-cash losses and other non-cash charges for such period (but excluding any non-cash charges that constitute an accrual of or reserve for future cash payments to the extent the Borrower elects not to add back such item in the current test period), and (vi) the fees, costs and expenses incurred by Borrower in connection with this Agreement or any other Loan Document, all calculated in accordance with the method of accounting utilized by Borrower in preparing its financial statements.

Alternative Rate: the sum of (i) a comparable index or reference rate selected by Lender plus, if applicable as determined by the Lender, (ii) a spread adjustment.

Alternative Rate Loan: each portion of a Loan that bears interest at a rate determined by reference to the Alternative Rate plus a per annum rate equal to the Applicable Margin.

Anti-Terrorism Law: any law relating to terrorism or money laundering, including the PATRIOT Act.

Applicable Margin: three percent (3.00%); provided, that if no Event of Default shall have occurred on or before the one year anniversary of the Closing Date, thereafter two and one-half percent (2.50%).

Availability: the Borrowing Base minus Revolver Usage.

Availability Reserve: as of any date of determination, such amounts (expressed as either a specified amount or as a percentage of a specified category or item) as the Lender may from time to time in its Permitted Discretion establish and adjust in reducing the amount available for borrowing, (a) to reflect events, conditions, contingencies or risks which, as reasonably determined by the Lender in its Permitted Discretion, do or may affect (i) the Collateral or its value, or (ii) the assets, business or prospects of the Borrower, or (iii) the security interests and other rights of the Lender in the Collateral (including the enforceability, perfection and priority thereof), (b) in respect of dilution with respect to the Accounts, (c) to reflect the Lender's reasonable judgment that any collateral report or financial

information furnished by or on behalf of the Borrower to the Lender is or may have been incomplete, inaccurate or misleading in any material respect, and/or (d) in respect of any state of facts that the Lender reasonably determines constitutes an Event of Default.

Bank Product: any of the following products, services or facilities extended to an Obligor or Affiliate of an Obligor by Lender or any of its Affiliates: (a) Cash Management Services; (b) products under Hedging Agreements; (c) commercial credit card and merchant card services and corporate purchasing cards; and (d) leases and other banking products or services, other than Letters of Credit.

Bank Product Debt: Debt, obligations and other liabilities of an Obligor or Affiliate of an Obligor with respect to Bank Products.

Bankruptcy Code: Title 11 of the United States Code.

Beneficial Ownership Certification: a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

Beneficial Ownership Regulation: 31 C.F.R. § 1010.230.

Board: means the Board of Directors of the Borrower.

Board of Governors: the Board of Governors of the Federal Reserve System.

Borrowed Money: with respect to any Obligor, without duplication, its (a) Debt that (i) arises from the lending of money by any Person to such Obligor; (ii) is evidenced by notes, drafts, bonds, debentures, credit documents or similar instruments; (iii) accrues interest or is a type upon which interest charges are customarily paid (excluding trade payables owing in the Ordinary Course of Business); or (iv) was issued or assumed as full or partial payment for Property; (b) Capital Leases; (c) reimbursement obligations with respect to letters of credit; and (d) guaranties of any Debt of the foregoing types owing by another Person.

Borrowing: a group of Loans that are made together on the same day.

Borrowing Base: on any date of determination, an amount equal to the lesser of: (a) the Revolver Commitment; or (b) the sum of: (i) 85% of the Value of Eligible Accounts; plus (ii) 75% of the Value of Eligible Lease Receivables, minus (iv) the Availability Reserve.

Borrowing Base Certificate: a certificate substantially in the form of **Exhibit A** (or such other form acceptable to Lender) and satisfactory to Lender in all respects, by which Borrower certifies the Borrowing Base described under clause (b) of the definition thereof.

Business Day: any day other than (i) a Saturday, (ii) a Sunday, (iii) a legal holiday in the Commonwealth of Massachusetts, or (iv) a day on which the Federal Reserve Bank of Boston is closed.

Capital Expenditures: all liabilities incurred or expenditures made by Borrower for the acquisition of fixed assets, or any improvements, replacements, substitutions or additions thereto with a useful life of more than one year.

Capital Lease: any lease that is required to be capitalized for financial reporting purposes .

Cash Collateral: cash, Cash Equivalents, and any interest or other income earned thereon, that is delivered to Lender to Cash Collateralize any Obligations.

Cash Collateral Account: a demand deposit, money market or other account maintained with Lender and subject to Lender's Liens.

Cash Collateralize: the delivery of cash to Lender, as security for the payment of Obligations, on terms satisfactory to the Lender and in an amount equal to (a) with respect to LC Obligations, 105% of the aggregate Stated Amount of all then outstanding Letters of Credit, and (b) with respect to any inchoate, contingent or other Obligations (including Obligations arising under Bank Products), as applicable, Lender's good faith estimate of the amount due or to become due, including fees, expenses and indemnification, and payable hereunder. "Cash Collateralization" has a correlative meaning.

Cash Equivalents: (a) marketable obligations issued or unconditionally guaranteed by, and backed by the full faith and credit of, the United States government, maturing within 12 months of the date of acquisition; (b) certificates of deposit, time deposits and bankers' acceptances maturing within 12 months of the date of acquisition, and overnight bank deposits, in each case which are issued by Lender or a commercial bank organized under the laws of the United States or any state or district thereof, rated A-1 (or better) by S&P or P-1 (or better) by Moody's at the time of acquisition; (c) repurchase obligations with a term of not more than 30 days for underlying investments of the types described in clauses (a) and (b) entered into with any bank described in clause (b); (d) commercial paper issued by Lender or rated A-1 (or better) by S&P or P-1 (or better) by Moody's, and maturing within nine months of the date of acquisition; (e) shares of any money market fund that has substantially all of its assets invested continuously in the types of investments referred to above, has net assets of at least $500,000,000 and has the highest rating obtainable from either Moody's or S&P, and (f) any other marketable securities expressly deemed acceptable by the Lender in writing in its discretion.

Cash Management Services: services relating to operating, collections, payroll, trust, or other depository or disbursement accounts, including automated clearinghouse, e-payable, electronic funds transfer, wire transfer, controlled disbursement, overdraft, depository, information reporting, lockbox and stop payment services.

Cash Taxes: for any period, the aggregate of all tax liabilities of the Borrower, to the extent the same are paid in cash.

Change in Law: the occurrence, after the date hereof, of (a) the adoption, taking effect or phasing in of any law, rule, regulation or treaty; (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof; or (c) the making, issuance or application of any request, guideline, requirement or directive (whether or not having the force of law), in each case by any Governmental Authority; provided, however, that "Change in Law" shall include, regardless of the date enacted, adopted or issued, all requests, rules, guidelines, requirements or directives (i) under or relating to the Dodd-Frank Wall Street Reform and Consumer Protection Act, or (ii) promulgated pursuant to Basel III by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any similar authority) or any other Governmental Authority.

Change of Control: means the occurrence of any of the following events: (a) other than Permitted Holders, any "person" or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended) shall become the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under said Act), directly or indirectly, of thirty five percent (35%) or more of the total voting power of all classes of voting Equity Interests of the Borrower then outstanding; or (b) the sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions), including by means of a merger, consolidation or similar transaction, of all or substantially all of the assets of the Borrower.

Claims: all claims, liabilities, obligations, losses, damages, penalties, judgments, proceedings, interest, costs and expenses of any kind (including remedial response costs, reasonable attorneys' fees and Extraordinary Expenses) at any time (including after Full Payment of the Obligations) incurred by any Indemnitee or asserted against any Indemnitee by any Obligor or other Person, in any way relating to (a) any Loans, Letters of Credit or the use of proceeds thereof, the Loan Documents, or transactions relating thereto; (b) any action taken or omitted in connection with any Loan Documents; (c) the existence or perfection of any Liens, or realization upon any Collateral; (d) exercise of any rights or remedies under any Loan Documents or applicable law; or (e) failure by any Obligor to perform or observe any terms of any Loan Document, in each case including all costs and expenses relating to any investigation, litigation, arbitration or other proceeding (including an Insolvency Proceeding or appellate proceedings), whether or not the applicable Indemnitee is a party thereto, and in each case excluding any of the foregoing to the extent resulting from Lender's fraud, gross negligence or willful misconduct.

Closing Date: as defined in **Section 6.1**.

Code: the Internal Revenue Code of 1986.

Collateral: all Property described in **Section 7.1**, all Property described in any Security Documents as security for any Obligations, and all other Property that now or hereafter secures (or is intended to secure) any Obligations; provided that the Collateral will not include any Excluded Assets.

Commitment Termination Date: the earliest to occur of (a) the Revolver Termination Date; (b) the date on which Borrower terminates the Revolver Commitment pursuant to **Section 2.1.3**; or (c) the date on which the Revolver Commitment is terminated pursuant to **Section 10.2**.

Commitments: the Revolver Commitment.

Commodity Exchange Act: the Commodity Exchange Act (7 U.S.C. § 1 *et seq*.).

Compliance Certificate: a certificate substantially in the form of **Exhibit B**, and satisfactory to Lender in all respects, by which Borrower certifies compliance with **Section 9.3** (to the extent applicable).

Conforming Changes: with respect to either the use or administration of Term SOFR or the use, administration, adoption, or implementation of any Alternative Rate, any technical, administrative or operational changes (including changes to the definition of "Business Day," the definition of "Interest Period," or any similar or analogous definition (or the addition of a concept of "interest period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment notices, the applicability and length of lookback periods, and other technical, administrative or operational matters) that Lender decides may be appropriate to reflect the adoption and implementation of such Alternative Rate and to permit the use and administration thereof by Lender in a manner substantially consistent with market practice (or, if Lender decides that adoption of any portion of such market practice is not administratively feasible or if Lender determines that no market practice for the administration of such Alternative Rate exists, in such other manner of administration as Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

Connection Income Taxes: Other Connection Taxes that are imposed on or measured by net income (however denominated), or are franchise or branch profits Taxes.

Contingent Obligation: any obligation of a Person arising from a guaranty, indemnity or other assurance of payment or performance of any Debt, lease, dividend or other obligation ("primary obligations") of another obligor ("primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person under any (a) guaranty, endorsement, co-making or sale with recourse of an obligation of a primary obligor; (b) obligation to make take-or-pay or similar payments regardless of nonperformance by any other party to an agreement; and (c) arrangement (i) to purchase any primary obligation or security therefor, (ii) to supply funds for the purchase or payment of any primary obligation, (iii) to maintain or assure working capital, equity capital, net worth or solvency of the primary obligor, (iv) to purchase Property or services for the purpose of assuring the ability of the primary obligor to perform a primary obligation, or (v) otherwise to assure or hold harmless the holder of any primary obligation against loss in respect thereof; provided that the term "Contingent Obligation" shall not include endorsements for collection or deposit in either case in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be the stated or determinable amount of the primary obligation (or, if less, the maximum amount for which such Person may be liable under the instrument evidencing the Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability with respect thereto.

Control: the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, including the power to elect a majority of the managers of a limited liability company. "Controlling" and "Controlled" have meanings correlative thereto.

Debt: as applied to any Person, without duplication, (a) all items that would be included as liabilities on a balance sheet in accordance with GAAP, including Capital Leases, but excluding (i) unearned revenue and accrued expenses in the ordinary course of business, (ii) contingent obligations incurred in the ordinary course of business until such obligations are non-contingent and due and payable and unpaid and (iii) trade payables incurred and being paid in the Ordinary Course of Business; (b) all Contingent Obligations that are due and payable and remain unpaid; (c) all reimbursement obligations in connection with letters of credit issued for the account of such Person; and (d) in the case of Borrower, the Obligations. The Debt of a Person shall include any recourse Debt of any partnership in which such Person is a general partner or joint venturer.

Debt Service Coverage Ratio: for the applicable period of determination, the ratio of (a) Adjusted EBITDA minus (i) Cash Taxes, minus (ii) Unfinanced CapEx (other than as funded by proceeds of asset sales and equity contributions permitted pursuant to the terms of this Agreement), to (b) Fixed Charges.

Debtor Relief Laws: means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

Default: an event or condition that, with the lapse of time or giving of notice, or both, would constitute an Event of Default.

Default Rate: for any Obligation (including, to the extent permitted by law, interest not paid when due), 2% plus the interest rate otherwise applicable thereto.

Deposit Account Control Agreement: a control agreement satisfactory to Lender executed by an institution maintaining a Deposit Account for an Obligor, to perfect Lender's Lien on such account.

Distribution: any declaration or payment of a distribution, interest or dividend on any Equity Interest (other than payment-in-kind); distribution, advance or repayment of Debt to a holder of Equity Interests; or purchase, redemption, or other acquisition or retirement for value of any Equity Interest, other than any Permitted Distribution.

Dollars: lawful money of the United States.

Dominion Account: a special account established by Borrower at Lender over which Lender has exclusive control for withdrawal purposes.

Eligible Account: an Account owing to Borrower that arises in the Ordinary Course of Business from the sale of goods or rendition of services, is payable in Dollars and is deemed by Lender, in its Permitted Discretion, to be an Eligible Account. Without limiting the foregoing, no Account shall be an Eligible Account if (a) it is unpaid for more than 60 days after the original invoice due date, (b) 50% or more of the Accounts owing by the Account Debtor are not Eligible Accounts under the foregoing clause (a), in which case the entire amount of the Accounts owed by such Account Debtor (including the amount that is under 90 days from original invoice due date shall be deemed ineligible; (c) [reserved]; (d) it does not conform with a covenant or representation herein (to the extent applicable); (e) it is owing by a creditor or supplier, or is otherwise subject to a potential offset, counterclaim, dispute, deduction, discount, recoupment, reserve, defense, chargeback, credit or allowance (but ineligibility shall be limited to the amount thereof); (f) an Insolvency Proceeding has been commenced by or against the Account Debtor; or the Account Debtor has failed, has suspended or ceased doing business, is liquidating, dissolving or winding up its affairs, is not Solvent, or is subject to Sanctions or any specially designated nationals list maintained by OFAC; or Borrower is not able to bring suit or enforce remedies against the Account Debtor through judicial process; (g) the Account Debtor is organized or has its principal offices or assets outside the United States or Canada, unless the Account is supported by a letter of credit (delivered to and directly drawable by Lender) or credit insurance satisfactory in all respects to Lender; (h) it is owing by a Governmental Authority, unless the Account Debtor is the United States or any department, agency or instrumentality thereof and the Account has been assigned to Lender in compliance with the federal Assignment of Claims Act; (i) it is not subject to a duly perfected, first priority Lien in favor of Lender, or is subject to any other Lien (other than Permitted Liens); (j) the goods giving rise to it have not been delivered to the

Account Debtor, the services giving rise to it have not been accepted by the Account Debtor, or it otherwise does not represent a final sale; (k) it is evidenced by Chattel Paper or an Instrument of any kind that has not been delivered to the possession of Lender and indorsed to Lender or in blank, or has been reduced to judgment; (l) it is an aged credit or its payment has been extended, excluding installment payments extended in the ordinary course of business, or the Account Debtor has made a partial payment; (m) it arises from a sale to an Affiliate, from a sale on a cash-on-delivery, bill-and-hold, sale-or-return, sale-on-approval, consignment, or other repurchase or return basis, or from a sale for personal, family or household purposes; (n) it relates to service charges or represents a progress billing or retainage, or relates to services for which a performance, surety or completion bond or similar assurance has been issued; or (o) it includes a billing for interest, fees or late charges, but ineligibility shall be limited to the extent thereof, in each case of the preceding clauses (a) through (o) except to the extent Lender otherwise agrees and/or corresponding Availability Reserves have been established with respect thereto.

Eligible Equipment: Equipment:

(a) either (i) to which the Borrower has good and marketable title or (ii) in which the Borrower has a security interest and, if the original cost of such Equipment is $25,000 or greater, the Borrower has a security interest;

(b) which, except to the extent set forth in clause (a), is not subject to any Lien other than that in favor of the Lender or constituting a Permitted Lien and, if the original cost of such Equipment is $25,000 or greater, in which the Lender has a duly perfected first priority (subject to Permitted Liens) security interest under the UCC or other similar law;

(c) Which is to be used primarily by a Borrower's lessees;

(d) Which is subject to an Eligible Lease; and

(e) Which is insured by either the Borrower in accordance with current practice or the lessee thereof in accordance with industry standards;

provided that in no event shall Equipment include stand-alone software; provided further that the foregoing clauses (a) through (e) shall not apply to the extent Lender otherwise agrees and/or corresponding Availability Reserves have been established with respect thereto.

Eligible Lease: A Lease:

(a) which is in full force and effect, has not continued beyond the original term of the Lease (as extended, if applicable) and is not on a month-to-month basis;

(b) the lessor under which is the Borrower;

(c) which is assignable by the lessor thereunder;

(d) which is not unilaterally cancelable by the lessee thereunder and as to which no defenses, set-offs, claims or counterclaims exist or have been asserted;

(e) which is not subject to any Lien other than that in favor of the Lender or constituting a Permitted Lien, and in which the Lender has a duly perfected first priority (subject to Permitted Liens) security interest under the UCC;

(f) the lessee under which (i) is domiciled in the United States of America, (ii) is not the subject of and has not commenced an Insolvency Proceeding, (iii) is not an Affiliate of the Borrower and (iv) has not otherwise been determined by the Lender to be unacceptable in its Permitted Discretion;

(g) which is in a form substantially in accordance with Exhibit G or otherwise approved by the Lender;

(h) under which no payment is more than, (i) thirty (30) days past due for Leases due thirty (30) days from the date of invoice, and (ii) fifteen (15) days past due for Leases due forty-five (45) days from the date of invoice;

(i) more than eighty percent (80%) of the Accounts owing from the lessee of such Lease are Eligible Lease Receivables;

(j) under which no default has occurred other than to the extent permissible under clause (i) immediately above;

(k) which covers Eligible Equipment;

(l) which arose and was entered into in the Ordinary Course of Business of Borrower or its predecessor in interest, provided that if such Borrower was not the original lessor under such Lease but acquired such Lease by purchase or otherwise, such Lease has been approved by the Lender (such approval not to be unreasonably withheld, conditioned or delayed);

provided that the foregoing clauses (a) through (l) shall not apply to the extent Lender otherwise agrees and/or corresponding Availability Reserves have been established with respect thereto.

Eligible Lease Receivables: as at the date of determination thereof, the next twelve (12) months' lease payments and other amounts arising under, due (or to become due) and unpaid pursuant to an Eligible Lease.

Environmental Laws: applicable laws (including programs, permits and guidance promulgated by regulatory agencies), relating to public health (other than occupational safety and health regulated by OSHA) or the protection or pollution of the environment, including the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6991-6991i) and the Clean Water Act (33 U.S.C. §§ 1251 et seq.).

Environmental Notice: a notice (whether written or oral) from any Governmental Authority or other Person of any possible noncompliance in any material respect with, investigation of a possible violation of, litigation relating to, or potential fine or liability under any Environmental Law, or with respect to any material Environmental Release, environmental pollution or hazardous materials, including any complaint, summons, citation, order, claim, demand or request for correction, remediation or otherwise with respect thereto.

Environmental Release: a release as defined under any Environmental Law.

Equity Interest: the interest of any (a) shareholder in a corporation; (b) partner in a partnership (whether general, limited, limited liability or joint venture); (c) member in a limited liability company; or (d) other Person having any other form of equity security or ownership interest in another Person.

ERISA: the Employee Retirement Income Security Act of 1974.

ERISA Affiliate: any trade or business (whether or not incorporated) under common control with an Obligor within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

ERISA Event: (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by any Obligor or ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Obligor or ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) the determination that any Pension Plan or Multiemployer Plan is considered an at risk plan or a plan in critical or endangered status under the Code, ERISA or the Pension Protection Act of 2006; (f) an event or condition which constitutes grounds

under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (g) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Obligor or ERISA Affiliate.

