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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 March 31, 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 001-40839

QT Imaging Holdings, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**86-1728920**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

Dr. Raluca Dinu
Chief Executive Officer
3 Hamilton Landing, Suite 160,
Novato, CA 94949
Telephone: (650) 276-7040
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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 $0.0001 per share	**QTI**	**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 Act).

Yes ☐ No ☒

As of May 12, 2026, the registrant had 12,042,500 shares of common stock, $0.0001 par value per share, outstanding.

Part I. Financial Information

Item 1. Financial Statements

QT IMAGING HOLDINGS, INC.
Condensed Consolidated Balance Sheets
(In thousands, except share data)
(Unaudited)

	March 31, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,900	$ 10,412
Restricted cash and cash equivalents	50	50
Accounts receivable	6,353	5,781
Inventory	6,826	5,027
Prepaid expenses and other current assets	1,068	821
Total current assets	21,197	22,091
Property and equipment, net	315	318
Operating lease right-of-use assets, net	477	573
Other assets	39	39
Total assets	$ 22,028	$ 23,021
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,927	$ 3,580
Accrued expenses and other current liabilities	5,131	3,825
Current maturities of long-term debt	—	9
Operating lease liabilities, current	467	454
Total current liabilities	8,525	7,868
Long-term debt, less current maturities, net	1,360	683
Related party notes payable	3,895	3,895
Operating lease liabilities	82	203
Warrant liability	276	103
Earnout liability	2,160	2,210
Other liabilities	1,931	1,614
Total liabilities	18,229	16,576
Commitments and contingencies (Notes 6 and 7)		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 10,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.0001 par value; 500,000 shares authorized as of March 31, 2026 and December 31, 2025, respectively; 12,042 and 11,902 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	1	1
Additional paid-in capital	60,228	59,468
Accumulated deficit	(56,430)	(53,024)
Total stockholders' equity	3,799	6,445
Total liabilities and stockholders' equity	$ 22,028	$ 23,021

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

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

	Three Months Ended March 31,	
	2026	**2025**
Revenue	$ 6,530	$ 2,798
Cost of revenue	3,858	986
Gross profit	2,672	1,812
Operating expenses:		
Research and development	1,724	852
Selling, general and administrative	3,297	2,002
Total operating expenses	5,021	2,854
Loss from operations	(2,349)	(1,042)
Interest and other expense, net:		
Interest expense, net	(930)	(691)
Other expense, net	(4)	(8,749)
Change in fair value of warrant liability	(173)	(705)
Change in fair value of derivative liability	—	101
Change in fair value of earnout liability	50	(50)
Total interest and other expense, net	(1,057)	(10,094)
Net loss and comprehensive loss	(3,406)	(11,136)
Net loss attributable to common stockholders	$ (3,406)	$ (11,136)
Net loss per share - basic and diluted [(1)]	$ (0.25)	$ (1.21)
Weighted-average shares outstanding [(1)]	13,798	9,172

(1) Share and per share amounts for the three months ended March 31, 2025 differ from those published in prior unaudited condensed consolidated financial statements as they were retrospectively adjusted as a result of the Reverse Stock Split (refer to Note 1 - The Company and Summary of Significant Accounting Policies). Specifically, the number of common shares outstanding during the periods before the Reverse Stock Split are divided by the exchange ratio of 3:1, such that each three shares of common stock were combined and reconstituted into one share of common stock effective October 23, 2025.

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

QT IMAGING HOLDINGS, INC.
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(In thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance, January 1, 2026	11,902	$ 1	$ 59,468	$ (53,024)	$ 6,445
Issuance of shares of common stock related to private placements, net of issuance costs	24	—	39	—	39
Issuance of warrants related to private placements	—	—	95	—	95
Exercise of incentive stock options	116	—	245	—	245
Stock-based compensation	—	—	381	—	381
Net loss	—	—	—	(3,406)	(3,406)
Balance, March 31, 2026	12,042	$ 1	$ 60,228	$ (56,430)	$ 3,799

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance, January 1, 2025 [(1)]	8,931	$ 1	$ 22,402	$ (31,941)	$ (9,538)
Conversion of long term debt into shares of common stock [(1)]	295	—	366	—	366
Stock-based compensation	—	—	101	—	101
Net loss	—	—	—	(11,136)	(11,136)
Balance, March 31, 2025 [(1)]	9,226	$ 1	$ 22,869	$ (43,077)	$ (20,207)

(1) Amounts and share amounts as of March 31, 2025 and prior to that date differ from those published in prior unaudited condensed consolidated financial statements as they were retrospectively adjusted as a result of the Reverse Stock Split (refer to Note 1 - The Company and Summary of Significant Accounting Policies). Specifically, the number of common shares outstanding during the periods before the Reverse Stock Split are divided by the exchange ratio of 3:1, such that each three shares of common stock were combined and reconstituted into one share of common stock effective October 23, 2025.