Event of Default: as defined in **Section 10**.

Excluded Accounts: any (1) zero-balance accounts, (2) payroll, withholding tax and other fiduciary accounts, in each case solely to the extent such accounts contain only amounts designated for payment of payroll, withholding tax and other fiduciary liabilities, (3) accounts used solely for compliance with applicable legal requirements, to the extent such legal requirements prohibit the granting of a Lien thereon, (4) any accounts as long as the aggregate daily balance for all such accounts does not exceed $50,000, and (5) any other deposit accounts (if any) with respect to which Borrower and Lender have agreed in writing that such accounts are deemed "Excluded Accounts".

Excluded Asset: any (a) rights of an Obligor under any contracts, leases, licenses, property rights, agreements, instruments or other general intangibles to which Obligor is a party or any of its rights or interest thereunder, now or in the future, that contain a valid and enforceable prohibition on assignment of such rights (other than to the extent that any such prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law or principles of equity), but only for so long as such prohibition exists and is effective and valid (provided that the foregoing exclusions of this clause (a) shall in no way be construed (i) to limit, impair, or otherwise affect Lender's continuing security interests in and liens upon any rights or interests of such Obligor in or to monies due or to become due under any described contract, lease or instrument (including any accounts), or any proceeds from the sale, license, lease, or other dispositions of any such contract, lease, license, property right, agreement, instrument or other general intangible or any rights or interests thereunder; (b) property and assets owned by Obligor in which a lien may not be granted without governmental or third party approval or consent or in which the granting of a lien is prohibited by applicable law (but only for so long as Obligor has not obtained such approval or consents or such prohibition exists), (c) any "intent-to-use" trademark or service mark applications prior to the filing and acceptance of a "Statement of Use" pursuant to Section 1(d) of the Lanham Act or an "Amendment to Allege Use" pursuant to Section 1(c) of the Lanham Act with respect thereto, (d) any Excluded Accounts described in clauses (1), (2), (3) and (5) of the definition thereof, (e) any assets to the extent a security interest in such assets would result in material adverse tax or regulatory consequences to any Obligor or its subsidiaries, in each case as reasonably mutually determined in good faith by the Borrower and Lender, and (f) any particular asset, if the pledge thereof or the security interest therein would reasonably be expected to result in material adverse tax consequences to any Obligor or any Subsidiary or with respect to which the costs or other consequences of obtaining, perfecting or maintaining a security interest or pledge shall be excessive in view of the fair market value of such asset and/or the benefits to be obtained by the Lender therefrom, in each case as determined in good faith by Borrower and Lender.

Excluded Swap Obligation: with respect to an Obligor, each Swap Obligation as to which, and only to the extent that, such Obligor's guaranty of or grant of a Lien as security for such Swap Obligation is or becomes illegal under the Commodity Exchange Act because the Obligor does not constitute an "eligible contract participant" as defined in the act (determined after giving effect to any keepwell, support or other agreement for the benefit of such Obligor, and all guarantees of Swap Obligations by other Obligors) when such guaranty or grant of Lien becomes effective with respect to the Swap Obligation. If a Hedging Agreement governs more than one Swap Obligation, only the Swap Obligation(s) or portions thereof described in the foregoing sentence shall be Excluded Swap Obligation(s) for the applicable Obligor.

Excluded Tax: any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by a Recipient's net income (however denominated), franchise Taxes and branch profit Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of Lender, its lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof), or (ii) constituting Other Connection Taxes; (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Recipient with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which such Recipient acquires such interest in the Loan or Commitment or changes its lending office, except in each case to the extent that amounts with respect to such Taxes were payable to such Recipient's assignor immediately before such Recipient became a party hereto or changed its lending office; (c) Taxes attributable to such Recipient's

failure to comply with Sections 5.9.5 and 5.9.6; and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA or as back-up withholding.

Extraordinary Expenses: all costs, expenses or advances that Lender may incur under or arising out of the Loan Documents during a Default or Event of Default, or during the pendency of an Insolvency Proceeding of an Obligor, including those relating to (a) any audit, inspection, repossession, storage, repair, appraisal, insurance, manufacture, preparation or advertising for sale, sale, collection, or other preservation of or realization upon any Collateral; (b) any action, arbitration or other proceeding (whether instituted by or against Lender, any Obligor, any representative of creditors of an Obligor or any other Person) in any way relating to any Collateral (including the validity, perfection, priority or avoidability of Lender's Liens with respect to any Collateral), Loan Documents, Letters of Credit or Obligations, including any lender liability or other Claims (in each case except to the extent determined in a final, non-appealable judgment by a court of competent jurisdiction to be the result of Lender's gross negligence or willful misconduct); (c) the exercise of any rights or remedies of Lender in, or the monitoring of, any Insolvency Proceeding; (d) settlement or satisfaction of any taxes, charges or Liens with respect to any Collateral; (e) any action to enforce any Obligations or Loan Documents or to realize upon any Collateral (whether by judicial action, self-help, notification of Account Debtors, exercise of set off or recoupment, credit bid or otherwise); and (f) negotiation and documentation of any modification, waiver, workout, restructuring or forbearance with respect to any Loan Documents or Obligations. Such costs, expenses and advances include transfer fees, Other Taxes, storage fees, insurance costs, permit fees, utility reservation and standby fees, legal fees, appraisal fees, brokers' and auctioneers' fees and commissions, accountants' fees, environmental study fees, wages and salaries paid to employees of any Obligor or independent contractors in liquidating any Collateral, and travel expenses.

FATCA: Sections 1471 through 1474 of the Code (including any amended or successor version if substantively comparable and not materially more onerous to comply with), and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

Fiscal Quarter: each period of three months, commencing on the first day of a Fiscal Year.

Fiscal Year: the fiscal year of Borrower and, if applicable, Subsidiaries for accounting and tax purposes, ending on December 31 of each year.

Fixed Charges: the sum of interest expense (other than payment-in-kind) paid in cash (net of any cash interest income) and principal amortization payments made in cash on Borrowed Money (other than Obligations).

FLSA: the Fair Labor Standards Act of 1938.

Foreign Plan: any employee benefit plan or arrangement (a) maintained or contributed to by any Obligor or Subsidiary that is not subject to the laws of the United States; or (b) mandated by a government other than the United States for employees of any Obligor or Subsidiary.

Full Payment: with respect to any Obligations, (a) the full and indefeasible cash payment thereof, including any interest, fees and other charges accruing during an Insolvency Proceeding (whether or not allowed in the proceeding), if any; (b) if such Obligations are LC Obligations, Cash Collateralization thereof (or delivery of a standby letter of credit acceptable to Lender in its reasonable discretion, in the amount of required Cash Collateral); and (c) a release of any Claims of Obligors against Lender arising on or before the payment date. The Revolver Loans shall not be deemed to have been paid in full unless the Revolver Commitment has terminated.

GAAP: generally accepted accounting principles in effect in the United States from time to time.

Governmental Approvals: all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and required reports to, all Governmental Authorities.

Governmental Authority: any federal, state, local, foreign or other agency, authority, body, commission, court, instrumentality, political subdivision, central bank, or other entity or officer exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions for any governmental, judicial, investigative,

regulatory or self-regulatory authority (including any supra-national bodies such as the European Union or European Central Bank).

Hedging Agreement: any "swap agreement" as defined in Section 101(53B)(A) of the Bankruptcy Code.

Indemnified Taxes: (a) Taxes, other than Excluded Taxes, imposed on or relating to any payment of an Obligation; and (b) to the extent not otherwise described in clause (a), Other Taxes.

Indemnitees: Lender, other Secured Parties, and their officers, directors, employees, Affiliates, agents and attorneys.

Insolvency Proceeding: any case or proceeding commenced by or against a Person under any state, federal or foreign law for, or any agreement of such Person to, (a) the entry of an order for relief under the Bankruptcy Code, or any other insolvency, Debtor Relief Law or debt adjustment law; (b) the appointment of a receiver, trustee, liquidator, administrator, conservator or other custodian for such Person or any part of its Property; or (c) an assignment or trust mortgage for the benefit of creditors.

Intellectual Property: all intellectual Property of a Person, including inventions, designs, patents, copyrights, trademarks, service marks, trade names, trade secrets, know-how, software and databases; and all embodiments or fixations thereof and all related documentation, applications and registrations; all exclusive licenses or other exclusive rights to use any of the foregoing.

Interest Period: a period commencing on the first (1^{st}) day of a calendar month and ending on the last day of such calendar month.

Investment: (a) a transaction or series of transactions resulting in (i) acquisition of a business division or substantially all assets of a Person; (ii) record or beneficial ownership of 50% or more of the Equity Interests of a Person; or (iii) merger, consolidation or combination of Borrower or Subsidiary with another Person; (b) an acquisition of record or beneficial ownership of any Equity Interests of a Person; or (c) an advance or capital contribution to or other investment in a Person.

IP Assignment: a collateral assignment or security agreement pursuant to which an Obligor grants a Lien on its Intellectual Property to Lender, as security for the Obligations.

IRS: the United States Internal Revenue Service.

LC Application: an application by Borrower to Lender for issuance of a Letter of Credit, in form and substance satisfactory to Lender.

LC Conditions: the following conditions necessary for issuance of a Letter of Credit: (a) each of the conditions set forth in **Section 6** is satisfied as determined by Lender; (b) after giving effect to such issuance, total LC Obligations do not exceed the Letter of Credit Subline, no Overadvance exists and Revolver Usage does not exceed the Borrowing Base; (c) the Letter of Credit and payments thereunder are denominated in Dollars; and (d) the purpose and form of the proposed Letter of Credit are satisfactory to Lender in its discretion.

LC Documents: all documents, instruments and agreements (including LC Requests and LC Applications) delivered by Borrower or any other Person to Lender in connection with any Letter of Credit.

LC Obligations: the sum of (a) all amounts owing by Borrower for drawings under Letters of Credit; and (b) the aggregate Stated Amount of all outstanding Letters of Credit.

Lease: any lease agreement, installment sales contract, rental agreement or other agreement (including any and all schedules, supplements and amendments thereon and modifications thereof) entered into by the Borrower as lessor or seller with respect to Equipment, software or cloud licenses entered into in connection with any of the foregoing.

Letter of Credit: any standby or documentary letter of credit, foreign guaranty, documentary bankers acceptance or similar instrument issued by Lender for the account or benefit of Borrower or Affiliate of Borrower.

Letter of Credit Subline: $1,000,000.

License: any license or agreement under which an Obligor is authorized to use Intellectual Property in connection with any manufacture, marketing, distribution or disposition of Collateral, any use of Property or any other conduct of its business.

Licensor: any Person from whom an Obligor obtains the right to use any Intellectual Property.

Lien: a Person's interest in Property securing an obligation owed to, or a claim by, another Person, including any lien, security interest, pledge, hypothecation, assignment, trust, reservation, encroachment, easement, right-of-way, covenant, condition, restriction, lease, or other title exception or encumbrance.

Lien Waiver: an agreement, in form and substance satisfactory to Lender, by which (a) for any material Collateral located on leased premises, the lessor waives or subordinates any Lien it may have on the Collateral, and agrees to permit Lender to enter upon the premises and remove the Collateral or to use the premises to store or dispose of the Collateral; (b) for any Collateral held by a warehouseman, processor, shipper, customs broker or freight forwarder, such Person waives or subordinates any Lien it may have on the Collateral, agrees to hold any Documents in its possession relating to the Collateral as agent for Lender, and agrees to deliver the Collateral to Lender upon request; (c) for any Collateral held by a repairman, mechanic or bailee, such Person acknowledges Lender's Lien, waives or subordinates any Lien it may have on the Collateral, and agrees to deliver the Collateral to Lender upon request; and (d) for any Collateral subject to a Licensor's Intellectual Property rights, the Licensor grants to Lender the right, vis-à-vis such Licensor, to enforce Lender's Liens with respect to the Collateral, including the right to dispose of it with the benefit of the Intellectual Property, in each case following the occurrence and during the continuation of an Event of Default.

Loan: a Revolver Loan.

Loan Documents: this Agreement, Other Agreements and Security Documents.

Loan Year: each twelve (12) month period commencing on the Closing Date and on each anniversary of the Closing Date.

Margin Stock: as defined in Regulation U of the Board of Governors.

Material Adverse Effect: the effect of any event or circumstance that, taken alone or in conjunction with other events or circumstances, has or could be reasonably expected to have a material adverse effect on (a) the business, operations, Properties, or condition (financial or otherwise), of any Obligor, taken as a whole, on the value of any material Collateral, on the enforceability of any Loan Documents, or on the validity or priority of Lender's Liens on any Collateral; (b) the ability of an Obligor to perform its obligations under the Loan Documents to which it is party, including repayment of any Obligations; or (c) the ability of Lender to enforce or collect any Obligations or to realize upon any of the Collateral.

Material Contract: any written agreement to which Borrower or Subsidiary is party (other than the Loan Documents) for which breach, termination, nonperformance or failure to renew could reasonably be expected to have a Material Adverse Effect.

Moody's: Moody's Investors Service, Inc., and its successors.

Multiemployer Plan: any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Obligor or ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

Net Proceeds: with respect to any disposition of Property, proceeds (including, when received, any deferred or escrowed payments) received by a Borrower or Subsidiary in cash from such disposition, net of (a) reasonable and customary costs and expenses actually incurred in connection therewith, including legal fees and sales commissions; (b) amounts applied to repayment of Debt secured by a Permitted Lien senior to Lender's Liens on Collateral sold; (c) transfer or similar taxes; and (d) reserves for indemnities, until such reserves are no longer needed.

Notice of Borrowing: a Notice of Borrowing to be provided by Borrower to request a Borrowing of Revolver Loans, in form satisfactory to Lender.

Obligations: all (a) principal of and premium, if any, on the Loans; (b) LC Obligations and other obligations of Obligors with respect to Letters of Credit; (c) interest, expenses, fees, indemnification obligations, Extraordinary Expenses and other amounts payable by Obligors under Loan Documents; (d) Bank Product Debt; and (e) other Debts, obligations and liabilities of any kind owing by any Obligor to Lender hereunder or under the Loan Documents, whether now existing or hereafter arising, whether evidenced by a note or other writing, whether allowed in any Insolvency Proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether direct or indirect, absolute or contingent, due or to become due, primary or secondary, or joint or several; provided, that Obligations of an Obligor shall not include its Excluded Swap Obligations, if any.

Obligor: Borrower, any guarantor, or other Person that is liable for payment of any Obligations or that has granted a Lien in favor of Lender on its assets to secure any Obligations. As of the Closing Date, Borrower is the sole Obligor.

OFAC: Office of Foreign Assets Control of the U.S. Treasury Department.

Ordinary Course of Business: the ordinary course of business of Borrower or any Subsidiary, undertaken in good faith and consistent with applicable law and past practices.

Organic Documents: with respect to any Person, its charter, certificate or articles of incorporation, bylaws, articles of organization, limited liability company agreement, operating agreement, members agreement, shareholders agreement, partnership agreement, certificate of partnership, certificate of formation, voting trust agreement, or similar agreement or instrument governing the formation or operation of such Person.

OSHA: the Occupational Safety and Health Act of 1970.

Other Agreement: each LC Document, Lien Waiver, Borrowing Base Certificate, Compliance Certificate, or other document, instrument or agreement (other than this Agreement or a Security Document) now or hereafter delivered by or on behalf of an Obligor to Lender in connection with any transactions relating hereto.

Other Connection Taxes: Taxes imposed on a Recipient due to a present or former connection between it and the taxing jurisdiction (other than connections arising from the Recipient having executed, delivered, become party to, performed obligations or received payments under, received or perfected a Lien or engaged in any other transaction pursuant to, enforced, or sold or assigned an interest in, any Loan or Loan Document).

Other Taxes: all present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a Lien under, or otherwise with respect to, any Loan Document, except Other Connection Taxes imposed with respect to an assignment.

Overadvance: as defined in **Section 2.1.4**.

PATRIOT Act: the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001).

Payment Item: each check, draft or other item of payment payable to Borrower, including those constituting proceeds of any Collateral.

PBGC: the Pension Benefit Guaranty Corporation.

Pension Plan: any employee pension benefit plan (as defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by any Obligor or ERISA Affiliate or to which the Obligor or ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the preceding five plan years.

Permitted Discretion: a determination made in the exercise, in good faith, of reasonable business judgment (from the perspective of a secured, asset-based lender).

Permitted Distribution: any Distribution (a) payable in the form of Equity Interests or in options, warrants or other rights to purchase such Equity Interests (including any equity grants pursuant to the Company's 2020 Incentive Award Plan, 2020 Employee Stock Purchase Plan and/or 2024 Employee Inducement Incentive Award Plan) or that occurs upon or in connection with the exercise of stock options or warrants or similar rights if such Distribution represents a portion of the exercise price of such options or warrants or similar rights or tax withholding obligations with respect thereto, (b) constituting a repurchase of Equity Interests (i) deemed to occur on the exercise of options by the delivery of Equity Interests in satisfaction of the exercise price of such options or (ii) in consideration of withholding or similar Taxes payable by any future, present or former employee, director or officer (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing), including deemed repurchases in connection with the exercise of stock options or the vesting of any equity awards, (c) to (i) redeem, repurchase, retire or otherwise acquire in whole or in part any Equity Interests of the Borrower ("Treasury Equity Interests"), in exchange for, or with the proceeds (to the extent contributed to the Borrower substantially concurrently) of the sale or issuance (other than to the Borrower) of, other Equity Interests or rights to acquire its Equity Interests and (ii) declare and pay dividends on any Treasury Equity Interests out of any such proceeds, (d) to the extent Full Payment of the then outstanding Obligations and termination of the Commitments occurs substantially concurrently therewith, (e) constituting an advance permitted under **Section 9.2.**7, and/or (f) made within 60 days after the date of declaration thereof if at the date of declaration such Distribution would have been permitted hereunder.

Permitted Holders: North Run Capital, LP and its affiliates.

Permitted Lien: as defined in **Section 9.2.2**.

Person: any individual, corporation, limited liability company, partnership, joint venture, association, trust, unincorporated organization, Governmental Authority or other entity.

Plan: any employee benefit plan (as such term is defined in Section 3(3) of ERISA) established by an Obligor or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, an ERISA Affiliate.

Platform: as defined in **Section 11.4.3**.

Properly Contested: with respect to any obligation of an Obligor, (a) the obligation is subject to a bona fide dispute regarding amount or Obligor's liability to pay; (b) the obligation is being properly contested in good faith by appropriate proceedings promptly instituted and diligently pursued; (c) appropriate reserves have been established in accordance with GAAP, as applicable; (d) non-payment could not reasonably be expected to either have a Material Adverse Effect or result in forfeiture of any material Collateral of Obligor; (e) no Lien is imposed on Collateral of Obligor, unless bonded and stayed to the reasonable satisfaction of Lender; and (f) if the obligation results from entry of a judgment or other order, such judgment or order is stayed pending appeal or other judicial review.

Property: any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

Purchase Money Debt: as to any Person (a) Debt (other than the Obligations) for payment of any of the purchase price, or otherwise financing the acquisition, construction, repair, replacement, or improvement, of any fixed, real or capital assets; (b) Debt (other than the Obligations) incurred within sixty (60) days before or after the acquisition, construction, repair, replacement or improvement of any fixed, real or capital assets, for the purpose of financing any of the purchase price, construction, repair, replacement or improvement thereof; and (c) any renewals, extensions or refinancings (but not increases) thereof.

Purchase Money Lien: a Lien that secures Purchase Money Debt or Capital Lease, encumbering only the fixed, real or capital assets acquired, constructed, repaired, replaced or improved with such Debt.

Qualified ECP: a Person with total assets exceeding $10,000,000, or that constitutes an "eligible contract participant" under the Commodity Exchange Act and can cause another Person to qualify as an "eligible contract participant" under Section 1a(18)(A)(v)(II) of such act.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Real Estate: all right, title and interest (whether as owner, lessor or lessee) in any real Property or any buildings, structures, parking areas or other improvements thereon.

Recipient: Lender or any other recipient of a payment to be made by Borrower under a Loan Document or on account of an Obligation.

Reimbursement Date: as defined in **Section 2.3.2**.

Reportable Event: any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30) day notice period has been waived.

Restricted Investment: any Investment by a Borrower or Subsidiary, other than (a) Investments to the extent existing on the Closing Date; (b) cash and Cash Equivalents that, to the extent otherwise required by this Agreement, are subject to Lender's Lien and control and, except in the case of any account at Lender, pursuant to documentation in form and substance satisfactory to Lender; (c) to the extent constituting a disposition permitted under Section 9.2.6, a Distribution permitted under Section 9.2.4 or a Permitted Lien, (d) extensions of trade credit, endorsements for collection or deposit, purchases and acquisitions of inventory, supplies, material, services or equipment, and the licensing of intellectual property, in each case, in the ordinary course of business, (e) loans and advances permitted under **Section 9.2.7**, and (f) other Investments not exceeding $100,000 outstanding at any time.

Restrictive Agreement: an agreement (other than a Loan Document) that conditions or restricts the right of Borrower, Subsidiary or other Obligor to incur or repay Borrowed Money, to grant Liens on any assets, to declare or make Distributions, to modify, extend or renew any agreement evidencing Borrowed Money, or to repay any intercompany Debt.

Revolver Commitment: Lender's obligation to make Revolver Loans and to issue Letters of Credit in an amount up to $10,000,000 in the aggregate.

Revolver Loan: a loan made pursuant to **Section 2.1**.

Revolver Termination Date: August 10, 2028.

Revolver Usage: the aggregate amount of outstanding Revolver Loans, plus the aggregate Stated Amount of outstanding Letters of Credit.

Royalties: all royalties and fees payable by a Borrower under a License that are calculated as a percentage of net revenue, net sales, or gross receipts (excluding any flat or subscription-based fees, software license fees, hosting fees, support and maintenance fees payable by Borrower).

S&P: Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., and any successors thereto.

Sanction: any international economic sanction administered or enforced by the United States Government (including OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

SEC: Securities and Exchange Commission.

Secured Parties: Lender and providers of Bank Products.

Security Documents: this Agreement, the IP Assignments, Deposit Account Control Agreements, and all other documents, instruments and agreements now or hereafter securing (or given with the intent to secure) any Obligations.

Senior Officer: the manager, member, chairman of the board, president, chief executive officer, chief financial officer or other senior officer of Borrower or, if the context requires, an Obligor.

SOFR: a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

SOFR Administrator: the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

SOFR Loan: each portion of a Loan that bears interest at a rate determined by reference to Term SOFR plus a per annum rate equal to the Applicable Margin.

Solvent: as to any Person on any date of determination, such Person on such date (a) owns Property whose fair salable value (as defined below) is greater than the amount required to pay all of its debts (including contingent, subordinated, unmatured and unliquidated liabilities); (b) owns Property whose present fair salable value is greater than the probable total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of such Person as they become absolute and matured; (c) is able to pay all of its debts as they become absolute and matured; (d) is not engaged in, and is not about to engage in, business for which it has unreasonably small capital; and (e) has not incurred (by way of assumption or otherwise) any obligations or liabilities (contingent or otherwise) under any Loan Documents, or made any conveyance in connection therewith, with actual intent to hinder, delay or defraud either present or future creditors of such Person or any of its Affiliates. "Fair salable value" means the amount that could be obtained for assets within a reasonable time, either through collection or through sale under ordinary selling conditions by a capable and diligent seller to an interested buyer who is willing (but under no compulsion) to purchase.

Specified Obligor: a Person that is not then an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to **Section 5.10**).

Stated Amount: the stated amount of a Letter of Credit, including any automatic increase provided by the terms of the Letter of Credit or related LC Documents, whether or not then effective.

Subordinated Debt: Debt incurred by a Borrower that is expressly subordinate and junior in right of payment to Full Payment of all Obligations, and is on terms (including maturity, interest, fees, repayment, covenants and subordination) satisfactory to Lender.

Subsidiary: any entity at least 50% of whose voting securities or Equity Interests is owned by Borrower (including indirect ownership through other entities in which Borrower directly or indirectly owns 50% of the voting securities or Equity Interests). As of the Closing Date, Borrower has no Subsidiaries and references herein to "Subsidiary" shall be construed to mean "Subsidiary, if any."

Swap Obligations: with respect to any Obligor, its obligations under a Hedging Agreement that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

Taxes: all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

Term SOFR: with respect to each Interest Period, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for a tenor of one month has not been published by the Term SOFR Administrator, then Term SOFR will be the Term SOFR Reference Rate for one month as published by the Term SOFR Administrator on the first preceding Business Day for which such Term SOFR Reference Rate for one month was published by the Term SOFR Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term SOFR Determination Day, provided, further, that if Term SOFR determined as provided above shall ever be less than zero percent (0%), then Term SOFR shall be deemed to be zero percent (0%).

Term SOFR Administrator: CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Lender in its reasonable discretion).

Term SOFR Reference Rate: the forward-looking term rate based on SOFR.

Threshold Amount: $350,000.

UCC: the Uniform Commercial Code as in effect in the Commonwealth of Massachusetts or, when the laws of any other jurisdiction govern the perfection or enforcement of any Lien, the Uniform Commercial Code of such jurisdiction.

Unfinanced CapEx: for the applicable period of determination, Capital Expenditures of Borrower for such period, minus long-term Debt of Borrower issued during the applicable period for the acquisition of capital assets or to finance other Capital Expenditures.

Unfunded Pension Liability: the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to the Code, ERISA or the Pension Protection Act of 2006 for the applicable plan year.

United States Person: a "United States person" within the meaning of Section 7701(a)(30) of the Code.

Unused Line Fee Rate: a per annum rate equal to 0.25%.

Value: (a) for an Account, its face amount, net of any returns, rebates, discounts (calculated on the shortest terms), credits, allowances or Taxes (including sales, excise or other taxes) that have been or could be claimed by the Account Debtor or any other Person, and (b) for an Eligible Lease Receivable, the sum total of the next twelve (12) months' recurring, committed lease payments and other amounts due (or to become due) under the applicable Lease.

1.2. **Accounting Terms**. Under the Loan Documents (except as otherwise specified herein), all accounting terms shall be interpreted, all accounting determinations shall be made, and all financial statements shall be prepared, in accordance with GAAP applied on a basis consistent with the most recent audited financial statements of Borrower delivered to Lender before the Closing Date and using the same Inventory valuation method as used in such financial statements, except for any change required or permitted by GAAP if Borrower's certified public accountants concur in such change, the change is disclosed to Lender, and, to the extent requested by any party hereto in writing to the other party hereto, all relevant provisions of the Loan Documents are amended in a manner satisfactory to Lender and Borrower to take into account the effects of the change.

1.3. **Uniform Commercial Code**. As used herein, the following terms are defined in accordance with the UCC in effect in the Commonwealth of Massachusetts from time to time: "Account," "Account Debtor," "Chattel Paper,"

"Commercial Tort Claim," "Deposit Account," "Document," "Electronic Chattel Paper," "Equipment," "Fixtures," "General Intangibles," "Goods," "Instrument," "Inventory," "Investment Property," "Letter-of-Credit Right" and "Supporting Obligation."

1.4. **Certain Matters of Construction**. The terms "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. Any pronoun used shall be deemed to cover all genders. In the computation of periods of time from a specified date to a later specified date, "from" means "from and including," and "to" and "until" each mean "to but excluding." The terms "including" and "include" shall mean "including, without limitation" and, for purposes of each Loan Document, the parties agree that the rule of *ejusdem generis* shall not be applicable to limit any provision. Section titles appear as a matter of convenience only and shall not affect the interpretation of any Loan Document. All references to (a) laws include all related regulations, interpretations, supplements, amendments and successor provisions; (b) any document, instrument or agreement include any amendments, waivers and other modifications, extensions or renewals (to the extent permitted by the Loan Documents); (c) any section mean, unless the context otherwise requires, a section of this Agreement; (d) any exhibits or schedules mean, unless the context otherwise requires, exhibits and schedules attached hereto, which are hereby incorporated by reference; (e) any Person include successors and assigns; (f) time of day means time of day at Lender's notice address under **Section 11.4.1**; or (g) unless otherwise noted, discretion of Lender mean its reasonable discretion. All references to Value, Borrowing Base components, Loans, Obligations and other amounts herein shall be denominated in Dollars, unless expressly provided otherwise, and all determinations (including calculations of clause (b) of the Borrowing Base and financial covenants) made from time to time under the Loan Documents shall be made in light of the circumstances existing at such time. The calculation of clause (b) of the Borrowing Base shall be consistent with historical methods of valuation and calculation, and otherwise satisfactory to Lender (and not necessarily calculated in accordance with GAAP). No provision of any Loan Documents shall be construed against any party by reason of such party having, or being deemed to have, drafted the provision. Reference to Borrower's "knowledge" or similar concept means actual knowledge of a Senior Officer, or knowledge that a Senior Officer would have obtained if he or she had engaged in good faith and diligent performance of his or her duties.

SECTION 2. CREDIT FACILITIES

2.1. **Revolver Commitment**.

2.1.1 Revolver Loans. Lender agrees, on the terms set forth herein, to make Revolver Loans to Borrower in an aggregate amount up to the Revolver Commitment, from time to time through the Commitment Termination Date. The Revolver Loans may be repaid and reborrowed as provided herein. In no event shall Lender have any obligation to honor a request for a Revolver Loan if Revolver Usage at such time plus the requested Revolver Loan would exceed the Borrowing Base.

2.1.2 Use of Proceeds. The proceeds of Revolver Loans shall be used by Borrower solely (a) to fund the manufacture/purchase of new Equipment, which Equipment will be leased by the Borrower to its customers; (b) to pay fees and transaction expenses associated with the closing of this credit facility; (c) to pay Obligations in accordance with this Agreement; and (d) for other lawful corporate purposes of Borrower, including working capital. Borrower shall not, directly or indirectly, use any Letter of Credit or the proceeds of any Loan, nor use, lend, contribute or otherwise make available any Letter of Credit or proceeds of any Loan to any Subsidiary, joint venture partner or other Person, (y) to fund any activities of or business with any Person, or in any country, territory or jurisdiction, that, at the time of issuance of the Letter of Credit or funding of the Loan, is the subject of Sanctions; or (z) in any manner that will result in a violation of Sanctions by any Person (including any Secured Party or other individual or entity participating in the transaction.

2.1.3 Termination of Revolver Commitment. The Revolver Commitment shall terminate on the Revolver Termination Date, unless sooner terminated in accordance with this Agreement. Upon at least five (5) Business Days prior written notice to Lender (specifying the termination and the intended date of the same) Borrower may, at its option, terminate the Revolver Commitment and this credit facility. Any notice of termination given by Borrower shall be irrevocable; provided that such notice may be conditioned on the occurrence of any transaction anticipated to occur in connection with such termination. On the termination date, Borrower shall make Full Payment of all Obligations.

2.1.4 Overadvances. If Revolver Usage exceeds the Borrowing Base ("Overadvance") at any time, the excess amount shall be payable by Borrower upon the earlier of, (a) the first Business Day after Borrower has knowledge thereof, and (b) **demand** by Lender, but all such Revolver Loans shall nevertheless constitute Obligations secured by the Collateral and entitled to all benefits of the Loan Documents. Any funding or sufferance of an Overadvance shall not constitute a waiver of the Event of Default caused thereby.

2.2. **[Reserved.]**

2.3. **Letter of Credit Facility**.

2.3.1 Issuance of Letters of Credit. Lender agrees to issue Letters of Credit from time to time until thirty (30) days prior to the Revolver Termination Date (or until the Commitment Termination Date, if earlier), on the terms set forth herein, including the following:

(a) Borrower acknowledges that Lender's willingness to issue any Letter of Credit is conditioned upon its receipt of a LC Application with respect to the requested Letter of Credit, as well as such other instruments and agreements as Lender may customarily require for issuance of a letter of credit of similar type and amount. Lender shall have no obligation to issue any Letter of Credit unless (i) it receives a LC Application at least three (3) Business Days prior to the requested date of issuance; and (ii) each LC Condition is satisfied. Each Letter of Credit shall be on terms mutually and reasonably acceptable to Lender and Borrower, and no Letter of Credit shall have an expiration date later than the sooner to occur of (i) twelve (12) months from the date of issuance of the subject Letter of Credit, or (ii) the Commitment Termination Date.

(b) Letters of Credit may be requested by Borrower to support obligations incurred in the Ordinary Course of Business, or as otherwise approved by Lender. Increase, renewal or extension of a Letter of Credit shall be treated as issuance of a new Letter of Credit, except that Lender may require a new LC Application in its discretion.

(c) Borrower assumes all risks of the acts, omissions or misuses of any Letter of Credit by the beneficiary. In connection with issuance of any Letter of Credit, Lender shall not be responsible for the existence, character, quality, quantity, condition, packing, value or delivery of any goods purported to be represented by any Documents; any differences or variation in the character, quality, quantity, condition, packing, value or delivery of any goods from that expressed in any Documents; the form, validity, sufficiency, accuracy, genuineness or legal effect of any Documents or of any endorsements thereon; the time, place, manner or order in which shipment of goods is made; partial or incomplete shipment of, or failure to ship, any goods referred to in a Letter of Credit or Documents; any deviation from instructions, delay, default or fraud by any shipper or other Person in connection with any goods, shipment or delivery; any breach of contract between a shipper or vendor and Borrower; errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, telecopy, e-mail, telephone or otherwise; errors in interpretation of technical terms; the misapplication by a beneficiary of any Letter of Credit or the proceeds thereof; or any consequences arising from causes beyond the control of Lender, including any act or omission of a Governmental Authority. No Indemnitee shall be liable to any Obligor or other Person for any action taken or omitted to be taken in connection with any Letter of Credit or LC Documents except as a result of its gross negligence or willful misconduct. Lender shall be fully subrogated to the rights and remedies of each beneficiary whose claims against Borrower is discharged with proceeds of any Letter of Credit.

(d) In connection with its administration of and enforcement of rights or remedies under any Letters of Credit or LC Documents, Lender shall be entitled to act, and shall be fully protected in acting, upon any certification, documentation or communication in whatever form believed by Lender, in good faith, to be genuine and correct and to have been signed, sent or made by a proper Person. Lender may consult with and employ legal counsel, accountants and other experts to advise it concerning its obligations, rights and remedies, and shall be entitled to act upon, and shall be fully protected in any action taken in good faith reliance upon, any advice given by such experts. Lender may employ agents and attorneys-in-fact in connection with any matter relating to Letters of Credit or LC Documents, and shall not be liable for the negligence or misconduct of agents and attorneys-in-fact selected with reasonable care.

2.3.2 Reimbursement. If Lender honors any request for payment under a Letter of Credit, Borrower shall pay to Lender, on the same day ("Reimbursement Date"), the amount paid under such Letter of Credit and all applicable fees, together with interest at the interest rate for Revolver Loans from the Reimbursement Date until payment by Borrower. The obligation of Borrower to reimburse Lender for any payment made under a Letter of Credit shall be absolute, unconditional, irrevocable, and joint and several, and shall be paid without regard to any lack of validity or enforceability of any Letter of Credit or the existence of any claim, setoff, defense or other right that Borrower may have at any time against the beneficiary. Whether or not Borrower submits a Notice of Borrowing, Borrower shall be deemed to have requested a Borrowing of Revolver Loans in an amount necessary to pay all amounts due on any Reimbursement Date.

2.3.3 Cash Collateral. If at any time (a) an Event of Default exists, (b) the Commitment Termination Date has occurred, or (c) the Revolver Termination Date is scheduled to occur within twenty (20) Business Days, then Borrower shall, at Lender's request, Cash Collateralize all outstanding Letters of Credit. If Borrower fails to provide any Cash Collateral as required hereunder, Lender may advance, as Revolver Loans, the amount of Cash Collateral required.

SECTION 3. INTEREST, FEES AND CHARGES

3.1. **Interest**.

3.1.1 Rates and Payment of Interest.

(a) The Revolver Loans shall bear interest at a fluctuating rate which is the daily equivalent to a rate equal to the aggregate of: (x) Term SOFR, or in the event that such rate is no longer available or determinable as provided in Section 3.1.1(d) below, the Alternative Rate, plus (y) a per annum rate equal to the Applicable Margin.

(b) The rate of interest payable by Borrower shall be adjusted as of the first day of each Interest Period using the rates set in accordance herewith and the applicable definitions of Term SOFR (or Alternative Rate, if applicable) computed for the applicable Interest Period as provided herein. The interest rate need not and may not necessarily be the lowest or most favorable rate.

(c) In connection with the use or administration of any Alternative Rate (if applicable as provided herein), the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Lender will promptly notify Borrower of the Conforming Changes implemented and the effectiveness thereof in connection with the use or administration of any Alternative Rate (if applicable as provided herein).

(d) In the event that any Change in Law shall at any time after the date hereof, in the reasonable opinion of Lender, make it unlawful for Lender to fund or maintain SOFR Loans, or to continue such funding or maintaining, or to determine or charge interest rates by reference to Term SOFR, Lender shall give notice of such changed circumstances to Borrower, and in the case of any SOFR Loans that are outstanding, such SOFR Loans will be deemed to have been converted to Alternative Rate Loans on the last day of the Interest Period of such SOFR Loans, if Lender may lawfully continue to maintain such SOFR Loans, or immediately, if Lender may not lawfully continue to maintain such SOFR Loans, and thereafter interest upon the SOFR Loans thereafter shall accrue interest at the rate then applicable to Alternative Rate Loans, until Lender determines that it would no longer be unlawful to do so.

(e) During an Insolvency Proceeding with respect to any Obligor, or during any other Event of Default if Lender in its discretion so elects, Loans and Letters of Credit shall bear interest at the Default Rate (whether before or after any judgment). Each Obligor acknowledges that the cost and expense to Lender due to an Event of Default are difficult to ascertain and that the Default Rate is fair and reasonable compensation for this.

(f) Interest shall accrue from the date a Loan is advanced or Obligation is incurred or payable until paid in full by Borrower. Interest accrued on the Loans shall be due and payable in arrears, (i) on the first (1st) day of each month, commencing on September 1, 2026; (ii) on any date of prepayment, with respect to the principal amount of Loans being prepaid; and (iii) unless sooner accelerated in accordance with the provisions of this Agreement, on the Revolver

Termination Date. Interest accrued on any other Obligations shall be due and payable as provided in the Loan Documents and, if no payment date is specified, shall be due and payable **within one Business Day of demand**. Notwithstanding the foregoing, interest accrued at the Default Rate shall be due and payable **on demand**.

3.2. **Fees**. Borrower shall pay to Lender the fees set forth on **Exhibit D** to this Agreement.

3.3. **Computation of Interest, Fees, Yield Protection**. All interest, as well as fees and other charges calculated on a per annum basis, shall be computed for the actual days elapsed, based on a year of 360 days. Each determination by Lender of any interest, fees or interest rate hereunder shall be final, conclusive and binding for all purposes, absent manifest error. All fees shall be fully earned when due and shall not be subject to rebate, refund or proration. All fees payable under **Section 3.2** are compensation for services and are not, and shall not be deemed to be, interest or any other charge for the use, forbearance or detention of money. A certificate as to amounts payable by Borrower under **Section 3.4, 3.7** or **5.9**, submitted to Borrower by Lender shall be final, conclusive and binding for all purposes, absent manifest error, and Borrower shall pay such amounts to the appropriate party within 10 Business Days following receipt of the certificate.