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

QT IMAGING HOLDINGS, INC.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (3,406)	$ (11,136)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	20	38
Stock-based compensation	381	101
Loss on issuance of the Lynrock Lake Term Loan	—	6,640
Debt modification expense	—	90
Loss on debt extinguishment	—	2,034
Non-cash interest	677	477
Non-cash operating lease	(12)	(9)
Change in fair value of warrant liability	173	705
Change in fair value of derivative liability	—	(101)
Change in fair value of earnout liability	(50)	50
Changes in operating assets and liabilities:		
Accounts receivable	(572)	(2,715)
Inventory	(1,799)	268
Prepaid expenses and other current assets	(247)	(635)
Accounts payable	(495)	61
Accrued expenses and other current liabilities	468	461
Other liabilities	1,208	135
Net cash used in operating activities	(3,654)	(3,536)
Cash flows from investing activities:		
Purchases of property and equipment	(17)	—
Net cash used in investing activities	(17)	—
Cash flows from financing activities:		
Proceeds from sale of common stock and warrants	155	—
Proceeds from long-term debt, net of issuance costs	—	10,000
Repayment of long-term debt	(9)	(4,648)
Cash paid for stock issuance costs	(232)	—
Proceeds from stock option exercises	245	—
Net cash provided by financing activities	159	5,352
Net increase in cash and cash equivalents and restricted cash and cash equivalents	(3,512)	1,816
Cash and cash equivalents and restricted cash and cash equivalents, beginning balance	10,462	1,192
Cash and cash equivalents and restricted cash and cash equivalents, ending balance	$ 6,950	$ 3,008
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ —	$ 12
Supplemental disclosures of noncash investing and financing activities:		
Purchase of property and equipment included in accounts payable	$ —	$ 6
Debt issuance costs included in accrued expenses	—	144
Unpaid issuance costs included in accounts payable and accrued expenses and other current liabilities related to the sale of common stock and warrants	74	—
Conversion of accrued interest into common stock	—	174

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

QT IMAGING HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. The Company and Summary of Significant Accounting Policies

Nature of Operations

QT Imaging Holdings, Inc. ("***we***," "***our***," "***us***," "***QT Imaging,***" "***QT Imaging Holdings,***" or the "***Company***") is incorporated in Delaware with its headquarters in Novato, California. We are a medical device company engaged in research, development, and commercialization of innovative body imaging systems using low frequency sound waves. We strive to improve global health outcomes. Our strategy is predicated upon the fact that medical imaging is critical to the detection, diagnosis, and treatment of disease and that it should be safe, affordable, accessible, and centered on the patient's experience. Our initial product is a breast imaging system, the QT Imaging Breast Acoustic CT™ Scanner (the "***Breast Acoustic CT Scanner***").

GigCapital5, Inc. ("***GigCapital5***"), our predecessor, was incorporated in Delaware on December 8, 2022. GigCapital5 was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. Our business combination (the "***Business Combination***") was consummated on March 4, 2024, and in connection with the Business Combination, GigCapital5 changed its corporate name to QT Imaging Holdings, Inc.

Basis of Presentation and Principles of Consolidation

Our unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("***U.S. GAAP***") and pursuant to the rules and regulations of the Securities and Exchange Commission ("***SEC***") for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The unaudited condensed consolidated financial statements, including the condensed notes thereto, are unaudited and exclude some of the disclosures required in audited financial statements. The unaudited condensed consolidated balance sheet as of December 31, 2025 has been derived from the audited consolidated financial statements as of that date, but do not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments and eliminations, consisting only of normal recurring adjustments necessary for a fair presentation in conformity with U.S. GAAP. The results of operations for the three months ended March 31, 2026 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026 or any future period. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2025.

The unaudited condensed consolidated financial statements include the accounts of QT Imaging Holdings, Inc. and its consolidated subsidiaries, QT Imaging, Inc. and QT Ultrasounds Labs, Inc.

All intercompany balances and transactions have been eliminated in consolidation.

Reverse Stock Split

On August 19, 2025 our stockholders approved an amendment to our Second Amended and Restated Certificate of Incorporation to effect a reverse split of the outstanding shares of our common stock, par value $0.0001 per share, at a specific ratio within a range of 2:1 to 20:1, with the specific ratio to be fixed within this range by our Board of Directors in its sole discretion without further stockholder approval (the "***Reverse Stock Split***"). Our Board of Directors fixed the Reverse Stock Split ratio at 3:1, such that each three shares of common stock were combined and reconstituted into one share of common stock effective October 23, 2025. In connection with the Reverse Stock Split, the CUSIP number of the common stock changed to 746962307. The common stock began trading on the OTCQB Venture Market on a reverse split-adjusted basis on October 24, 2025. Except as noted, all share, stock option, warrant, and per share amounts throughout these unaudited condensed consolidated financial statements have been retroactively adjusted to reflect this Reverse Stock Split.