3.4. **Reimbursement Obligations**.

3.4.1 Extraordinary Expenses. Obligors shall pay all Extraordinary Expenses promptly upon request.

3.4.2 Other Expenses. Obligors also shall reimburse Lender for all documented, reasonable out-of-pocket legal, accounting, appraisal, consulting, and other fees, costs and expenses (limited, in the case of legal fees, costs and expenses, to the reasonable and documented fees and out-of-pocket expenses of one counsel to Lender) incurred by it in connection with (a) negotiation and preparation of any Loan Documents, including any amendment or other modification thereof; (b) administration of and actions relating to any Collateral, Loan Documents and transactions contemplated thereby, including, without limitation, any actions taken to perfect or maintain priority of Lender's Liens on any Collateral, to maintain any insurance required hereunder or to verify Collateral; and (c) each inspection, audit or appraisal with respect to any Obligor or Collateral prepared by a third party. Borrower acknowledges that counsel may provide Lender with a benefit (such as a discount, credit or accommodation for other matters) based on counsel's overall relationship with Lender, including fees paid hereunder. All amounts payable by Borrower under this Section shall be due **within five (5) Business Days of demand**.

3.5. **Reserved.**

3.6. **Reserved**.

3.7. **Increased Costs; Capital Adequacy**.

3.7.1 Increased Costs Generally. If any Change in Law shall:

(a) impose, modify or deem applicable any reserve, liquidity, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, Lender;

(b) subject any Recipient to Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes, or (iii) Connection Income Taxes) with respect to any Loan, Letter of Credit, Commitment or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(c) impose on Lender or any interbank market any other condition, cost or expense affecting any Loan, Letter of Credit, Commitment or Loan Document;

and the result in clause (a), (b) or (c) above shall be to increase the cost to Lender of making or maintaining any Loan or Commitment, or converting to or continuing any interest option for a Loan, or to increase the cost to Lender of issuing or maintaining any Letter of Credit (or of maintaining its obligation to issue a Letter of Credit), or to reduce the amount of any sum received or receivable by Lender hereunder (whether of principal, interest or any other amount)

then, upon request by Lender, Borrower will pay to Lender such additional amount or amounts as will compensate Lender for such additional costs incurred or reduction suffered.

3.7.2 Capital Requirements. If Lender determines that a Change in Law affecting Lender or its holding company regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on Lender's or such holding company's capital as a consequence of this Agreement, Commitments, Loans or Letters of Credit to a level below that which Lender or such holding company could have achieved but for such Change in Law (taking into consideration its policies with respect to capital adequacy), then from time to time Borrower will pay to Lender such additional amounts as will compensate it or its holding company for the reduction suffered.

3.7.3 Reserved.

3.7.4 Compensation. Failure or delay on the part of Lender to demand compensation pursuant to this Section shall not constitute a waiver of its right to demand such compensation, but Borrower shall not be required to compensate Lender for any increased costs or reductions suffered more than nine months (plus any period of retroactivity of the Change in Law giving rise to the demand) prior to the date that Lender notifies Borrower of the applicable Change in Law and of Lender's intention to claim compensation therefor.

3.8. **Mitigation**. If Lender requests compensation under **Section 3.7**, or if Borrower is required to pay any Indemnified Taxes or additional amounts under **Section 5.9**, then at the request of Borrower, Lender shall use reasonable efforts to designate a different lending office or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of Lender, such designation or assignment (a) would eliminate the need for such notice or reduce amounts payable or to be withheld in the future, as applicable; and (b) would not subject Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to it or unlawful. Borrower shall pay all reasonable costs and expenses incurred by Lender in connection with any such designation or assignment.

3.9. **Reserved**.

3.10. **Maximum Interest**. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law ("maximum rate"). If Lender shall receive interest in an amount that exceeds the maximum rate, the excess interest shall be applied to the principal of the Obligations, and if it exceeds such unpaid principal, refunded to Borrower. In determining whether the interest contracted for, charged or received by Lender exceeds the maximum rate, Lender may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee or premium rather than interest; (b) exclude voluntary prepayments and the effects thereof; and (c) amortize, prorate, allocate and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

SECTION 4. LOAN ADMINISTRATION

4.1. **Manner of Borrowing and Funding Revolver Loans. Notice of Borrowing.**

(a) Whenever Borrower desires funding of a Revolver Loan, Borrower shall give Lender a Notice of Borrowing. Such notice must be received by Lender by 11:00 a.m. Notices received after such time shall be deemed received on the next Business Day. Each Notice of Borrowing shall be irrevocable and shall specify (A) the amount of the Borrowing and (B) the requested funding date (which must be a Business Day).

(b) Unless payment is otherwise made by Borrower, the becoming due of any Obligations (whether principal, interest, fees or other charges, including Extraordinary Expenses, LC Obligations, Cash Collateral and Bank Product Debt) shall be deemed to be an authorization by the Borrower to make payment thereon as further provided in Section 5.1 below.

(c) If Borrower maintains disbursement account with Lender or any of its Affiliates, then presentation for payment in the account of a Payment Item when there are insufficient funds to cover it shall be deemed to be a request

for a Revolver Loan on the presentation date, in the amount of the Payment Item. Proceeds of the Loan may be disbursed directly to the account.

4.1.2 Notices. Borrower may request, and transfer funds based on telephonic or e-mailed instructions to Lender. Borrower shall confirm each such request by prompt delivery to Lender of a Notice of Borrowing but if it differs materially from the action taken by Lender, the records of Lender shall govern absent manifest error. Lender shall not have any liability for any loss suffered by Borrower as a result of Lender acting upon its understanding of telephonic or e-mailed instructions from a person believed in good faith to be a person authorized to give such instructions on Borrower's behalf, except to the extent resulting from Lender's fraud, gross negligence or willful misconduct.

4.2. **One Obligation**. The Loans, LC Obligations and other Obligations shall constitute one general obligation of Borrower and are secured by Lender's Lien on all Collateral.

4.3. **Effect of Termination**. Until Full Payment of the Obligations, all undertakings of Borrower contained in the Loan Documents shall continue, and Lender shall retain its Liens in the Collateral and all of its rights and remedies under the Loan Documents. Lender shall not be required to terminate its Liens unless it receives Full Payment of the Obligations and termination of the Commitments. **Sections 2.3, 3.4, 3.7, 5.6, 5.9, or 11.3**, this Section, and each indemnity or waiver given by Borrower in any Loan Document, shall survive Full Payment of the Obligations.

SECTION 5. PAYMENTS

5.1. **General Payment Provisions; Charges to Loan Account**. All payments of Obligations shall be made in Dollars, without offset, counterclaim or defense of any kind, free and clear of (and without deduction for) any Taxes, and in immediately available funds, not later than 2:00 p.m. on the due date. Any payment after such time shall be deemed made on the next Business Day. Borrower agrees that Lender (i) shall have the continuing, exclusive right to apply and reapply payments and proceeds of Collateral against Obligations, in such manner as Lender deems advisable, and (ii) is hereby authorized to debit any demand deposit account maintained by Borrower with the Lender on the date then due and payable, the amount of any Obligation then due and payable; provided, however, if there are insufficient funds in any such accounts to make such payment in full, Borrower shall not be relieved of its obligation to make such payment. All payments of principal, interest, fees, expenses and other amounts due and payable under the Loan Documents may be paid first, by charging the Dominion Account of Borrower maintained with Lender, and second, if there are insufficient funds in such account, from the proceeds of Revolver Loans made hereunder whether made following a request by Borrower or a deemed request as provided in this Section. Borrower is hereby irrevocably deemed to request that Lender, and Lender is hereby authorized to, (i) charge the Dominion Account of Borrower maintained with Lender for each payment of principal, interest, fees, expenses and other amounts due and payable under any Loan Document, (ii) subject to the immediately preceding sentence, make a Revolver Loan for the purpose of paying each payment of principal, interest, fees, expenses and other amounts as it becomes due under any Loan Document and agrees that all such amounts charged shall constitute Revolver Loans, and (iii) make a Revolver Loan to preserve or protect the Collateral, or any portion thereof.

5.2. **Repayment of Revolver Loans**. Revolver Loans shall be due and payable in full on the Revolver Termination Date, unless payment is sooner required hereunder. Revolver Loans may be prepaid from time to time, without penalty or premium. If an Overadvance exists at any time, Borrower shall, on the sooner of Lender's demand or the first Business Day after Borrower has knowledge thereof, repay Revolver Loans in an amount sufficient to reduce Revolver Usage to the Borrowing Base. If any asset disposition includes the disposition outside of the ordinary course of business of Accounts, Equipment or Inventory included in the calculation of clause (b) of the Borrowing Base when any Revolver Loans are then outstanding, Borrower shall apply the Net Proceeds from such disposition to repay such Revolver Loans equal to the reduction in Borrowing Base resulting from the disposition.

5.3. **Reserved**.

5.4. **Payment of Other Obligations**. Obligations other than Loans, including Extraordinary Expenses, shall be paid by Borrower as provided in the Loan Documents or, if no payment date is specified, **on demand**.

5.5. **Dominion Account**. Borrower shall maintain Dominion Accounts pursuant to lockbox, if applicable, or other arrangements acceptable to Lender. For the avoidance of doubt, all Dominion Accounts shall be maintained with Lender. Borrower shall take all necessary steps to ensure that from and after the Account Transition Date all checks, drafts, cash and other remittances in payment or on account of Borrowers' accounts, contracts, contract rights, notes, bills, drafts, acceptances, general intangibles, choses in action and all other forms of obligations constituting Collateral are made directly to or deposited into a Dominion Account (or, if applicable, a lockbox relating to a Dominion Account); provided, however, that until the Account Transition Date, the Borrower will transfer at least once per week all such funds in its Deposit Accounts in excess of $1,000,000 in the aggregate (exclusive of any amounts held in (or that would be permitted to be held in) any Excluded Accounts) to the Dominion Account. If Borrower or any Subsidiary receives cash or Payment Items with respect to any Collateral, it shall hold same in trust for Lender and promptly (not later than the next Business Day (or, if prior to the Account Transition Date, not later than the next weekly transfer date) deposit same into a Dominion Account. Any amounts received in the Dominion Account following Full Payment of the Obligations shall be remitted to the operating account designated by the Borrower.

5.6. **Marshaling; Payments Set Aside**. Lender shall have no obligation to marshal any assets in favor of Borrower or against any Obligations. If any payment by or on behalf of Borrower is made to Lender, or Lender exercises a right of setoff, and any of such payment or setoff is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Lender in its discretion) to be repaid to a trustee, receiver or any other Person, then the Obligation originally intended to be satisfied, and all Liens, rights and remedies relating thereto, shall be revived and continued in full force and effect as if such payment or setoff had not occurred.

5.7. **Application of Payments**.

5.7.1 Dominion Account. The ledger balance in the main Dominion Account as of the end of a Business Day shall be applied to the Revolver Loans, if any, at the beginning of the next Business Day. If, a credit balance results from such application, (i) it shall not accrue interest in favor of Borrower, and (ii) such balance shall be transferred to the Borrower's operating account maintained with the Lender on a daily basis unless Lender elects otherwise during the existence of an Event of Default. Lender will use commercially reasonable efforts to provide Borrower notice of any such election; provided, however, that the failure to provide such notice will not invalidate any such election. Notwithstanding anything herein to the contrary, monies and collateral proceeds obtained from an Obligor shall not be applied to repayment of its Excluded Swap Obligations.

5.7.2 Insurance and Condemnation Proceeds. Any net cash proceeds of insurance (other than proceeds from workers' compensation or D&O insurance) with respect to Collateral and of any awards arising from condemnation of any Collateral greater than $50,000.00 received by Borrower shall be paid to Lender (including via deposit in the Dominion Account) within two Business Days of receipt thereof (or, if prior to the Account Transition Date, not later than the next weekly transfer date). Any such proceeds or awards shall be applied to payment of the Revolver Loans, and then to other Obligations, if any, and then released to the Borrower's operating account as (and to the extent) further provided in Section 5.5 and 5.7.1 hereof.

5.8. **Account Stated**. Lender shall maintain, in accordance with customary practices, loan account(s) evidencing the Debt of Borrower hereunder. Any failure of Lender to record anything in a loan account, or any error in doing so, shall not limit or otherwise affect the obligation of Borrower to pay any amount owing hereunder. Entries made in a loan account shall constitute prima facie evidence of the information contained therein, absent manifest error.

5.9. **Taxes**.

5.9.1 Payments Free of Taxes; Obligation to Withhold; Tax Payment.

(a) All payments of Obligations by Obligors shall be made without deduction or withholding for any Taxes, except as required by applicable law. If applicable law (as determined by the applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a Recipient or Obligor, then the Recipient or Obligor shall be entitled to make such deduction or withholding based on information and documentation provided pursuant to this Section.

(b) If a Recipient or Obligor is required by the Code to withhold or deduct Taxes, including backup withholding and withholding taxes, from any payment, then the Recipient or Obligor, to the extent required by applicable law, shall pay the full amount that it determines is to be withheld or deducted to the relevant Governmental Authority pursuant to the Code. If a Recipient or Obligor is required by any applicable law other than the Code to withhold or deduct Taxes from any payment, then the Recipient or Obligor, to the extent required by applicable law, shall timely pay the full amount to be withheld or deducted to the relevant Governmental Authority. In each case, to the extent the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Obligor shall be increased as necessary so that the Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(c) Without limiting the foregoing, Obligors shall timely pay all Other Taxes to the relevant Governmental Authority in accordance with applicable law or, at Lender's option, timely reimburse Lender for payment thereof.

5.9.2 Tax Indemnification. Borrower shall indemnify and hold harmless each Recipient against any Indemnified Taxes (including those imposed or asserted on or attributable to amounts payable under this Section) payable or paid by a Recipient or required to be withheld or deducted from a payment to a Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Borrower shall make payment within 10 days after demand for any amount or liability payable under this Section. A certificate delivered to Borrower by Lender (for itself or on behalf of a Recipient) as to the amount of such payment or liability, shall be conclusive absent manifest error.

5.9.3 Evidence of Payments. If Lender or an Obligor pays any Taxes pursuant to this Section, then upon request, Lender or Borrower, as applicable, shall deliver to the other a copy of a receipt issued by the appropriate Governmental Authority evidencing the payment, a copy of any return required by applicable law to report the payment, or other evidence of payment reasonably satisfactory to the requesting party.

5.9.4 Treatment of Certain Refunds. If Lender determines in its discretion exercised in good faith that it or another Recipient has received a refund of any Taxes that were indemnified by Borrower or with respect to which Borrower paid additional amounts pursuant to this Section, Lender shall pay or shall cause the other Recipient to pay to Borrower the amount of such refund, plus the reduction in Taxes arising out of the deduction of the refund payment (but only to the extent of indemnity payments made, or additional amounts paid, by Borrower with respect to the Taxes giving rise to the refund), net of all out-of-pocket expenses, including Taxes incurred by the Recipient and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Borrower shall, upon request by Lender, repay to the Recipient any refund amount so paid over to Borrower (plus any interest or other charges imposed by the relevant Governmental Authority) if the Recipient is required to repay such refund to the Governmental Authority. Notwithstanding anything herein to the contrary, no Recipient shall be required to pay any amount to Borrower to the extent that such payment would place the Recipient in a less favorable net after-Tax position than it would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. In no event shall any Recipient be required to make its tax returns (or any other information relating to its taxes that it deems confidential) available to Borrower or other Person.

5.9.5 Status of Lender. If Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments of Obligations, it shall deliver to Borrower properly completed and executed documentation reasonably requested by Borrower as will permit such payments to be made without or at a reduced rate of withholding. In addition, Lender, if requested by Borrower, shall deliver such other documentation prescribed by applicable law as is necessary to enable Borrower to determine whether Lender is subject to backup withholding or information reporting requirements. Notwithstanding the foregoing, such documentation (other than the documentation set forth in Section 5.9.6) shall not be required if Lender believes delivery of the documentation would subject it to any material unreimbursed cost or expense or would materially prejudice its legal or commercial position.

5.9.6 Documentation. Without limiting the foregoing, (i) if Lender is a United States Person, Lender shall deliver to Borrower, from time to time upon request, executed originals of IRS Form W-9, certifying that Lender is exempt from U.S. federal backup withholding Tax, and (ii) if Lender is not a United States Person, Lender shall deliver to Borrower, from time to time upon request, executed originals of an appropriate IRS Form W-8 (together with any

required supporting documentation) establishing an exemption from, or reduction of, U.S. federal withholding Tax, to the extent Lender is legally entitled to do so, as applicable. If payment of any Obligation to Lender would be subject to U.S. federal withholding Tax imposed by FATCA if Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code), Lender shall deliver to Borrower at the time(s) prescribed by law and otherwise as requested by Borrower such documentation prescribed by applicable law (including Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower as may be necessary for Borrower to comply with its obligations under FATCA and to determine that Lender has complied with its obligations under FATCA or to determine the amount to deduct and withhold from such payment. If any form or certification delivered by Lender pursuant to this Section expires or becomes obsolete or inaccurate in any respect, Lender shall update the form or certification or notify Borrower in writing of its inability to do so.

5.9.7 Survival. Each party's obligations under this **Section 5.9** shall survive any assignment by Lender of rights or obligations hereunder, termination of the Commitments, and any repayment, satisfaction, discharge or Full Payment of any Obligations.

5.10. **Borrower's Waivers**.

5.10.1 Waivers.

(a) Borrower expressly waives all rights that it may have now or in the future under any statute, at common law, in equity or otherwise, to compel Lender to marshal assets or to proceed against Borrower, other Person or security for the payment or performance of any Obligations before, or as a condition to, proceeding against Borrower. Borrower waives all defenses available to a surety, guarantor or accommodation co-obligor other than performance or Full Payment of Obligations and waives, to the maximum extent permitted by law, any right to revoke any guaranty of Obligations as long as it is a Borrower. It is agreed between Borrower and Lender that the provisions of this **Section 5.10** are of the essence of the transaction contemplated by the Loan Documents and that, but for such provisions, Lender would decline to make Loans and issue Letters of Credit. Borrower acknowledges that its undertaking pursuant to this Section is necessary to the conduct and promotion of its business, and can be expected to benefit such business.

(b) Lender may, in its discretion, pursue such rights and remedies as it deems appropriate after the occurrence and prior to the Lender's written waiver of an Event of Default, including realization upon Collateral by judicial foreclosure or non-judicial sale or enforcement, without affecting any rights and remedies under this **Section 5.10**. If, in taking any such action in connection with the exercise of any rights or remedies, Lender shall forfeit any other rights or remedies, including the right to enter a deficiency judgment against Borrower or other Person, whether because of any applicable laws pertaining to "election of remedies" or otherwise, Borrower consents to such action and waives any claim based upon it, even if the action may result in loss of any rights of subrogation that Borrower might otherwise have had. Any election of remedies that results in denial or impairment of the right of Lender to seek a deficiency judgment against Borrower shall not impair Borrower's obligation to pay the full amount of the Obligations. Borrower waives all rights and defenses arising out of an election of remedies, such as non-judicial foreclosure with respect to any security for Obligations, even though that election of remedies destroys Borrower's rights of subrogation against any other Person. Lender may bid Obligations, in whole or part, at any foreclosure, trustee or other sale, including any private sale, and the amount of such bid need not be paid by Lender but shall be credited against the Obligations. The amount of the successful bid at any such sale, whether Lender or any other Person is the successful bidder, shall be conclusively deemed to be the fair market value of the Collateral, and the difference between such bid amount and the remaining balance of the Obligations shall be conclusively deemed to be the amount of the Obligations guaranteed under this **Section 5.10**, notwithstanding that any present or future law or court decision may have the effect of reducing the amount of any deficiency claim to which Lender might otherwise be entitled but for such bidding at any such sale.