Uplisting to Nasdaq

Effective January 28, 2026, upon meeting all of the Nasdaq Stock Market LLC ("***Nasdaq***") listing requirements, our common stock was uplisted from the OTCQB Venture Market to the Nasdaq Capital Market and began trading under the ticker symbol "QTI."

Liquidity

As of March 31, 2026, we had cash and cash equivalents of $6.9 million. We have incurred net operating losses and negative cash flows from operations since our inception and had an accumulated deficit of $56.4 million as of March 31, 2026. During the three months ended March 31, 2026, we incurred a net loss of $3.4 million and used $3.7 million of cash in operating activities. We expect to continue to incur losses, and our ability to achieve and sustain profitability will depend on the achievement of sufficient revenue to support our cost structure. We may never achieve profitability and, unless and until we do, we will need to continue to raise additional capital.

On February 26, 2025, we entered into a credit agreement (the "***Lynrock Lake Credit Agreement***") that provided a senior secured term loan (the "***Lynrock Lake Term Loan***") with Lynrock Lake Master Fund LP ("***Lynrock Lake***") in the aggregate principal amount of $10.1 million. On August 26, 2025, we and Lynrock Lake entered into the First Amendment to the Lynrock Lake Credit Agreement (the "***Lynrock Lake Amended Credit Agreement***") to add an additional tranche of $5.0 million ("***Tranche B***") to the Lynrock Lake Term Loan and increase the aggregate principal amount of the Lynrock Lake Term Loan to $15.1 million. The proceeds of Tranche B were used to repurchase the Yorkville Warrant. On October 6, 2025, we repaid the $5.0 million under Tranche B of the Lynrock Lake Term Loan, plus accrued interest and the Tranche B Premium. On May 12, 2026, we and Lynrock Lake entered into the Second Amendment to the Lynrock Lake Credit Agreement (the "***Second Amended Credit Agreement***") to extend the maturity date of the Lynrock Lake Term Loan from March 31, 2027 to March 31, 2029, and to increase the interest rate from 10% to 12% per annum. Refer to *Note 5 - Long-Term Debt* for more information.

During the year ended December 31, 2025 and the three months ended March 31, 2026, we completed a series of Private Investment in Public Entity ("***PIPE***") transactions, where we received cash in exchange for the issuance of shares of common stock plus warrants for the purchase of common stock. Refer to *Note 8 - Stockholders' Equity* for more information.

- On April 24, 2025, we entered into a Securities Purchase Agreement (the "***First Securities Purchase Agreement***") in an amount of approximately $0.5 million from related persons. We used the net proceeds from the offering for working capital purposes.
- On May 12, 2025, we entered into a Securities Purchase Agreement (the "***Second Securities Purchase Agreement***") in an amount of approximately $0.2 million. We used the net proceeds from the offering for working capital purposes.
- On October 3, 2025, we entered into a Securities Purchase Agreement (the "***Third Securities Purchase Agreement***") in an amount of approximately $18.2 million, before deducting the offering expenses payable by us**.** We used the net proceeds from the offering for working capital purposes and to repay Tranche B (as defined below) of the Lynrock Lake Term Loan.
- On January 22, 2026, we entered into a Securities Purchase Agreement (the "***Fourth Securities Purchase Agreement***" and together with the First Securities Purchase Agreement, the Second Securities Purchase Agreement and the Third Securities Purchase Agreement, the "***PIPE Investments***") in an amount of approximately $0.2 million from a related party. We used the net proceeds from the offering for working capital purposes.

During the years ended December 31, 2025 and 2024 and the three months ended March 31, 2026, we entered into several distribution agreements which provided us with Minimum Order Quantities ("***MOQs***") as follows:

- On June 18, 2024, we entered into the Distribution Agreement between QT Imaging and NXC Imaging, Inc. ("***NXC***"), as first amended on December 11, 2024 and further amended on March 28, 2025 (the "***Amended NXC***

Distribution Agreement"), which provides us with MOQs of 60 scanners in 2026, representing revenue of more than $28 million in 2026.