(c) Each Obligor that is a Qualified ECP when its guaranty of or grant of Lien as security for a Swap Obligation becomes effective hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Obligor with respect to such Swap Obligation as may be needed by such Specified Obligor from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP's obligations and undertakings under this **Section 5.10** voidable under any applicable

fraudulent transfer or conveyance act). The obligations and undertakings of each Qualified ECP under this Section shall remain in full force and effect until Full Payment of the Obligations. Each Obligor intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support or other agreement" for the benefit of, each Obligor for all purposes of the Commodity Exchange Act.

5.10.2 Subordination. Borrower hereby subordinates any claims, including any rights at law or in equity to payment, subrogation, reimbursement, exoneration, contribution, indemnification or set off, that it may have at any time against any other Obligor, howsoever arising, to the Full Payment of its Obligations.

SECTION 6. CONDITIONS PRECEDENT

6.1. **Conditions Precedent to Initial Loans**. In addition to the conditions set forth in **Section 6.2**, Lender shall not be required to fund any requested Loan, issue any Letter of Credit or otherwise extend credit to Borrower hereunder, until the date ("Closing Date") that each of the conditions precedent set forth on **Exhibit C** has been satisfied.

6.2. **Conditions Precedent to All Credit Extensions**. Lender shall not be required to fund any Loans or issue any Letters of Credit unless the following conditions are satisfied:

(a) No Default or Event of Default shall exist at the time of, or result from, such funding, issuance or grant;

(b) The representations and warranties of each Borrower and Guarantor in the Loan Documents shall be true and correct in all material respects on the date of, and upon giving effect to, such funding, issuance or grant (except for representations and warranties that expressly relate to an earlier date);

(c) No event shall have occurred or circumstance exist that has or could reasonably be expected to have a Material Adverse Effect; and

(d) With respect to issuance of a Letter of Credit, the LC Conditions shall be satisfied.

Each request (or deemed request) by Borrower for funding of a Loan or issuance of a Letter of Credit shall constitute a representation by Borrower that the foregoing conditions are satisfied on the date of such request and on the date of such funding, issuance or grant. As an additional condition to any funding, issuance or grant, Lender shall have received such other information, documents, instruments and agreements as it deems appropriate in connection therewith in its Permitted Discretion.

SECTION 7. COLLATERAL

7.1. **Grant of Security Interest**. To secure the prompt payment and performance of the Obligations, each Obligor hereby grants to Lender, on behalf of itself and the other Secured Parties, a continuing security interest in and Lien upon all Property of Borrower, including, without limitation, all of the following Property, whether now owned or hereafter acquired, and wherever located: (a) all Accounts; (b) all Chattel Paper, including Electronic Chattel Paper; (c) all Commercial Tort Claims, including those, if any, shown on **Schedule 8.1.15**; (d) all Deposit Accounts; (e) all Loan Documents; (f) all General Intangibles, including Intellectual Property; (g) all Goods, including Inventory, Equipment and Fixtures; (h) all Instruments; (i) all Investment Property; (j) all Letter-of-Credit Rights; (k) all Supporting Obligations; (l) all monies, whether or not in the possession or under the control of Lender, or a bailee or Affiliate of Lender, including any Cash Collateral; (m) all accessions to, substitutions for, and all replacements, products, and cash and non-cash proceeds of the foregoing, including proceeds of and unearned premiums with respect to insurance policies, and claims against any Person for loss, damage or destruction of any Collateral; and (n) all books and records (including customer lists, files, correspondence, tapes, computer programs, print-outs and computer records) pertaining to the foregoing; provided, however, that the Collateral shall not include, the security interest granted hereunder shall not attach to, and no representation, warranty or covenant contained in this Section 7 shall apply to, any Excluded Assets, and if and when any property or assets cease to be an Excluded Asset, a Lien on and

security interest in such property shall be deemed granted therein and the provisions of this Section 7 shall apply to such property, as applicable.

7.2. **Lien on Deposit Accounts; Cash Collateral**.

7.2.1 Deposit Accounts. To further secure the prompt payment and performance of the Obligations, Borrower hereby grants to Lender a continuing security interest in and Lien upon all amounts credited to any Deposit Account of Borrower, including sums in any blocked, lockbox, sweep or collection account, but excluding any Excluded Assets. Borrower hereby authorizes and directs each bank or other depository to deliver to Lender, upon request, all balances in any Deposit Account (other than any Excluded Account) maintained for Borrower, without inquiry into the authority or right of Lender to make such request, as further provided in the Deposit Account Control Agreement applicable thereto.

7.2.2 Cash Collateral. Cash Collateral may be invested, at Lender's discretion (and with the consent of Borrower, as long as no Event of Default exists), but (unless otherwise agreed with the Borrower in writing) Lender shall have no duty to do so, regardless of any course of dealing with Borrower. As security for its Obligations, Borrower hereby grants to Lender a security interest in and Lien upon all Cash Collateral held from time to time and all proceeds thereof, whether held in a Cash Collateral Account or otherwise. Lender may apply Cash Collateral to the payment of Obligations as they become due, in such order as Lender may elect. Each Cash Collateral Account and all Cash Collateral shall be under the sole dominion and control of Lender, and neither Borrower nor any other Person shall have any right to any Cash Collateral, until Full Payment of the Obligations.

7.3. [Reserved].

7.4. **Other Collateral**.

7.4.1 Commercial Tort Claims. Borrower shall promptly notify Lender in writing if Borrower has a Commercial Tort Claim (other than, as long as no Event of Default exists, a Commercial Tort Claim where the amount of cash damages reasonably expected to be realized by the applicable Obligor is less than $100,000), which notice shall be deemed to supplement **Schedule 8.1.15** to include such claim, and shall take such actions as Lender deems appropriate to subject such claim to a duly perfected, first priority (subject to Permitted Liens) Lien in favor of Lender.

7.4.2 Certain After Acquired Collateral. Borrower shall promptly notify Lender in writing if, after the Closing Date, Borrower obtains any interest in any Collateral consisting of Deposit Accounts, Tangible Chattel Paper, negotiable Documents, Instruments, material Intellectual Property, certificated Investment Property or Letter-of-Credit Rights (in each case (other than with respect to Deposit Accounts), except any such Collateral having a value not in excess of $100,000) and, upon Lender's request, shall promptly take such actions as Lender deems appropriate to effect Lender's duly perfected, first priority (subject to Permitted Liens) Lien upon such Collateral, including using commercially reasonable efforts to obtain any appropriate possession, control agreement or Lien Waiver. If any Collateral included in the Borrowing Base is in the possession of a third party, at Lender's request, Borrower shall use commercially reasonable efforts to obtain an acknowledgment that such third party holds the Collateral for the benefit of Lender.

7.5. **Limitations**. The Lien on Collateral granted hereunder is given as security only and shall not subject Lender to, or in any way modify, any obligation or liability of Borrower relating to any Collateral. In no event shall the grant of any Lien under any Loan Document secure an Excluded Swap Obligation of the granting Borrower.

7.6. **Further Assurances; Extent of Liens**. All Liens granted to Lender under the Loan Documents are for the benefit of Secured Parties. Promptly upon request, Borrower shall deliver such instruments and agreements, and shall take such actions, as Lender deems appropriate under applicable law to evidence or perfect its Lien on any Collateral, or otherwise to give effect to the intent of this Agreement. Borrower authorizes Lender to file any financing statement that describes the Collateral as "all assets" or "all personal property" of Borrower, or words to similar effect, and ratifies any proper and lawful action taken by Lender before the Closing Date to effect or perfect its Lien on any Collateral.

7.7. **Termination**.

7.7.1 The Lien and security interest created hereby will automatically terminate and be released upon Full Payment of the then outstanding Obligations and termination of the Commitments.

7.7.2 The Lien and security interest on any Collateral shall be automatically released upon (i) such Collateral becoming an Excluded Asset or (ii) a Disposition of such Collateral pursuant to a sale, transfer or other disposition permitted hereunder.

7.7.3 Upon any such termination or release pursuant to the preceding paragraphs, the Liens on the Collateral granted hereunder shall automatically be released without further action of Lender, and Lender will, upon Borrower's request and at Borrower's expense, promptly execute and deliver to Borrower (or its designee) UCC termination statements and such other documentation as Borrower may reasonably request to evidence such termination and release and take all other actions (including return of any Collateral) reasonably requested by Borrower, at Borrower's expense, in connection with such release, including authorizing Borrower or its representative to file any UCC amendment or termination statements with respect to such release. Any execution and delivery of documents pursuant to this Section 7.7.3 shall be without recourse to or warranty by Lender.

SECTION 8. REPRESENTATIONS AND WARRANTIES

8.1. **General Representations and Warranties**. To induce Lender to enter into this Agreement and to make available the Commitments and Loans, each Obligor represents and warrants to Lender, as of the Closing Date and as of the date of the making of each Loan at Borrower's request pursuant to a Notice of Borrowing and of the issuance, extension, renewal or increase of each Letter of Credit that:

8.1.1 Organization and Qualification. Each Obligor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Each Obligor is duly qualified, authorized to do business and in good standing as a foreign limited liability company or corporation in each jurisdiction where failure to be so qualified could reasonably be expected to have a Material Adverse Effect. As of the Closing Date, the information included in the Beneficial Ownership Certification delivered by or on behalf of the Borrower to Lender is true and correct in all respects.

8.1.2 Power and Authority. Each Obligor is duly authorized to execute, deliver and perform its obligations under the Loan Documents. The execution, delivery and performance of the Loan Documents by each Obligor have been duly authorized by all necessary corporate action, and do not (a) require any consent or approval of any holders of Equity Interests of any Obligor, except those already obtained; (b) contravene the Organic Documents of any Obligor; (c) violate or cause a default under any applicable law in any material respect or Material Contract; or (d) result in or require the imposition of a Lien (other than Permitted Liens) on any Obligor's Property.

8.1.3 Enforceability. Each Loan Document to which an Obligor is a party is a legal, valid and binding obligation of each Obligor party thereto, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and principles of good faith and fair dealing.

8.1.4 Capital Structure. (a) **Schedule 8.1.4** shows, for each Obligor, its name, jurisdiction of organization, and authorized and issued Equity Interests. (b) The Borrower has no Subsidiaries. Except as disclosed on **Schedule 8.1.4**, in the five years preceding the Closing Date, no Obligor has acquired any substantial assets from any other Person nor been the surviving entity in a merger or combination.

8.1.5 Title to Properties; Priority of Liens. Each Obligor has good and marketable title to (or valid leasehold interests in) all of its Real Property, and has good title to all of its personal Property, including all Property reflected in any financial statements delivered to Lender, in each case free of Liens except Permitted Liens. Each Obligor has paid and discharged all lawful claims that, if unpaid, could reasonably be expected to become a Lien on its Properties, other than Permitted Liens. All Liens of Lender in the Collateral are duly perfected, first priority Liens, subject only to Permitted Liens that are expressly allowed to have priority over Lender's Liens.

8.1.6 Accounts. Lender may rely, in determining which Accounts are Eligible Accounts, on all statements and representations made by Borrower with respect thereto. Borrower warrants, with respect to each Account at the time it is shown as an Eligible Account in a Borrowing Base Certificate, that: (a) it is genuine and enforceable in accordance with its terms (except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and principles of good faith and fair dealing) and is not evidenced by a judgment; (b) it arises out of a completed, bona fide sale and delivery of goods or rendition of services in the Ordinary Course of Business, and substantially in accordance with any purchase order, contract or other document relating thereto; (c) it is for a sum certain, maturing as stated in the invoice covering such sale or rendition of services, a copy of which has been furnished or is available to Lender on request; (d) it is not subject to any offset, Lien (other than Lender's Lien), deduction, defense, dispute, counterclaim or other adverse condition except as arising in the Ordinary Course of Business and disclosed to Lender; (e) no purchase order, agreement, document or applicable law restricts assignment of the Account to Lender (except to the extent, under the UCC, the restriction is ineffective); and (f) no extension, compromise, settlement, modification, credit, deduction or return has been authorized with respect to the Account, except discounts or allowances granted in the Ordinary Course of Business for prompt payment that are reflected on the face of the invoice related thereto and in the reports submitted to Lender hereunder, in each case as and to the extent required by the definition of Borrowing Base (including the component definitions thereof).

8.1.7 Financial Statements. The consolidated balance sheets, and related statements of income, cash flow and shareholders' equity, of Borrower and each Subsidiary that have been and are hereafter delivered by or on behalf of Borrower to Lender, are prepared in accordance with GAAP (except as otherwise expressly noted therein and subject, in the case of any unaudited financial statements, to changes resulting from normal year-end adjustments and the absence of footnotes), and fairly present in all material respects the financial positions and results of operations of Borrower and each Subsidiary at the dates and for the periods indicated. All projections delivered by Borrower from time to time to Lender in accordance herewith have been prepared in good faith, based on assumptions believed to be reasonable in light of the circumstances at such time (it being recognized by Lender that such projections are not to be viewed as facts, are subject to significant uncertainties and contingencies, many of which are beyond the Obligors' control, and that no assurance can be given that any particular projections will be realized, actual results during the period or periods covered by any such projections and forecasts may differ materially from projected or forecasted results). Since June 30, 2026, there has been no change in the condition, financial or otherwise, of Borrower or any Subsidiary that could reasonably be expected to have a Material Adverse Effect. Borrower and each Subsidiary is Solvent.

8.1.8 Surety Obligations. No Obligor is obligated as surety or indemnitor under any bond or other contract that assures payment or performance of any obligation of any Person, except as permitted hereunder.

8.1.9 Taxes. Each Obligor has filed all material federal, state and local tax returns and other reports that it is required by law to file, and has paid, or made provision for the payment of, all material Taxes upon it, its income and its Properties that are due and payable, except to the extent being Properly Contested.

8.1.10 Brokers. There are no brokerage commissions, finder's fees or investment banking fees payable in connection with any transactions contemplated by the Loan Documents.

8.1.11 Intellectual Property. Each Obligor owns or has the lawful right to use all Intellectual Property necessary for the conduct of its business, without conflict in any material respect with any rights of others. Except as disclosed on **Schedule 8.1.11**, no Obligor pays or owes any Royalty to any Person with respect to any Intellectual Property. All material Intellectual Property owned or registered by Obligor is shown on **Schedule 8.1.11**.

8.1.12 Governmental Approvals. Except as could not reasonably be expected to have a Material Adverse Effect, each Obligor has, is in compliance with, and is in good standing with respect to, all Governmental Approvals necessary to conduct its business and to own, lease and operate its Properties.

8.1.13 Compliance with Laws. Each Obligor has duly complied, and its Properties and business operations are in compliance, in all material respects with all applicable law, except where noncompliance could not reasonably be expected to have a Material Adverse Effect. There have been no citations, notices or orders of material noncompliance issued to an Obligor under any applicable law. Except as disclosed on **Schedule 8.1.13**, no Obligor's past or present

operations, Real Estate or other Properties are subject to any federal, state or local investigation to determine whether any remedial action is needed to address any material environmental pollution, hazardous material or environmental clean-up. No Obligor has received any Environmental Notice. No Obligor has any material contingent liability with respect to any Environmental Release, environmental pollution or hazardous material on any Real Estate now or previously owned, leased or operated by it.

8.1.14 Burdensome Contracts. No Obligor is party or subject to any Restrictive Agreement, except as shown on **Schedule 8.1.14** or as could not reasonably be expected to have a Material Adverse Effect. No Restrictive Agreement prohibits the execution, delivery or performance of any Loan Document by an Obligor.

8.1.15 Litigation. Except as shown on **Schedule 8.1.15**, there are no proceedings or investigations pending or, to Obligor's knowledge, threatened against any Obligor, or any of their businesses, operations, Properties, prospects or conditions, that (a) relate to any Loan Documents or transactions contemplated thereby; or (b) could reasonably be expected to have a Material Adverse Effect if determined adversely to Obligor. Except as shown on **Schedule 8.1.15** or notified from time to time to Lender in writing, no Obligor has a Commercial Tort Claim (other than, as long as no Event of Default exists, a Commercial Tort Claim where the amount of cash damages reasonably expected to be realized by the applicable Obligor is less than $100,000). Except as could not reasonably be expected to have a Material Adverse Effect, no Obligor is in default with respect to any order, injunction or judgment of any Governmental Authority.

8.1.16 No Defaults. No event or circumstance has occurred or exists that constitutes a Default or Event of Default. No Obligor is in default, and no event or circumstance has occurred or exists that with the passage of time or giving of notice would constitute a default, under any Material Contract or allow termination of any Material Contract.

8.1.17 ERISA. Except as disclosed on **Schedule 8.1.17**:

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code, and other federal and state laws. Each Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto and, to the knowledge of Obligor, nothing has occurred which would prevent, or cause the loss of, such qualification. Each Obligor and ERISA Affiliate has met all applicable requirements under the Code, ERISA and the Pension Protection Act of 2006, and no application for a waiver of the minimum funding standards or an extension of any amortization period has been made with respect to any Plan.

(b) There are no pending or, to the knowledge of Obligor, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted in or could reasonably be expected to have a Material Adverse Effect.

(c) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) no Pension Plan has any Unfunded Pension Liability; (iii) no Obligor or ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) no Obligor or ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan; (v) no Obligor or ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA; and (vi) as of the most recent valuation date for any Pension Plan or Multiemployer Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is at least 60%, and no Obligor or ERISA Affiliate knows of any fact or circumstance that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of such date, in each case of item (i) through (vi), except as would not reasonably be expected to result in a Material Adverse Effect.

(d) With respect to any Foreign Plan, (i) all employer and employee contributions required by law or by the terms of the Foreign Plan have been made, or, if applicable, accrued, in accordance with normal accounting practices; (ii) the fair market value of the assets of each funded Foreign Plan, the liability of each insurer for any Foreign Plan funded through insurance, or the book reserve established for any Foreign Plan, together with

any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations with respect to all current and former participants in such Foreign Plan according to the actuarial assumptions and valuations most recently used to account for such obligations in accordance with applicable generally accepted accounting principles; and (iii) it has been registered as required and has been maintained in good standing with applicable regulatory authorities, in each case of item (i) through (iii), except as would not reasonably be expected to result in a Material Adverse Effect.

8.1.18 Trade Relations. Except as could not reasonably be expected to have a Material Adverse Effect, there exists no actual or threatened termination, limitation or modification of any business relationship between Obligor and any customer or supplier, or any group of customers or suppliers, who individually or in the aggregate are material to the business of Obligor.

8.1.19 Labor Relations. Except as notified to Lender from time to time, no Obligor is party to or bound by any collective bargaining agreement. Except as could not reasonably be expected to have a Material Adverse Effect, there are no material grievances, disputes or controversies with any union or other organization of any Obligor's employees, or, to Obligor's knowledge, any asserted or threatened strikes, work stoppages or demands for collective bargaining.

8.1.20 Payable Practices. No Obligor has made any material change in its historical accounts payable practices from those in effect on the Closing Date, except in accordance with GAAP.

8.1.21 Not a Regulated Entity. No Obligor is an "investment company" or a "person directly or indirectly controlled by or acting on behalf of an investment company" within the meaning of the Investment Company Act of 1940.