- On August 21, 2025, we entered into a Distribution Agreement, as amended on February 25, 2026 (the "***Gulf Medical Distribution Agreement***") with Gulf Medical Co. ("***GMC***"), a corporation organized and existing under the laws of Saudi Arabia, for an initial term of three years. Under the terms of the Gulf Medical Distribution Agreement, we granted to GMC the exclusive right to market, advertise, and sell our Breast Acoustic CT Scanner and the QTI Cloud SaaS platform subscriptions in Saudi Arabia, with MOQs of 20 scanners in 2026, 32 scanners in 2027, and 40 scanners in 2028, for a total minimum of 92 scanners, representing revenue of more than $51 million in 2026 through 2028, upon regulatory approval from the Saudi Food and Drug Authority ("***SFDA***") in Saudi Arabia.
- On January 19, 2026, we entered into a Distribution Agreement (the "***Al Naghi Distribution Agreement***") with Al Naghi Medical Co. ("***Al Naghi***"), a corporation organized and existing under the laws of the United Arab Emirates (the "***UAE***"), for an initial term of three years. Under the terms of the Al Naghi Distribution Agreement, we granted to Al Naghi the exclusive right to market, advertise, and sell our Breast Acoustic CT Scanner and the QTI Cloud SaaS platform subscriptions in the UAE, with MOQs of 7 scanners in 2026, 16 scanners in 2027, and 20 scanners in 2028, for a total minimum of 43 scanners, representing revenue of more than $24 million in 2026 through 2028, upon regulatory approval from the Emirates Drug Establishment ("***EDE***") in the UAE, which was received on March 17, 2026.

We believe that the additional cash received from the Lynrock Lake Term Loan, the extension of the maturity date of the Lynrock Lake Term Loan to March 2029, the additional cash received from the PIPE Investments, and the expected revenue from MOQs per the Amended NXC Distribution Agreement, the Gulf Medical Distribution Agreement, and the Al Naghi Distribution Agreement will be sufficient to fund our current operating plan for at least the next 12 months.

Our future capital requirements will depend on many factors, including our growth rate, the timing and extent of our spending to support research and development activities, purchasing inventory to meet our growth plan, and the timing and cost to enhance commercialized existing products. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us, or at all. Any additional debt financing obtained by us in the future could also involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. Additionally, if we raise additional funds through further issuances of equity, convertible debt securities, or other securities convertible into equity, our existing stockholders could suffer significant dilution in their percentage ownership of us, and any new equity securities we issue could have rights, preferences and privileges senior to those of holders of our common stock. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, and expenses and the related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In addition, any change in these estimates or their related assumptions could have an adverse effect on our operating results.

Summary of Significant Accounting Policies

Other than the policies discussed above, there have been no changes to our significant accounting policies described in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 25, 2026 (our "***Annual Report***") that have had a material impact on our unaudited condensed consolidated financial statements.

Recently Issued Accounting Pronouncements Adopted

In December 2023, the Financial Accounting Standard Board ("***FASB***") issued Accounting Standards Update ("***ASU***") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires disclosure of specific categories in the effective tax rate reconciliation and additional information for reconciling items that meet a quantitative threshold and further disaggregation of income taxes paid for individually significant jurisdictions. This guidance is effective on a prospective or retrospective basis for annual periods beginning after December 15, 2025 for us, with early adoption permitted. We adopted this guidance effective January 1, 2026 on a prospective basis. The adoption of this standard did not have a material impact on our financial position, results of operations, or cash flows. We expect to provide any required income tax disclosures for annual reporting periods in our financial statements for the year ending December 31, 2026.

In November 2024, the FASB issued ASU 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*. This standard clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion and the application of the induced conversion guidance to a conversion debt instrument. It also clarifies that the incorporation, elimination, or modification of a daily volume-weighted average price ("***VWAP***") formula does not automatically cause a settlement to be accounted for as an extinguishment. This standard will become effective on a prospective or retrospective basis for interim reporting periods and annual periods beginning after December 15, 2025. Early adoption is permitted. We adopted this guidance effective January 1, 2026 on a prospective basis. The adoption of this standard did not have a material impact on our financial position, results of operations, or cash flows.

In July 2025, the FASB issued ASU 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides a practical expedient to measure credit losses on accounts receivable and contract assets. The ASU is effective for annual periods beginning after December 15, 2025, and interim periods within those annual reporting periods. Early adoption is permitted. We adopted this guidance effective January 1, 2026 on a prospective basis. The adoption of this standard did not have a material impact on our financial position, results of operations, or cash flows.

Recently Issued Accounting Pronouncements 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*. The standard requires that public business entities disclose additional information about specific expense categories in the notes to financial statements for interim and annual reporting periods. The standard will become effective for the fiscal year ended December 31, 2027 and interim unaudited condensed consolidated financial statements thereafter and may be applied prospectively to periods after the adoption date or retrospectively for all prior periods presented in the financial statements, with early adoption permitted. We are currently evaluating the impact of this guidance on the disclosures within our consolidated financial statements.

In September 2025, the FASB issued ASU 2025-07, *Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract*. This standard provides a scope exception to exclude from derivative accounting non-exchange-traded contracts with underlyings that are based on operations or activities specific to one of the parties to the contract, if the contract does not have (i) variables based on a market rate, market price, or market index, (ii) variables based on the price or performance of a financial asset or financial liability of one of the parties to the contract, (iii) contracts or features involving the issuer's own equity, and (iv) call options and put options on debt instruments. The ASU is effective for annual periods beginning after December 15, 2026, and interim periods within those annual reporting periods. Early adoption is permitted. We are currently evaluating the timing of the adoption and the impact of the new standard on our consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-10, *Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities*. This standard establish the accounting for a government grant received by a business entity. In addition, this standard requires a business entity to provide disclosures, including the nature of the government grant received, the accounting policies used to account for the grant, and significant terms and conditions of the grant. The standard is effective for interim and annual reporting periods beginning after December 15, 2028 on a modified prospective approach, a modified retrospective approach, or a retrospective approach. Early adoption is permitted. We are currently evaluating the timing of the adoption and the impact of the new standard on our consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*. This standard provides a comprehensive list of interim disclosures that are required by GAAP and includes a disclosure principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The standard is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027 on a prospective or retrospective basis. Early adoption is permitted. We are currently evaluating the timing of the adoption and the impact of the new standard on our consolidated financial statements and related disclosures.

2. Business Combination

Merger Earnout Consideration Shares

Pursuant to the Second Amendment to Business Combination Agreement dated September 21, 2023, we are obliged to issue a maximum of 3,000,000 shares of our common stock (the "***Merger Earnout Consideration Shares***") if certain triggering events and conditions are achieved. The conditions for the 2024 Earnout Shares and the 2025 Earnout Shares were not met and therefore no shares were issued during the years ended December 31, 2024 and 2025.

Promptly following the date on which we file our quarterly report on Form 10-Q with respect to our fiscal quarter ended September 30, 2026 with the SEC, an aggregate of 833,333 Merger Earnout Consideration Shares (the "***2026 Earnout Shares***") will be issued to our former stockholders if, and only if, during the twelve months ended September 30, 2026, (i) we have revenue of at least $30.0 million as set forth in the unaudited condensed consolidated financial statements included in the periodic reports filed by us with the SEC with respect to such twelve month period, or (ii) the VWAP of shares of common stock equals or exceeds $45.00 per share for twenty (20) of any thirty (30) consecutive trading days on the Nasdaq exchange; provided, that the 2026 Earnout Shares will increase by 166,667 (to an aggregate of 1,000,000) Merger Earnout Consideration Shares if at least one of the following milestones is achieved on or prior to such filing date: (i) we have obtained a formal Food and Drug Administration ("***FDA***") clearance of our open angle scanner, which remains in full force and effect as of such filing date; or (ii) we receive net positive results in bona fide clinical trials, conducted in accordance with generally accepted industry standards, for our open angle scanner, as reported no later than the filing date of our quarterly report on Form 10-Q for the third quarter of 2026.

As of both March 31, 2026 and December 31, 2025, the liability related to the Merger Earnout Consideration Shares was $2.2 million. Refer to *Note 3 - Fair Value Measurements* for more information.

3. Fair Value Measurements

The fair value of our financial assets and liabilities reflects management's estimate of amounts that we would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of our assets and liabilities, we seek to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs which are supported by little or no market activity and which are significant to the fair value of the assets or liabilities.

The following table presents information about our assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2026 and December 31, 2025, and indicates the fair value hierarchy of the valuation inputs we utilized to determine such fair value (in thousands):

	Level	March 31, 2026	December 31, 2025
Assets:			
Certificate of deposit	2	$ 50	$ 50
Liabilities:			
Warrant liability	2	$ 276	$ 103
Earnout liability	3	$ 2,160	$ 2,210

Warrant Liability

Working Capital Note Warrants, Private Warrants, and Public Warrants

We determined that the warrants that were a constituent part of (i) the private placement units issued in a private placement sale by GigCapital5 prior to the Merger and (ii) the private placement units issued upon conversion of working capital notes issued by GigCapital5 (the "***Working Capital Note Warrants***") prior to the Merger, which conversion occurred concurrent with the Merger ("***Private Warrants***"), are subject to treatment as a liability, as the transfer of the warrants to anyone other than the purchasers or their permitted transferees would result in these warrants having substantially the same terms as the warrants included in the public units that were issued by GigCapital5 prior to the Merger ("***Public Warrants***"). We determined that the fair value of each Private Warrant approximates the fair value of a Public Warrant. Accordingly, the Private Warrants are valued upon observable data and have been classified as Level 2 financial instruments. A total of 889,364 Private Warrants to purchase 296,445 shares of common stock were outstanding as of March 31, 2026 and December 31, 2025, at a fair value of approximately $0.310 and $0.116 per warrant, respectively. Refer to *Note 8 - Stockholders' Equity* for more information.