8.1.22 Margin Stock. No Obligor is engaged, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No Loan proceeds will be used by Obligor to purchase or carry, or to reduce or refinance any Debt incurred to purchase or carry, any Margin Stock or for any related purpose governed by Regulations T, U or X of the Board of Governors.

8.1.23 OFAC. No Obligor or, to the knowledge of any Obligor, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity currently the subject of any Sanctions.

8.1.24 Deposit Accounts. **Schedule 8.1.24** sets forth all Deposit Accounts maintained by Obligors, including all Dominion Accounts, as updated from time to time by the Borrower.

8.1.25 Eligible Lease Receivables. With respect to the Eligible Lease Receivables, unless otherwise disclosed to the Lender in writing, each Lease receivable that is identified by Borrower as Eligible Lease Receivables is not excluded as ineligible by virtue of one or more of the excluding criteria (other than any Lender-discretionary criteria) set forth in the definition of Eligible Lease Receivables.

8.2. **Complete Disclosure**. No written information (other than projections or pro forma financial information, which are addressed in Section 8.1.7 and, with respect to any information of a general economic or industry nature, to the Borrower's knowledge) provided by or on behalf of any Obligor in connection with the Loan Documents, when taken as a whole, contains any untrue statement of a material fact, nor fails to disclose any material fact necessary to make the statements contained therein not materially misleading in light of the circumstances under which they were made (after giving effect to all modifications and supplements thereto). There is no fact or circumstance that any Obligor has failed to disclose to Lender in writing that could reasonably be expected to have a Material Adverse Effect.

SECTION 9. COVENANTS AND CONTINUING AGREEMENTS

9.1. **Affirmative Covenants**. As long as any Commitment or Obligations are outstanding, except as otherwise agreed in writing by Lender, Borrower shall, and shall cause each Subsidiary to:

9.1.1 Inspections; Appraisals.

(a) Permit Lender from time to time, subject (except when a Default or Event of Default exists) to reasonable prior notice and normal business hours, to visit and inspect the Properties of Borrower or any Subsidiary, inspect, audit and make extracts from Borrower's or any Subsidiary's books and records, to conduct appraisal of the Collateral, and discuss with its officers, employees and independent accountants (if any), subject to any such accountants' customary policies and procedures), Borrower's or such Subsidiary's business, financial condition, assets, prospects and results of operations; provided that Lender shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent public accountants. Lender shall not have any duty to Borrower to make any inspection and Borrower acknowledges that all inspections, appraisals and reports are prepared by Lender for its purposes, and Borrower shall not be entitled to rely upon them. Borrower shall also permit the Lender to arrange for verification of Eligible Lease Receivables, under reasonable procedures mutually agreed between them. Lender shall not exercise such inspection and examination rights more than one time per Loan Year unless an Event of Default has occurred and is continuing.

(b) Reimburse Lender for all its reasonable and documented out-of-pocket charges, costs and expenses in connection with such inspections or examinations provided in clause (a) above; provided, however, that, if no Event of Default has occurred and is continuing, only one (1) time per Loan Year will be at Obligors' expense; provided, however, that if an examination is initiated during the existence of an Event of Default, all reasonable and documented out-of-pocket charges, costs and expenses therefor shall be reimbursed by Borrower without regard to such limits. Subject to and without limiting the foregoing, Borrower agrees to pay Lender's then standard charges for examination activities (which are currently $1,200 per person per day), including the standard charges of Lender's internal examination group, as well as the charges of any third party used for such purposes.

9.1.2 Financial and Other Information. Keep adequate records and books of account with respect to its business activities, in which proper entries are made in accordance with GAAP in all material respects and reflecting all material financial transactions; and furnish (or make available) to Lender all financial statements, reports and other items set forth on **Exhibit E** no later than the time specified therein (or such later date approved by Lender from time to time).

Anything to the contrary notwithstanding, nothing in this Agreement or any other Loan Document will require the Borrower or any Subsidiary to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter, or provide information (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure is prohibited by Law or binding agreement or (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product.

9.1.3 Collateral Reporting. Provide (or make available) to Lender each certificate, report or schedule set forth on **Exhibit F** attached hereto no later than the times specified therein (or at such later date approved by Lender from time to time).

9.1.4 Notices. Notify Lender in writing, promptly after Borrower's obtaining knowledge thereof, of any of the following that affects an Obligor: (a) the threat or commencement of any proceeding or investigation, whether or not covered by insurance, if an adverse determination could reasonably be expected to have a Material Adverse Effect; (b) any pending or threatened labor dispute, strike or walkout, or the expiration of any material labor contract; (c) any default under or termination of a Material Contract; (d) the existence of any Default or Event of Default; (e) any judgment in an amount exceeding $100,000; (f) any violation or asserted violation of any applicable law (including ERISA, OSHA, FLSA, or any Environmental Laws), if an adverse resolution could have a Material Adverse Effect; or (g) the occurrence of any ERISA Event that would reasonably be expected to result in material liability to the Obligor.

9.1.5 Compliance with Laws. Comply with all applicable laws, including ERISA, Environmental Laws, FLSA, OSHA, Anti-Terrorism Laws, and laws regarding collection and payment of Taxes, and maintain all Governmental Approvals necessary to the ownership of its Properties or conduct of its business, unless failure to comply (other than failure to comply with Anti-Terrorism Laws) or maintain could not reasonably be expected to have a Material Adverse Effect.

9.1.6 Taxes. Pay and discharge all material Taxes for which it is liable hereunder prior to the date on which they become delinquent or penalties attach, unless such Taxes are being Properly Contested. If an Event of Default has occurred and is continuing and an Account of Borrower includes a charge for any Taxes, Lender is authorized, in its discretion, to pay the amount thereof to the proper taxing authority for the account of Borrower and to charge Borrower therefor; provided, however, that Lender shall not be liable for any Taxes that may be due from Borrower or with respect to any Collateral.

9.1.7 Insurance.

(a) Maintain insurance with respect to the Collateral, covering casualty, hazard, theft, malicious mischief, flood and other risks, in amounts, with endorsements and with insurers (with a Best Rating of at least A+, unless otherwise approved by Lender in its discretion) satisfactory to Lender. From time to time upon request, Borrower shall deliver to Lender the originals or certified copies of its insurance policies and updated flood plain searches. Unless Lender shall agree otherwise, commencing 60 days after the Closing Date (or such later date as Lender may agree), each policy shall include satisfactory endorsements (i) showing Lender as lender's loss payee; and (ii) requiring thirty (30) days prior written notice to Lender in the event of cancellation of the policy for any reason whatsoever (or ten (10) days prior written notice in the event of non-payment). If Borrower fails to provide and pay for any insurance, Lender may, at its option, but shall not be required to, procure the insurance and charge Borrower therefor. Borrower agrees to deliver to Lender, promptly upon request, copies of all reports made to insurance companies.

(b) [Reserved].

9.1.8 Licenses. Keep each material License affecting any Collateral (including the manufacture, distribution or disposition of Inventory) or any other material Property of Borrower and its Subsidiaries in full force and effect and pay all Royalties when due and payable.

9.1.9 Deposit Accounts**;** Depository Bank. Within 60 days following the later of the Closing Date and the date of opening such account (or, in each case, such later date as approved by Lender), take all actions necessary to establish Lender's "control" (within the meaning of Section 9-104 of the UCC) of each such Deposit Account (other than any Excluded Accounts). Borrower shall be the sole account holder of each Deposit Account and shall not enter into any agreement granting any other Person (other than Lender) control over a Deposit Account or any Property deposited therein. Borrower shall promptly notify Lender of any opening or closing of a Deposit Account and, with the consent of Lender, will amend ***Schedule 8.1.24*** to reflect same. By the date that is 60 days following the Closing Date (or such later date as approved by Lender) (such date, the "Account Transition Date"), Borrower also shall maintain Lender as its principal depository bank, including for the maintenance of all primary operating, collection, disbursement and other deposit accounts and for all primary Cash Management Services.

9.1.10 Other Collateral Covenants. Comply with the following additional covenants related to Collateral:

(a) All tangible items of Collateral constituting Inventory or Equipment, other than Inventory or Equipment in transit, having a value in excess of $25,000 shall at all times be kept by Borrower at the business locations set forth in **Schedule 9.1.10**, except that Borrower may (i) make sales or other dispositions of Collateral in accordance with **Section 9.2.6**; and (ii) move a material amount of Collateral to another location in the United States, upon prior written notice to Lender.

(b) Whether or not an Event of Default has occurred and is continuing, Lender shall have the right at any time, in the name of Lender, any designee of Lender or Borrower, to verify the validity, amount or any other matter relating to any Accounts of Borrower by mail, telephone or otherwise. Borrower shall use commercially reasonable efforts to cooperate fully with Lender in an effort to facilitate and promptly conclude any such verification process.

(c) All expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping any Collateral, all Taxes payable with respect to any Collateral (including any sale thereof), and all other payments required to be made by Lender to any Person to realize upon any Collateral, shall be borne and paid by Borrower. Lender shall not be liable or responsible in any way for the safekeeping of any Collateral, for any loss or damage thereto (except for reasonable care in its custody while Collateral is in Lender's actual possession), for any diminution

in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency or other Person whatsoever, but the same shall be at Borrower's sole risk.

(d) Borrower shall use commercially reasonable efforts to defend its title to Collateral and Lender's Liens therein against all Persons, claims and demands, except Permitted Liens.

(e) Borrower shall ensure that the Equipment is mechanically and structurally sound, and capable of performing the functions for which it was designed, in accordance with manufacturer specifications, in each case except as permitted under Section 9.2.6.

(f) Upon request, Borrower shall provide Lender with copies of all existing agreements between an Obligor and any landlord, warehouseman, processor, shipper, bailee or other Person that owns any premises at which any Collateral included in the Borrowing Base with a value exceeding $100,000 may be kept.

(g) Borrower shall use, store and maintain all Inventory and Equipment constituting Collateral with reasonable care and caution, in all material respects in accordance with applicable standards of any insurance and in conformity with all applicable law, and shall make current rent payments (within applicable grace periods provided for in leases) at all locations where any Collateral is located except to the extent Properly Contested.

9.1.11 Schedules. Concurrently with the delivery of each quarterly and annual Compliance Certificate required in Exhibit E, update **Schedule 8.1.11, Schedule 8.1.13, Schedule 8.1.14, and Schedule 8.1.15**, as necessary in writing to make such Schedule fully accurate and complete in all material respects as of the last day of the fiscal quarter covered thereby (or confirming that there has been no change in such information since the later of the Closing Date or the date of the last such Compliance Certificate); provided, that, no such written update shall, or shall be deemed to waive any Default, Event of Default or other breach or violation of this Agreement arising from the information, fact or circumstance disclosed in any such update.

9.1.12 Additional Subsidiaries. With respect to each Person which becomes a domestic Subsidiary after the date hereof, within thirty (30) days (or such longer period as Lender may agree to in writing) after the date such Person is created or otherwise becomes a domestic Subsidiary (whichever first occurs), cause such new Subsidiary to execute and deliver to Lender, at Lender's request, (i) a joinder agreement whereby such domestic Subsidiary becomes obligated as Borrower under this Agreement, (ii) a joinder agreement whereby such domestic Subsidiary becomes a party under all other Loan Documents and (iii) such other authority documentation and opinions and related certifications as Lender may otherwise request in its reasonable discretion.

9.1.13 Minimum Deposit Requirement. Within 5 Business Days after the Closing Date, the Borrower shall deposit with the Lender not less than $5,000,000 in cash and Cash Equivalents. Thereafter, the Borrower shall maintain with the Lender not less than $3,000,000.00 in cash and Cash Equivalents until the Borrower timely delivers to the Lender a Compliance Certificate (required pursuant to Exhibit E (Financial Reporting), paragraph (a)) for the Fiscal Year ending December 31, 2026, which Compliance Certificate certifies that, (i) no Default or Event of Default has occurred for the reportable period, and (ii) the Borrower was in compliance with Section 9.3.2 (Minimum Adjusted EBITDA) for the reportable period.

9.2. **Negative Covenants**. As long as any Commitment or Obligations are outstanding, except as otherwise agreed in writing by Lender, Borrower shall not, and shall cause each Subsidiary not to:

9.2.1 Permitted Debt. Create, incur, guarantee or suffer to exist any Debt, except: (a) the Obligations; (b) Subordinated Debt; (c) any (i) Purchase Money Debt of Borrower and its Subsidiaries that is unsecured or secured only by a Purchase Money Lien, as long as the aggregate principal amount does not exceed $75,000.00 at any time and its incurrence does not violate Section 9.2.3, (ii) Capital Leases as long as the aggregate principal amount does not exceed $75,000.00 at any time, and/or (iii) Leases (including Capital Leases) for equipment entered into in the ordinary course of business and not exceeding $150,000 in any rolling twelve month period; (d) Bank Product Debt incurred in the Ordinary Course of Business, as long as the aggregate mark-to-market obligations under Hedging Agreements do not exceed $25,000.00 at any time; (e) Debt existing on the Closing Date and disclosed to the Lender in writing, and any extension or renewal thereof, (f) other Debt not exceeding $100,000 at any time, (g) deferred

compensation to employees incurred in the ordinary course of business, (h) in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or the financing of insurance premiums, and (i) Contingent Obligations (i) arising from endorsements of Payment Items for collection or deposit in the Ordinary Course of Business; (ii) arising from Hedging Agreements permitted hereunder; (iii) existing on the Closing Date, and any extension or renewal thereof that does not increase the amount of such Contingent Obligation when extended or renewed; (iv) incurred in the Ordinary Course of Business with respect to surety, appeal or performance bonds, or other similar obligations; (v) arising from customary indemnification obligations in favor of purchasers in connection with dispositions of Equipment permitted hereunder; (vi) arising under the Loan Documents.

9.2.2 Permitted Liens. Create or suffer to exist any Lien upon any of its Property, except the following (collectively, "Permitted Liens"): (a) Liens in favor of Lender; (b) Purchase Money Liens securing Purchase Money Debt, Capital Leases and/or other equipment leases that are permitted under **Section 9.2.1**; (c) Liens for Taxes or imposed under ERISA that are not yet due or being Properly Contested; (d) statutory or common law Liens (other than Liens for Taxes or imposed under ERISA) arising in the Ordinary Course of Business, but only if (i) payment of the obligations secured thereby is not yet due or is being Properly Contested, and (ii) such Liens do not materially impair the value or use of the Property or materially impair operation of the business of Borrower or any Subsidiary; (e) Liens incurred or deposits made in the Ordinary Course of Business to secure the performance of government tenders, bids, contracts, statutory obligations and other similar obligations, as long as such Liens on any Collateral are at all times junior to Lender's Liens and are required or provided by law; (f) Liens arising in the Ordinary Course of Business that are, to the extent on assets included in the Borrowing Base and required by the express terms thereof, subject to Lien Waivers; (g) Liens arising by virtue of a judgment or judicial order against Borrower or any Subsidiary, or any Property of Borrower or a Subsidiary, as long as such Liens are (i) in existence for less than 20 consecutive days or being Properly Contested, and (ii) to the extent on any Collateral, at all times junior to Lender's Liens; (h) easements, rights-of-way, restrictions, covenants or other agreements of record, and other similar charges or encumbrances on Real Estate, that do not secure any monetary obligation and do not interfere with the Ordinary Course of Business; (i) normal and customary rights of setoff upon deposits in favor of depository institutions, and Liens of a collecting bank on Payment Items in the course of collection; (j) existing Liens shown on **Schedule 9.2.2**; (k) Liens in favor of an Obligor; (l) Liens consisting of an agreement to dispose of any property to the extent such disposition would have been permitted on the date of the creation of such Lien or Full Payment of the then outstanding Obligations and termination of the Commitments occurs or will occur substantially concurrently with the consummation of such disposition; (m) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto; (n) other Liens securing obligations not exceeding $100,000 at any time; (o) leases, licenses, subleases or sublicenses granted to others in the ordinary course of business which do not interfere in any material respect with the Borrower's business, provided that this clause (o) will not apply to Intellectual Property, which is addressed in the following clause (p); and (p) non-exclusive licenses of Intellectual Property granted by Borrower or any Subsidiary in the ordinary course of business.

9.2.3 [Reserved.]

9.2.4 Distributions; Upstream Payments. Declare or make any Distributions, except Permitted Distributions.

9.2.5 Restricted Investments. Unless otherwise consented to by the Lender, which consent shall not be unreasonably withheld, delayed or conditioned, make any Restricted Investment.

9.2.6 Disposition of Assets. Sell, lease, license, consign, transfer or otherwise dispose of any Property of Borrower or a Subsidiary of Borrower, including a disposition of Property in connection with a sale-leaseback transaction or synthetic lease, outside of the ordinary course of business except (a) for fair market value and at least 75% cash consideration, (b) replacement of Equipment or other Property that is worn, damaged or obsolete with equipment or other Property of like function and value, if the replacement Equipment or Property is acquired substantially contemporaneously with such disposition and is free of Liens (other than Permitted Liens); (c) a transfer of Property by a Subsidiary to Borrower, (d) to the extent Full Payment of the then outstanding Obligations and termination of the Commitments occurs substantially concurrently therewith; (e) to the extent constituting an investment permitted under Section 9.2.5 (other than as described in clause (c) of the definition of Restricted Investment), a Distribution permitted under Section 9.2.4, a Hedging Agreement permitted under Section 9.2.15, a merger, combination or consolidation permitted under Section 9.2.9 or a Permitted Lien; or (f) in any Fiscal Year, Property having an aggregate fair market value not exceeding $100,000.

9.2.7 Loans. Make any loans or other advances of money to any Person, except (i) advances to an officer, employee, contractor or consultant for salary, travel expenses, commissions and similar items in the Ordinary Course of Business, (ii) that constitutes a Permitted Distribution, an investment permitted under Section 9.2.5 (other than as described in clauses (c) or (e) of the definition of Restricted Investment) or a Hedging Agreement permitted under Section 9.2.15, or (iii) under the Loan Documents.

9.2.8 Restrictions on Payment of Certain Debt. Make any payments (whether voluntary or mandatory, or a prepayment, redemption, retirement, defeasance or acquisition) with respect to any Subordinated Debt, except to the extent expressly permitted under any subordination agreement relating to such Debt (and a Senior Officer of Borrower shall certify to Lender, not less than five (5) Business Days prior to the date of payment, that all conditions under such agreement have been satisfied).

9.2.9 Fundamental Changes. Change its name or conduct business under any fictitious name, change its tax, charter or other organizational identification number; change its form or state of organization; liquidate, wind up its affairs or dissolve itself; or merge, combine or consolidate with any Person, whether in a single transaction or in a series of related transactions, except for mergers or consolidations in which the Borrower is the survivor or of a wholly-owned Subsidiary with another wholly-owned Subsidiary or into Borrower or to the extent Full Payment of the then outstanding Obligations and termination of the Commitments occurs substantially concurrently therewith.

9.2.10 Subsidiaries. Form or acquire any Subsidiary after the Closing Date unless Borrower complies with its obligations under **Section 9.1.12**, or permit any existing Subsidiary to issue any additional Equity Interests except directors' qualifying shares.

9.2.11 Organic Documents. Amend, modify or otherwise change any of its Organic Documents, except in connection with a transaction permitted under **Section 9.2.9** or otherwise in a manner not materially adverse to the interest of Lender (in its capacity as such).

9.2.12 Tax Consolidation. File or consent to the filing of any consolidated income tax return with any Person other than Borrower and Subsidiaries.

9.2.13 Accounting Changes. Make any material change in accounting treatment or reporting practices, except as required by GAAP and in accordance with **Section 1.2**; or change its Fiscal Year.