The activity for the fair value of the warrant liability during the three months ended March 31, 2026 and 2025 was as follows *(in thousands)*:

	Three Months Ended March 31,	
	2026	2025
Beginning balance	$ 103	$ 22
Change in fair value	173	(13)
Ending balance	$ 276	$ 9

Lynrock Lake Warrant

In connection with the Lynrock Lake Term Loan, we issued to Lynrock Lake a warrant to purchase 20,333,623 shares of common stock at an exercise price of $1.20 per share (the "***Lynrock Lake Warrant***"). Upon the closing of the October 2025 Private Placement, the number of shares which may be purchased upon exercise of the Lynrock Lake Warrant and the per share exercise price were adjusted to 24,396,416 and $1.0002, respectively. The Lynrock Lake Warrant is exercisable until February 26, 2035. Lynrock Lake may cashless exercise the Lynrock Lake Warrant. The Lynrock Lake Warrant is also subject to anti-dilution adjustments to the exercise price and the number of shares which may be purchased upon exercise of the Lynrock Lake Warrant in the event that we issue shares of common stock (or derivative securities) at a price that is either less than the $1.0002 exercise price or the fair market value of a share of common stock from the immediately prior trading day. The fair value of the Lynrock Warrant at issuance amounted to $16.5 million. On June 11, 2025, the Lynrock Lake Warrant was amended to update the provisions that would trigger cash settlement such that, when such events occur, the holders of the warrants receive the same form of consideration as the underlying stockholders. As equity classification is permitted for an instrument that requires net-cash settlement if the holders of the contract's underlying

shares receive the same form of consideration in transactions outside our control, consequently the warrants were revalued and then reclassified to additional paid-in capital on the consolidated balance sheet upon modification. We determined the fair value of the Lynrock Lake Warrant using the Black-Scholes pricing model through the modification. Refer to *Note 5 - Long-Term Debt* and *Note 8 - Stockholders' Equity* for more information.

Significant assumptions used in the valuation of the fair value of the Lynrock Lake Warrant as of issuance on February 26, 2025 and as of the modification on June 11, 2025 were as follows:

	February 26, 2025	June 11, 2025
Fair value of common stock	$ 1.20	$ 1.50
Exercise price	$ 1.20	$ 1.20
Expected warrant terms (years)	10.0	9.7
Expected volatility	51.6 %	39.2 %
Risk-free rate of return	4.3 %	4.4 %
Expected annual dividend yield	— %	— %

The activity for the fair value of the Lynrock Lake Warrant during the three months ended March 31, 2025 was as follows *(in thousands)*:

	Three Months Ended March 31, 2025
Beginning balance, January 1, 2025	$ —
Fair value at issuance	16,496
Change in fair value	606
Ending balance, March 31, 2025	$ 17,102

Yorkville Warrant

On February 26, 2025, we issued to YA II PN, LTD ("***Yorkville***") a warrant (the "***Yorkville Warrant***") to purchase 5,000,071 shares of common stock at an exercise price of $1.20 per share to fully settle and discharge our obligations under the promissory note issued to Yorkville (the "***Yorkville Note***") and extinguish the Yorkville Note as having been fully performed. The Yorkville Warrant was exercisable until February 26, 2030. The fair value of the Yorkville Warrant at issuance amounted to $3.0 million. On June 11, 2025, the Yorkville Warrant was amended to update the provisions that would trigger cash settlement such that, when such events occur, the holders of the warrants receive the same form of consideration as the underlying stockholders. Consequently, upon modification, the warrants were revalued and then reclassified to additional paid-in capital on the consolidated balance sheets. We determined the fair value of the Yorkville Warrant using the Black-Scholes Model through the modification. Refer to *Note 5 - Long-Term Debt* and *Note 8 - Stockholders' Equity* for more information.

Significant assumptions used in the valuation of the fair value of the Yorkville Warrant as of issuance on February 26, 2025 and as of the modification on June 11, 2025 were as follows:

	February 26, 2025	June 11, 2025
Fair value of common stock	$ 1.20	$ 1.50
Exercise price	$ 1.20	$ 1.20
Expected warrant term (years)	5.0	4.7
Expected volatility	51.6 %	39.2 %
Risk-free rate of return	4.1 %	4.0 %
Expected annual dividend yield	— %	— %

The activity for the fair value of the Yorkville Warrant during the three months ended March 31, 2025 was as follows *(in thousands)*:

	Three Months Ended March 31, 2025
Beginning balance, January 1, 2025	$ —
Fair value at issuance	2,992
Change in fair value	112
Ending balance, March 31, 2025	$ 3,104

Earnout Liability

The fair value of the Merger Earnout Consideration Shares was calculated using a Monte Carlo simulation. The simulation used as significant inputs our management's then-current assessment of placements of breast scanning systems in 2024 and 2025, likely expected values for revenue from 2024 through 2026, probabilities for regulatory approvals including FDA clearances, and probabilities of other triggering events related to the open angle scanner. Refer to Note 2 - Business Combination for more information.

Significant assumptions used in the valuation of the fair value of the earnout liability as of March 31, 2026 and December 31, 2025 were as follows:

	March 31, 2026	December 31, 2025
Fair value of common stock	$ 6.15	$ 6.09
Volatility of revenue	18.0 %	20.0 %
Discount rate applicable to revenue	7.0 %	7.0 %
Risk-free rate	3.7 %	3.5 %
Risk premium	3.3 %	3.5 %
Cost of debt	15.5 %	15.5 %
Credit risk spread	11.8 %	12.0 %
Equity volatility	80.0 %	95.0 %

The activity for the fair value of the earnout liability for the three months ended March 31, 2026 and 2025 was as follows *(in thousands)*:

	Three Months Ended March 31,	
	2026	2025
Beginning balance	$ 2,210	$ 440
Change in fair value	(50)	50
Ending balance	$ 2,160	$ 490

Derivative Liability

In March 2024, we recorded a derivative liability related to the Pre-Paid Advance of $10.0 million from Yorkville on March 4, 2024 pursuant to the Standby Equity Purchase Agreement, dated November 15, 2023, between QT Imaging and Yorkville (the "***SEPA***"). We and Yorkville entered into a Termination Agreement, dated February 26, 2025 (the "***Termination Agreement***"), pursuant to which the parties acknowledged the termination of the SEPA dated November 15, 2023 and the Yorkville Note, effective as of February 26, 2025. As such, on the effective date of the Termination Agreement, the derivative liability related to the Pre-Paid Advance issued on March 4, 2024 pursuant to the SEPA was deemed to be extinguished. We recorded the change in fair value of the derivative liability within the unaudited condensed

consolidated statements of operations and comprehensive loss as of the date immediately prior to the effective date of the Termination Agreement. Refer to *Note 5 - Long-Term Debt* for more information.

Significant assumptions used in the valuation of the fair value of the derivative liability as of February 26, 2025 were as follows:

	February 26, 2025
Fair value of common stock	$ 1.23
Term in years	1.11
Volatility	125.0 %
Risk-free rate	4.1 %
Debt discount	30.0 %

The activity for the fair value of the derivative liability during the three months ended March 31, 2025 was as follows *(in thousands)*:

	Three Months Ended March 31, 2025
Beginning balance	$ 304
Extinguishment upon Termination Agreement	(203)
Change in fair value	(101)
Ending balance	$ —

The extinguishment of the derivative liability of $0.2 million was recorded in other expense, net within the unaudited condensed consolidated statements of operations and comprehensive loss for the three months ended March 31, 2025.

4. Balance Sheet Details

Inventory

Inventory consisted of the following as of March 31, 2026 and December 31, 2025 *(in thousands)*:

	March 31, 2026	December 31, 2025
Raw materials	$ 5,191	$ 4,390
Work in process	1,622	614
Finished goods	13	23
Total inventory	$ 6,826	$ 5,027

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following as of March 31, 2026 and December 31, 2025 *(in thousands)*:

	March 31, 2026	December 31, 2025
Prepaid insurance	$ 86	$ 96
Other receivable	30	99
Other prepaid expenses	952	626
Total prepaid expenses and other current assets	$ 1,068	$ 821

Property and Equipment, Net

Property and equipment, net consisted of the following as of March 31, 2026 and December 31, 2025 *(in thousands)*:

	Useful Life	March 31, 2026	December 31, 2025
Scanners	5 Years	$ 1,936	$ 1,936
Computer and lab equipment	3-5 Years	1,664	1,647
Leasehold improvements	Various	421	421
Software	3 Years	50	50
Furniture and fixtures	7 Years	82	82
Total property and equipment, gross		4,153	4,136
Less: accumulated depreciation and amortization		(3,838)	(3,818)
Total property and equipment, net		$ 315	$ 318

Depreciation and amortization expense was $20 thousand and $38 thousand for the three months ended March 31, 2026 and 2025, respectively.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following as of March 31, 2026 and December 31, 2025 *(in thousands)*:

	March 31, 2026	December 31, 2025
Accrued legal	$ 2,028	$ 1,937
Accrued personnel costs	1,852	1,489
Accrued purchases	624	94
Deferred revenue	44	7
Other	583	298
Total accrued expenses and other current liabilities	$ 5,131	$ 3,825

5. Long-Term Debt

Paycheck Protection Program Loan

On February 24, 2021 and May 5, 2020, we received loans ("***PPP Loans***") from US Bank in the amounts of $1.2 million ("***Loan 1***") and $1.2 million ("***Loan 2***"), respectively, to fund payroll, rent and utilities through the Paycheck Protection Program ("***PPP***"). We repaid $19 thousand during the three months ended March 31, 2025 for Loan 1, which was due and repaid in full on May 5, 2025. As of December 31, 2025, the total principal outstanding under Loan 2 was $9 thousand, which was fully repaid on February 27, 2026. Interest expense for Loan 1 and Loan 2 for the three months ended March 31, 2026 and 2025 was immaterial.