9.2.14 Restrictive Agreements. Become a party to any Restrictive Agreement, except a Restrictive Agreement (i) relating to secured Debt permitted hereunder, as long as the restrictions apply only to collateral for such Debt, or (ii) to any sale, lease, license, consignment, transfer or other disposition permitted under Section 9.2.6.

9.2.15 Hedging Agreements. Enter into any Hedging Agreement, except to hedge risks arising in the Ordinary Course of Business and not for speculative purposes.

9.2.16 Conduct of Business. Engage in any business, other than its business as conducted on the Closing Date and any activities incidental thereto.

9.2.17 Affiliate Transactions. Enter into or be party to any transaction with an Affiliate, except (a) transactions expressly permitted by the Loan Documents; (b) payment of reasonable compensation, indemnities and severance to officers, employees, contractors and consultants for services actually rendered, and payment of customary directors' fees and indemnities; (c) the sale, issuance or transfer of Equity Interests of the Borrower not resulting in a Change of Control (except to the extent Full Payment of the then outstanding Obligations and termination of the Commitments occurs substantially concurrently therewith); (d) Permitted Distributions; and (e) transactions with Affiliates in the Ordinary Course of Business so long as such transactions are upon fair and reasonable terms fully disclosed to Lender and no less favorable than would be obtained in a comparable arm's-length transaction with a non-Affiliate.

9.2.18 Plans. Become party to any Multiemployer Plan or Foreign Plan, other than any in existence on the Closing Date.

9.2.19 Amendments to Subordinated Debt. Amend, supplement or otherwise modify any document, instrument or agreement relating to any Subordinated Debt, if such modification (a) increases the principal balance of such Debt, or increases any required payment of principal or interest; (b) accelerates the date on which any installment of principal or any interest is due, or adds any additional redemption, put or prepayment provisions; (c) shortens the final maturity date or otherwise accelerates amortization; (d) increases the interest rate; (e) increases or adds any fees or charges; (f) modifies any covenant in a manner or adds any representation, covenant or default that is more onerous or restrictive in any material respect for Borrower or any Subsidiary, or that is otherwise materially adverse to Borrower, any Subsidiary or Lender; or (g) results in the Obligations not being fully benefited by the subordination provisions thereof.

9.3. **Financial Covenants**. As long as any Commitment or Obligations are outstanding, Borrower shall:

9.3.1 Debt Service Coverage Ratio. Subject to the Cure Right in Section 9.3.3 below, maintain a Debt Service Coverage Ratio (calculated on a trailing twelve (12) month basis) of at least 1.25 to 1.00, tested quarterly, as of the end of each Fiscal Quarter, commencing the earlier of, (i) the end of the Fiscal Quarter in which the Lender first makes a Loan to the Borrower under this Agreement, and (ii) March 31, 2027.

9.3.2 Minimum Adjusted EBITDA. Subject to the Cure Right in Section 9.3.3 below, for the fiscal year ending December 31, 2026, have Adjusted EBITDA of not less than $800,000.00.

9.3.3 Cure Right . In the event that Borrower fails to comply with the requirements of Sections 9.3.1 or 9.3.2 set forth above, until the expiration of the fifteenth (15th) day subsequent to the date the Compliance Certificate for the applicable period is required to be delivered hereunder (the "Cure Expiration Date"), the cash proceeds of an equity issuance that are contributed to Borrower from persons reasonably satisfactory to Lender and upon terms satisfactory to Lender shall be deemed to increase Adjusted EBITDA with respect to such period (each a "Cure Right"); provided that, (t) such proceeds are actually received by Borrower no later than the Cure Expiration Date; (u) Borrower shall not exercise more than one (1) such Cure Right during any two consecutive Fiscal Quarters; (v) Borrower shall not exercise more than two (2) such Cure Rights during any four Fiscal Quarter period; (w) Borrower shall not exercise more than four (4) Cure Rights during the term of the Loans; (x) no cure amount shall exceed the amount necessary to cause compliance with the covenant set forth in Sections 9.3.1 or 9.3.2 for the period then ended, (y) such Cure Right proceeds shall not be deemed to increase Adjusted EBITDA for any purposes under this Agreement or the other Loan Documents, other than with respect to determining Borrower's compliance with Sections 9.3.1 or 9.3.2 , and (z) on or before the date such cash equity proceeds are paid to Borrower, Lender shall have received written notice from Borrower identifying the amount of such Cure Right proceeds and the date such proceeds will be paid to Borrower. If, subject to the foregoing conditions and after giving effect to the foregoing pro forma adjustment, Borrower is in compliance with Sections 9.3.1 or 9.3.2 , Borrower shall be deemed to have satisfied the requirements of such section for the applicable period as of the relevant date of determination with the same effect as though there had been no failure to comply on such date, and the applicable breach or default that had occurred shall be deemed cured for purposes of this Agreement.

SECTION 10. EVENTS OF DEFAULT; REMEDIES ON DEFAULT.

10.1. **Events of Default**. Each of the following shall be an "Event of Default" if it occurs for any reason whatsoever, whether voluntary or involuntary, by operation of law or otherwise:

(a) An Obligor (i) fails to pay the Obligations in respect of principal when due or (ii) fails to pay any interest, fee, reimbursement obligation or other Obligations payable by hereunder or under any other Loan Document;

(b) Any material representation, warranty or other written statement of Borrower made in connection with any Loan Documents or transactions contemplated thereby is incorrect or misleading in any material respect when given;

(c) Borrower breaches or fails to perform (i) any covenant contained in 5.5, 5.7.2, 7.6, 9.1.1, 9.1.4(d), 9.1.7, 9.1.10, 9.2 or 9.3 or (ii) any covenant contained in Section 9.1.2 or 9.1.3 and such breach or failure is not cured within 5 Business Days;

(d) An Obligor breaches or fails to perform any other covenant contained in any Loan Documents, and such breach or failure is not cured within 30 days after a Senior Officer of such Obligor has knowledge thereof or receives notice thereof from Lender, whichever is sooner; provided, however, that such notice and opportunity to cure shall not apply if the breach or failure to perform is not capable of being cured within such period or is a willful and knowing breach by an Obligor;

(e) an Obligor denies or contests the validity or enforceability of any Loan Documents or Obligations, or the perfection or priority of any Lien granted to Lender under the Security Documents; or any Loan Document ceases to be in full force or effect for any reason (other than by action of Lender, a waiver or release by Lender or termination or expiration in accordance with its terms);

(f) Any breach or default of an Obligor beyond any applicable notice and cure period occurs under any (i) Hedging Agreement; or (ii) any instrument or agreement to which it is a party or by which it or any of its Properties is bound, relating to any Debt (other than the Obligations), in each case constituting a Material Contract, if the maturity of or any payment with respect to such Debt thereunder is accelerated or demanded due to such breach, in each case unless such breach, default or acceleration relates to indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness;

(g) Any judgment or order for the payment of money is entered against an Obligor in an amount that exceeds, individually or cumulatively with all unsatisfied judgments or orders against all Obligors, (net of insurance coverage therefor that has not been denied by the insurer) the Threshold Amount, unless a stay of enforcement of such judgment or order is in effect, by reason of a pending appeal or otherwise or such Obligor has satisfied such judgment;

(h) A loss, theft, damage or destruction occurs with respect to any Collateral if the amount not covered by insurance exceeds the Threshold Amount;

(i) An Obligor is enjoined, restrained or in any way prevented by any Governmental Authority from conducting any material part of its business; an Obligor suffers the loss, revocation or termination of any material license, permit, lease or agreement necessary to its business; there is a cessation of any material part of an Obligor's business for a material period of time; any material Collateral of an Obligor is taken or impaired through condemnation; an Obligor agrees to or commences any liquidation, dissolution or winding up of its affairs; or an Obligor is not Solvent;

(j) (i) An Insolvency Proceeding is commenced by Borrower; (ii) Borrower makes an offer of settlement, extension or composition to its unsecured creditors generally; (iii) a trustee is appointed to take possession of any substantial Property of or to operate any of the business of Borrower, or (iv) an Insolvency Proceeding is commenced against Borrower and such Person consents to institution of the proceeding, the petition commencing the proceeding is not timely contested by Borrower, the petition is not dismissed within 60 days after filing, or an order for relief is entered in the proceeding;

(k) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of an Obligor to a Pension Plan, Multiemployer Plan or PBGC, or that constitutes grounds for appointment of a trustee for or termination by the PBGC of any Pension Plan or Multiemployer Plan, in each case that would reasonably be expected to result in a Material Adverse Effect; an Obligor or ERISA Affiliate fails to pay when due any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan; or any event similar to the foregoing occurs or exists with respect to a Foreign Plan, in each case as would reasonably be expected to result in a Material Adverse Effect;

(l) An Obligor or any of its Senior Officers is criminally indicted or convicted for (i) a felony committed in the conduct of such Person's business, or (ii) violating any state or federal law (including the Controlled Substances Act, Money Laundering Control Act of 1986 and Illegal Exportation of War Materials Act), in each case, that has led to or could reasonably be expected to lead to the forfeiture of any material Collateral;

(m) The making of any levy, seizure, or attachment on or of the Collateral having a value in excess of the Threshold Amount which is not removed or bonded within ten (10) days;

(n) A Change of Control occurs (except to the extent Full Payment of the then outstanding Obligations and termination of the Commitments occurs substantially concurrently therewith); or any other event occurs or condition exists that has a Material Adverse Effect; or

(o) The subordination provisions of any agreement or instrument governing any Subordinated Debt having an outstanding principal amount in excess of the Threshold Amount shall for any reason be revoked or invalidated (other than by action of the Lender), or otherwise cease to be in full force and effect (other than by action of Lender, waiver or release by Lender or termination or expiration in accordance with its terms), or the parties thereto other than lender shall be in breach thereof, or any Obligor shall contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder (in each case other than by action of Lender, a waiver or release by Lender or termination or expiration in accordance with its terms), or the Obligations for any reason shall not have the priority contemplated by this Agreement or such subordination provisions (other than by action of Lender, a waiver or release by Lender or termination or expiration thereof in accordance with its terms).

10.2. **Remedies upon Default**. If an Event of Default described in **Section 10.1(j)** occurs with respect to Borrower and has not been waived by Lender, then to the extent permitted by applicable law, all Obligations shall become automatically due and payable and all Commitments shall terminate, without any action by Lender or notice of any kind. In addition, or if any other Event of Default exists, Lender may in its discretion do any one or more of the following from time to time:

(a) declare any Obligations immediately due and payable, whereupon they shall be due and payable without diligence, presentment, demand, protest or notice of any kind, all of which are hereby waived by Borrower to the fullest extent permitted by law;

(b) terminate, reduce or condition any Commitment, or make any adjustment to the Borrowing Base;

(c) require Obligors to Cash Collateralize their LC Obligations, Bank Product Debt and other Obligations that are contingent or not yet due and payable, and, if Obligors fail to deposit such Cash Collateral, Lender may advance the required Cash Collateral as Revolver Loans; and

(d) exercise any other rights or remedies afforded under any agreement, by law, at equity or otherwise, including the rights and remedies of a secured party under the UCC. Such rights and remedies include the rights to (i) take possession of any Collateral; (ii) require Borrower to assemble Collateral, at Borrower's expense, and make it available to Lender at a place designated by Lender; (iii) enter any premises where Collateral is located and store Collateral on such premises until sold (and if the premises are owned or leased by Borrower, Borrower agrees not to charge for such storage); and (iv) sell or otherwise dispose of any Collateral in its then condition, or after any further manufacturing or processing thereof, at public or private sale, with such notice as may be required by applicable law, in lots or in bulk, at such locations, all as Lender, in its discretion, deems advisable. Borrower agrees that ten (10) days' notice of any proposed sale or other disposition of Collateral by Lender shall be reasonable. Lender may conduct sales on any Obligor's premises, without charge, and any sales may be adjourned from time to time in accordance with applicable law. Lender shall have the right to sell, lease or otherwise dispose of any Collateral for cash, credit or any combination thereof, and Lender may purchase any Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of the purchase price, may set off the amount of such price against the Obligations.

10.3. **License**. Upon the occurrence of an Event of Default that has not been waived in writing by Lender, Lender is hereby granted a non-exclusive license or other right to use, license or sub-license (without payment of royalty or other compensation to any Person), any or all Intellectual Property of Borrower, computer hardware and software, trade secrets, brochures, customer lists, promotional and advertising materials, labels, packaging materials and other Property, solely for advertising for sale, marketing, selling, collecting, completing manufacture of, or otherwise exercising any rights or remedies with respect to, any Collateral; provided that Lender shall use commercially reasonable efforts to protect the confidentiality of any trade secrets or other confidential information of Borrower included in such Intellectual Property. Borrower's rights and interests under Intellectual Property shall inure to Lender's benefit for the purpose of such license.

10.4. **Setoff**. At any time during an Event of Default, Lender and its Affiliates are authorized, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional

or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by Lender or such Affiliate to or for the credit or the account of an Obligor against its Obligations, whether or not Lender or such Affiliate shall have made any demand under this Agreement or any other Loan Document and although such Obligations may be contingent or unmatured or are owed to a branch or office of Lender or such Affiliate different from the branch or office holding such deposit or obligated on such indebtedness. The rights of Lender and each such Affiliate under this Section are in addition to other rights and remedies (including other rights of offset) that such Person may have.

10.5. **Remedies Cumulative; No Waiver**.

10.5.1 Cumulative Rights. All agreements, warranties, guaranties, indemnities and other undertakings of Obligors under the Loan Documents are cumulative and not in derogation of each other. The rights and remedies of Lender under the Loan Documents are cumulative, may be exercised at any time and from time to time, concurrently or in any order, and are not exclusive of any other rights or remedies available by agreement, by law, at equity or otherwise. All such rights and remedies shall continue in full force and effect until Full Payment of all Obligations.

10.5.2 Waivers. No waiver or course of dealing shall be established by (a) the failure or delay of Lender to require strict performance by any Obligor under any Loan Document, or to exercise any rights or remedies with respect to Collateral or otherwise; (b) the making of any Loan or issuance of any Letter of Credit during a Default, Event of Default or other failure to satisfy any conditions precedent; or (c) acceptance by Lender of any payment or performance by an Obligor under any Loan Documents in a manner other than that specified therein. Any failure to satisfy a financial covenant on a measurement date shall not be cured or remedied by satisfaction of such covenant on a subsequent date.

SECTION 11. MISCELLANEOUS

11.1. **Amendments and Waivers**.

11.1.1 Successors and Assigns; Register. This Agreement shall be binding upon and inure to the benefit of Borrower, Lender, and their respective successors and assigns, except that Borrower shall not have the right to assign its rights or delegate its obligations under any Loan Documents. Without limiting the foregoing, Borrower acknowledges and agrees that Lender may assign or otherwise transfer (including, without limitation, pursuant to one or participation agreements) any of its rights or obligations hereunder with only the prior written consent of Borrower (such consent not to be unreasonably withheld, conditioned or delayed); *provided* that no consent of Borrower shall be required for any assignment to an Affiliate of Lender or made in connection with a bona fide sale by Lender of a portfolio of loans to one or more third-party purchasers that are commercial bank(s) organized under the laws of the United States or any state or district thereof, so long as Lender provides Borrower with not less than five (5) Business Days' prior written notice thereof. Lender, acting solely for U.S. federal income tax purposes and solely with respect to maintaining the Register, as a non-fiduciary agent of Borrower, shall maintain a register for the recordation of the names and addresses of the applicable lenders, and the applicable commitments of, and principal amounts (and stated interest) of the applicable loans owing to, each lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and Borrower and Lender shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower and any lender, at any reasonable time and from time to time upon reasonable prior notice.

11.1.2 Amendments and Other Modifications. No modification of any Loan Document, including any extension or amendment of a Loan Document or any waiver of a Default or Event of Default, shall be effective without the prior written agreement of Lender and each Obligor if it is a party to such Loan Document; provided, however, that only the consent of the parties to a Bank Product agreement shall be required for any modification of such agreement. Any waiver or consent granted by Lender shall be effective only if in writing, and only for the matter specified.

11.2. **Power of Attorney**. Borrower hereby irrevocably constitutes and appoints Lender (and all Persons designated by Lender) as Borrower's true and lawful attorney (and agent-in-fact) for the purposes provided in this Section. Lender, or Lender's designee, may, without notice and in either its or Borrower's name, but at the cost and expense of Borrower:

(a) During an Event of Default, endorse Borrower's name on any Payment Item or other proceeds of Collateral (including proceeds of insurance) that come into Lender's possession or control; and

(b) During an Event of Default, (i) notify any Account Debtors of the assignment of their Accounts, demand and enforce payment of Accounts, by legal proceedings or otherwise, and generally exercise any rights and remedies with respect to Accounts; (ii) settle, adjust, modify, compromise, discharge or release any Accounts or other Collateral, or any legal proceedings brought to collect Accounts or Collateral; (iii) collect, liquidate and receive balances in Deposit Accounts or investment accounts, and take control, in any manner, of proceeds of Collateral; (iv) receive, open and dispose of mail addressed to Borrower, and notify postal authorities to deliver any such mail to an address designated by Lender; (v) use a Borrower's stationery and sign its name to verifications of Accounts and notices to Account Debtors; (vi) use information contained in any data processing, electronic or information systems relating to Collateral; (vii) make and adjust claims under insurance policies; and (viii) do all other things necessary to carry out the intent and purpose of this Agreement.

11.3. **Indemnity**. **BORROWER SHALL INDEMNIFY AND HOLD HARMLESS THE INDEMNITEES AGAINST ANY CLAIMS THAT MAY BE INCURRED BY OR ASSERTED AGAINST ANY INDEMNITEE BY ANY PERSON (OTHER THAN ANY OBLIGOR) IN CONNECTION WITH THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING ANY SUCH CLAIMS ARISING FROM THE NEGLIGENCE OF AN INDEMNITEE.** Notwithstanding the foregoing or anything else to the contrary, in no event shall any Obligor have any obligation to indemnify or hold harmless an Indemnitee with respect to a Claim that is (a) determined in a final, non-appealable judgment by a court of competent jurisdiction to result from the fraud, gross negligence or willful misconduct of such Indemnitee or its Affiliates or representatives, or (b) solely among Indemnitees. All amounts due under this Section 11.3 (after the determination of a court of competent jurisdiction, if required pursuant to the terms of this Section 11.3) shall be paid within twenty Business Days after written demand therefor. This Section 11.3 shall not apply with respect to Indemnified Taxes covered by Section 5.9.2 or Excluded Taxes.

11.4. **Notices and Communications**.

11.4.1 Notice Address. Subject to **Section 4.1.2**, all notices and other communications by or to a party hereto shall be in writing and shall be given to Borrower, at Borrower's address shown below, and to any other Person at its address shown below, or at such other address as a party may hereafter specify by notice in accordance with this **Section 11.4**. Each communication shall be effective only (a) if given by mail, return receipt requested, on the Business Day on which such receipt is signed by the recipient, with postage pre-paid, addressed to the applicable address; or (b) if given by personal delivery, on the Business Day on which duly delivered to the notice address with receipt acknowledged or (c) one Business Day after having been sent by nationally-utilized overnight delivery service on the highest priority basis available. Any written communication that is not sent in conformity with the foregoing provisions shall nevertheless be effective on the date actually received by the noticed party. Notices delivered on a day that is not a Business Day or after 5:00 p.m. at the recipient's location shall be deemed to have been given and received on the next succeeding Business Day.

If to Lender:

Salem Five Cents Savings Bank
210 Essex Street
Salem, Massachusetts 01970
Attn: Keith Broyles, Senior Vice President
Email: keith.broyles@salemfive.com

with a copy (which will not constitute notice) to:

Ruberto, Israel & Weiner, P.C.
255 State Street, 7th Floor
Boston, MA 02109
Attn: Christopher J. Lhulier, Esq.
Email: cjl@riw.com

If to Borrower:

LENSAR, Inc.
2800 Discovery Dr.,
Orlando, FL 32826
Attn: Chief Executive Officer / Chief Financial Officer

with a copy (which will not constitute notice) to:

Latham & Watkins LLP
1271 Avenue of the Americas
New York, NY 10020
Attn: Drew Capurro / Sonja Pollack
E-mail: Drew.Capurro@lw.com / Sonja.Pollack@lw.com

11.4.2 Electronic Communications; Voice Mail. Electronic mail and internet websites may be used only for routine communications, such as delivery of financial statements, Borrowing Base Certificates and other information required by **Section 9.1.2**, administrative matters, distribution of Loan Documents, and matters permitted under **Section 4.1.2**. Lender makes no assurances as to the privacy and security of electronic communications. Electronic and voice mail may not be used as effective notice under the Loan Documents.

11.4.3 Platform. Borrowing Base information, reports, financial statements and other materials shall be delivered by Borrower pursuant to procedures approved by Lender, including electronic delivery (if possible) upon request by Lender to an electronic system maintained by it ("Platform"). Borrower shall notify Lender of each posting of reports or other information on the Platform. All information shall be deemed received by Lender only upon its receipt of such notice. The Platform is provided "as is" and "as available." NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY LENDER WITH RESPECT TO THE PLATFORM. Lender does not warrant the adequacy or functioning of the Platform, and expressly disclaims liability for any issues involving the Platform. No Indemnitee shall have any liability to Borrower or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) relating to use by any Person of the Platform or delivery of any information over the internet, other than to the extent resulting from the fraud, gross negligence or willful misconduct of such Person, its Affiliates or their respective representatives.

11.4.4 Non-Conforming Communications. Lender may rely upon any communications purportedly given by or on behalf of Borrower that Lender believes in good faith to be given by or on behalf of Borrower, even if they were not made in a manner specified herein, were incomplete or were not confirmed, or if the terms thereof, as understood by the recipient, varied from a later confirmation. Borrower shall indemnify and hold harmless each Indemnitee from any liabilities, losses, costs and expenses arising from any electronic or telephonic communication purportedly given by or on behalf of Borrower.

11.5. **Performance of Borrower's Obligations**. Lender may, in its discretion at any time and from time to time after the occurrence and during the continuance of an Event of Default, at Borrower's expense as and to the extent provided in Section 3.4, pay any amount or do any act required of Borrower under any Loan Documents or otherwise lawfully requested by Lender to (a) enforce any Loan Documents or collect any Obligations; (b) protect, insure, maintain or realize upon any Collateral; or (c) defend or maintain the validity or priority of Lender's Liens in any Collateral, including any payment of a judgment, insurance premium, warehouse charge, finishing or processing charge, or landlord claim, or any discharge of a Lien. All such payments, costs and expenses (including Extraordinary Expenses) of Lender under this Section shall be reimbursed by Borrower, **on demand**, with interest from the date

incurred until paid in full, at the Default Rate (if any) applicable to such Loan. Any payment made or action taken by Lender under this Section shall be without prejudice to any right to assert an Event of Default or to exercise any other rights or remedies under the Loan Documents.

11.6. **Credit Inquiries**. Lender may (but shall have no obligation) to respond to usual and customary credit inquiries from third parties concerning any Obligor or Subsidiary.

11.7. **Severability**. Wherever possible, each provision of the Loan Documents shall be interpreted in such manner as to be valid under applicable law. If any provision is found to be invalid under applicable law, it shall be ineffective only to the extent of such invalidity and the remaining provisions of the Loan Documents shall remain in full force and effect.

11.8. **Cumulative Effect; Conflict of Terms**. The provisions of the Loan Documents are cumulative. The parties acknowledge that the Loan Documents may use several limitations or measurements to regulate similar matters, and they agree that these are cumulative and that each must be performed as provided. Except as otherwise provided in another Loan Document (by specific reference to the applicable provision of this Agreement), if any provision contained herein is in direct conflict with any provision in another Loan Document, the provision herein shall govern and control.

11.9. **Counterparts; Execution**. Any Loan Document may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when Lender has received counterparts bearing the signatures of all parties hereto. Delivery of a signature page of any Loan Document by electronic means other than fax shall be effective as delivery of a manually executed counterpart of such agreement. Any electronic signature, contract formation on an electronic platform and electronic record-keeping shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any similar state law based on the Uniform Electronic Transactions Act.

11.10. **Entire Agreement**. Time is of the essence with respect to all Loan Documents and Obligations. The Loan Documents constitute the entire agreement, and supersede all prior understandings and agreements, among the parties relating to the subject matter thereof.

11.11. **No Control; No Advisory or Fiduciary Responsibility**. Nothing in any Loan Document and no action of Lender pursuant to any Loan Document shall be deemed to constitute control of Borrower by Lender. In connection with all aspects of each transaction contemplated by any Loan Document, Borrower acknowledges and agrees that (a)(i) this credit facility and all related services by Lender or its Affiliates are arm's-length commercial transactions between Borrower and such Person; (ii) Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate; and (iii) Borrower is capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated by the Loan Documents; (b) each of Lender and its Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for Borrower, its Affiliates or any other Person, and has no obligation with respect to the transactions contemplated by the Loan Documents except as expressly set forth therein; and (c) Lender and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of Borrower and its Affiliates, and have no obligation to disclose any of such interests to Borrower or its Affiliates. To the fullest extent permitted by applicable law, Borrower hereby waives and releases any claims that it may have against Lender and its Affiliates with respect to any breach of agency or fiduciary duty in connection with any transaction contemplated by a Loan Document.

11.12. **Confidentiality**. Lender agrees to use the Information (as defined below) solely for purposes of entering into and performing its obligations under the Loan Documents and to maintain the confidentiality of all Information, except that Information may be disclosed (a) to its Affiliates, and its and their partners, directors, officers, employees, agents, advisors and representatives (provided they are informed of the confidential nature of the Information and instructed to keep it confidential and Lender shall be responsible for such Person's compliance herewith); (b) to the extent requested by any governmental, regulatory or self-regulatory authority purporting to have jurisdiction over it or its Affiliates; provided that Lender shall use commercially reasonable efforts to deliver prompt written notice (but not

prior notice) of any such disclosure to Borrower; (c) to the extent required by applicable law or by any subpoena or other legal process; provided that Lender shall use commercially reasonable efforts to deliver prompt written notice (but not prior notice) of any such disclosure to Borrower; (d) to any other party hereto; (e) in connection with any action or proceeding relating to any Loan Documents or Obligations; (f) subject to an agreement containing provisions substantially the same as this Section, to any bona fide potential or actual transferee of any interest in a Loan Document or any actual or prospective party (or its advisors) to any Bank Product or to any swap, derivative or other transaction under which payments are to be made by reference to an Obligor or Obligor's obligations; provided, further, that any such Person also acknowledges and agrees as a condition to its receipt of such Information that (i) Information may include material non-public information; (ii) it has developed compliance procedures regarding the use of such information; and (iii) it will handle all material non-public information in accordance with applicable law; (g) with the prior written consent of each Obligor; or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) is available to Lender or its Affiliates on a non-confidential basis from a source other than Borrower or its Affiliates. As used herein, "Information" means all confidential information, knowledge or data received from or on behalf of an Obligor or Subsidiary relating to it or its business. Person required to maintain the confidentiality of Information pursuant to this Section shall be deemed to have complied if it exercises a degree of care similar to that accorded its own confidential information. Lender acknowledges that (i) Information may include material non-public information; (ii) it has developed compliance procedures regarding the use of such information; and (iii) it will handle the material non-public information in accordance with applicable law.

11.13. **GOVERNING LAW**. **UNLESS EXPRESSLY PROVIDED IN ANY LOAN DOCUMENT, THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ALL CLAIMS, SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES.**

11.14. **Consent to Forum**.

11.14.1 Forum. **EACH OF LENDER AND BORROWER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY FEDERAL OR STATE COURT SITTING IN OR WITH JURISDICTION OVER SUFFOLK COUNTY, COMMONWEALTH OF MASSACHUSETTS, IN ANY DISPUTE, ACTION, LITIGATION OR OTHER PROCEEDING RELATING IN ANY WAY TO ANY LOAN DOCUMENTS, AND AGREES THAT ANY DISPUTE, ACTION, LITIGATION OR OTHER PROCEEDING SHALL BE BROUGHT BY IT SOLELY IN ANY SUCH COURT. EACH OF LENDER AND BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL CLAIMS, OBJECTIONS AND DEFENSES THAT IT MAY HAVE REGARDING ANY SUCH COURT'S PERSONAL OR SUBJECT MATTER JURISDICTION, VENUE OR INCONVENIENT FORUM. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS AND CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.4.1.** A final judgment in any proceeding of any such court shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or any other manner provided by applicable law.

11.14.2 Other Jurisdictions. Nothing herein (including **Section 11.4.1**) shall limit the right of Lender to bring proceedings against any Obligor in any other court having jurisdiction over an Obligor, nor limit the right of any party to serve process in any other manner permitted by applicable law. Nothing in this Agreement shall be deemed to preclude enforcement by Lender of any judgment or order obtained in any forum or jurisdiction.

11.15. **Waivers by Borrower**. **To the fullest extent permitted by applicable law, Borrower waives (a) the right to trial by jury (which Lender hereby also waives) in any proceeding or dispute of any kind relating in any way to any Loan Documents, Obligations or Collateral; (b) presentment, demand, protest, notice of presentment, default, non-payment, maturity, release, compromise, settlement, extension or renewal of any commercial paper, accounts, documents, instruments, chattel paper and guaranties at any time held by Lender on which an Obligor may in any way be liable, and hereby ratifies anything Lender may do in this regard; (c) notice prior to taking possession or control of any Collateral; (d) any bond or security that might be required by a court prior to allowing Lender to exercise any rights or remedies; (e) the benefit of all valuation, appraisement and exemption laws; (f) any claim against Lender, on any theory of liability, for special, indirect, consequential, exemplary or punitive damages (as opposed to direct or actual damages) in any way relating to any enforcement action, Obligations, Loan Documents or transactions relating thereto; and (g) notice of acceptance hereof.**

Borrower acknowledges that the foregoing waivers are a material inducement to Lender entering into this Agreement and that Lender is relying upon the foregoing in its dealings with Borrower. Borrower has reviewed the foregoing waivers with its legal counsel and has knowingly and voluntarily waived its jury trial and other rights following consultation with legal counsel. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

11.16. **PATRIOT Act Notice**. Lender hereby notifies Borrower that pursuant to the PATRIOT Act, Lender is required to obtain, verify and record information that identifies Borrower, including its legal name, address, tax ID number and other information that will allow Lender to identify it in accordance with the PATRIOT Act. Lender will also require information regarding each personal guarantor, if any, and may require information regarding Borrower's management and owners, such as legal name, address, social security number and date of birth. Borrower shall, promptly upon request, provide all documentation and other information as Lender may request from time to time in order to comply with any obligations under "know your customer," anti-money laundering or other requirements of applicable law.

11.17. **NO ORAL AGREEMENT**. **THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.**

11.18. **ACKNOWLEDGEMENT REGARDING ANY SUPPORTED** QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States): In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[Remainder of page intentionally left blank; signatures begin on following page]

IN WITNESS WHEREOF, this Agreement has been executed and delivered under seal as of the date set forth above.

LENDER:

SALEM FIVE CENTS SAVINGS BANK

By: /s/ Keith Broyles
Keith Broyles, Senior Vice President

Address: 210 Essex Street
Salem, MA 01970

BORROWER:

LENSAR, INC.

By: /s/ Michael A. Rossi
Name: Michael A. Rossi
Title: Interim Chief Financial Officer and Secretary
Address: 2800 Discovery Dr., Orlando, FL 32826

EXHIBIT D

FEES

(a) Commitment Fee. On the Closing Date, Borrower shall pay to Lender a fully earned non-refundable commitment fee equal to $50,000.00.

(b) Unused Line Fee. Borrower shall pay to Lender a fee equal to the Unused Line Fee Rate times the amount by which the Revolver Commitment exceeds the average daily Revolver Usage during any month. Such fee shall be payable in arrears, on the first day of each month and on the Commitment Termination Date.

(c) LC Facility Fees. Borrower shall pay to Lender (i) a fee equal to 2.00% per annum on the Stated Amount of each Letter of Credit, which fee shall be payable monthly in arrears, on the first day of each month; and (ii) all customary charges associated with the issuance, amending, negotiating, payment, processing, transfer and administration of Letters of Credit, which charges shall be paid as and when incurred. During an Event of Default, the fee payable under clause (i) shall be increased by 2% per annum.

(d) Collateral Management Fees. Borrower shall pay to Lender a monthly collateral management fee in the amount of $1,000.00, which fee shall be payable in arrears, commencing with the month in which the Lender first makes a Loan to the Borrower under this Agreement, on the first day of each month and on the Commitment Termination Date.

EXHIBIT E

FINANCIAL REPORTING

As long as any Commitment or Obligations are outstanding, Borrower shall, and shall cause each Subsidiary, as applicable, to furnish to Lender:

(a) As soon as available, and in any event within 90 days after the close of each Fiscal Year (or, if earlier, the date on which the Borrower is required to file its Form 10-K with the SEC), balance sheet as of the end of such Fiscal Year and the related statements of income, cash flow and shareholders' equity for such Fiscal Year, if applicable, on a consolidated basis for Borrower and its Subsidiaries, which consolidated statements shall be audited by PricewaterhouseCoopers, LLP or any other firm of independent certified public accountants of recognized national standing selected by Borrower and acceptable to Lender. Such consolidated financial statements shall be accompanied by an opinion of such accountants, which opinion shall be free of any "going concern" or like qualification, exception, or explanatory paragraph (other than with respect to (i) an upcoming maturity of the Loans under this Agreement, or (ii) any anticipated inability to satisfy any financial maintenance covenant), and free of any qualification as to the scope of such audit. Simultaneously with the delivery of such statements, the Borrower shall deliver (i) a copy of its annual report on Form 10-K filed with the SEC, (ii) the management report on internal control over financial reporting and the related attestation report of its independent accountants required by Section 404 of the Sarbanes-Oxley Act and (iii) a Compliance Certificate signed by a Senior Officer certifying that no Default or Event of Default exists and demonstrating detailed compliance with all financial covenants (to the extent applicable). Information required to be delivered pursuant to this Section shall be deemed to have been delivered on the date on which such information is posted on the SEC's EDGAR system or the Borrower's public website. Furthermore, such statements shall set forth in comparative form corresponding figures for the preceding Fiscal Year;

(b) as soon as available, and in any event within 45 days after the end of the first three Fiscal Quarters of each Fiscal Year (or, if earlier, the date on which the Borrower is required to file its Form 10-Q with the SEC), unaudited balance sheet as of the end of such Fiscal Quarter and the related statements of income and cash flow for such Fiscal Quarter and for the portion of the Fiscal Year then elapsed, on a consolidated basis for Borrower and its Subsidiaries, setting forth in comparative form corresponding figures for the preceding Fiscal Year and certified by the chief financial officer or other Senior Officer of Borrower as fairly presenting in all material respects the financial position and results of operations for such Fiscal Quarter in accordance with GAAP, subject to normal year-end adjustments and the absence of footnotes. Simultaneously with the delivery of such statements, the Borrower shall deliver (i) a copy of its quarterly report on Form 10-Q filed with the SEC, and (ii) a Compliance Certificate signed by a Senior Officer certifying that no Default or Event of Default exists and demonstrating detailed compliance with all financial covenants (to the extent applicable). Information required to be delivered pursuant to this Section shall be deemed to have been delivered on the date on which such information is posted on the SEC's EDGAR system or the Borrower's public website;

(c) as soon as available, and in any event within 45 days after the end of the fourth Fiscal Quarter of each Fiscal Year, unaudited management prepared financial statements for such Fiscal Quarter;

(d) by the end of each Fiscal Year, a preliminary forecast for the subsequent Fiscal Year in the form customarily prepared by management for presentation to the board of directors of the Borrower;

(e) at not later than 25 days after the end of each month, a summary report of Borrower's trade payables as of the end of the prior month, all in form satisfactory to Lender;

(f) promptly after the sending or filing thereof, copies of any proxy statements, financial statements or reports that any Borrower has made generally available to its shareholders; copies of any regular, periodic and special reports or registration statements or prospectuses that Borrower files with the SEC or any other Governmental Authority, or any securities exchange; and copies of any press releases or other statements made available by Borrower to the public concerning material changes to or developments in the business of Borrower; and

(g) such other reports and information (financial or otherwise) as Lender may request from time to time in connection with any Collateral or any Borrower's, Subsidiary's or other Obligor's financial condition or business.

Information required to be delivered pursuant to this Exhibit F shall be deemed to have been delivered on the date on which such information is posted on the SEC's EDGAR system or the Borrower's public website.

EXHIBIT F

COLLATERAL REPORTING

As long as any Commitment or Obligations are outstanding, Borrower shall, and shall cause each Subsidiary, as applicable, to furnish to Lender:

(a) By the twenty-fifth (25^{th}) day of each month (or more frequent period (not to exceed weekly) reporting if required by the Lender in its Permitted Discretion) during any period that the Revolver Loans are outstanding, Borrower shall deliver to Lender a Borrowing Base Certificate prepared as of the close of business of the previous month (or more frequent period). All calculations of Availability in any Borrowing Base Certificate shall originally be made by Borrower and certified by a Senior Officer, provided that Lender may from time to time review and adjust any such calculation in consultation with the Borrower to the extent the calculation is not made in accordance with this Agreement or does not accurately reflect the Availability Reserve.

(b) Borrower shall keep accurate and complete records of its Accounts, including all payments and collections thereon, in all material respects, and, by the twenty-fifth (25^{th}) day of each month (or more frequent period (not to exceed weekly) if required by the Lender in its Permitted Discretion) during any period that the Revolver Loans are outstanding, shall submit to Lender sales, collection, reconciliation reports and a detailed aged trial balance of all Accounts as of the end of the preceding month, specifying each Account's Account Debtor name and address, amount, invoice date and due date, showing any discount, allowance, credit, authorized return or dispute, and thereafter upon Lender's request such proof of delivery, copies of invoices and invoice registers, copies of related documents, repayment histories, status reports and other information as Lender may reasonably request.

(c) [reserved].

(d) Borrower shall keep accurate and complete records of its Equipment, including kind, quality, quantity, cost, acquisitions and dispositions thereof, in all material respects, and shall submit to Lender, by the twenty-fifth day of each month (or more frequent period if required by the Lender in its Permitted Discretion) during any period that the Revolver Loans are outstanding, a current schedule thereof, in form satisfactory to Lender. Promptly upon request, Borrower shall deliver to Lender evidence of their ownership or interests in any Equipment.

Exhibit 31.1

CERTIFICATION

I, Nicholas T. Curtis, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 13, 2026

By: /s/ Nicholas T. Curtis

Nicholas T. Curtis
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Michael A. Rossi, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 13, 2026

By: /s/ Michael A. Rossi

Michael A. Rossi
Interim Chief Financial Officer
(Principal Financial 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 on Form 10-Q of LENSAR, Inc. (the "Company") for the quarterly period ended June 30, 2026 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 results of operations of the Company.

Date: August 13, 2026

By: /s/ Nicholas T. Curtis

Nicholas T. Curtis
Chief Executive Officer
(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 on Form 10-Q of LENSAR, Inc. (the "Company") for the quarterly period ended June 30, 2026 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 results of operations of the Company.

Date: August 13, 2026

By: /s/ Michael A. Rossi

Michael A. Rossi
Interim Chief Financial Officer
(Principal Financial 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.