Yorkville Pre-Paid Advance

On January 9, 2025, we and Yorkville entered into the Third Omnibus Amendment to the Yorkville Note, (the "***Third Amendment***"), pursuant to which, we and Yorkville agreed that for $1.5 million of the then current outstanding balance due under the Yorkville Note (principal and unpaid accrued interest), the fixed price for conversion will be modified to $1.752 per share, and for the remainder of the balance, the fixed price will not be changed but will remain $13.84185 per share as provided for in the Yorkville Note when we issued it on March 4, 2024. Further, the Third Amendment removed our obligation to make monthly payments to Yorkville, previously owing due to the occurrence of the Trigger Event, through the maturity date of the Yorkville Note of March 31, 2026. In exchange for this relief, the aggregate purchase price owed to us from the first Advance that occurs pursuant to the terms of the SEPA (the "***Advance Proceeds***") will be paid by

Yorkville offsetting the amount of the Advance Proceeds against an equal amount outstanding under the Yorkville Note (first towards accrued and unpaid interest, and then towards outstanding principal and the corresponding payment premium in respect of such principal amount, if applicable), and that for any subsequent Advances pursuant to the terms of the SEPA, Yorkville will pay half of such Advance Proceeds directly to us and the other half of such Advance Proceeds will be paid by Yorkville offsetting the amount of the Advance Proceeds against an equal amount outstanding under the Yorkville Note (first towards accrued and unpaid interest, and then towards outstanding principal and the corresponding payment premium in respect of such principal amount, if applicable). On January 9, 2025, we delivered our first Advance Notice as defined under the SEPA for the sale of 295,000 shares of common stock. This resulted in the reduction of an additional $0.2 million in principal of the Yorkville Note.

On February 26, 2025, we and Yorkville entered into a Termination Agreement, pursuant to which the parties acknowledged the termination of the SEPA effective February 26, 2025. On February 26, 2025, we used a portion of the proceeds of the Lynrock Lake Term Loan to pay Yorkville an amount equal to $3.0 million in cash and issued to Yorkville the Yorkville Warrant to purchase 5,000,071 shares of our common stock at an exercise price of $1.20 per share to fully settle and discharge our obligations under the Yorkville Note and extinguish the Yorkville Note as having been fully performed. As a result of the extinguishment of the Yorkville Note, we recorded an expense of $1.9 million in other expense, net within the unaudited condensed consolidated statements of operations and comprehensive loss for the three months ended March 31, 2025. The Yorkville Warrant was exercisable until February 26, 2030. The fair value of the Yorkville Warrant at issuance amounted to $3.0 million. On June 11, 2025, the Yorkville Warrant was amended to update the provisions that would trigger cash settlement such that, when such events occur, the holders of the warrants receive the same form of consideration as the underlying stockholders. Consequently, upon modification, the warrants were revalued and then reclassified to additional paid-in capital on the consolidated balance sheets. We determined the fair value of the Yorkville Warrant using the Black-Scholes Model through the modification. Refer to *Note 3 - Fair Value Measurements* for more information.

As of March 31, 2026 and December 31, 2025, there was no amount outstanding for the Yorkville Note. Interest expense, including amortization of debt issuance costs, for the three months ended March 31, 2025 was $0.5 million.

Cable Car Note

On January 9, 2025, we and Funicular Funds, LP ("***Cable Car***") entered into an Omnibus Amendment (the "***Cable Car Amendment***") to amend certain terms of the secured note purchase agreement by and between QT Imaging and Cable Car (the "***Cable Car Note***"), including a reduction of the conversion price for the Cable Car Note to $1.752 per share. Further, the Cable Car Amendment extended the maturity date for the Cable Car Note to March 31, 2026, in exchange for an extension fee (the "***Extension Fee***") of $0.1 million to Cable Car, with such fee being added to the amount due and payable on such maturity date, unless the Cable Car Note is earlier converted pursuant to its terms, in which event the Extension Fee will also be converted. No interest will accrue or be due on the Extension Fee. Pursuant to the Cable Car Amendment, interest will accrue on the outstanding principal balance of the Cable Car Note at an annual rate equal to 6%, with interest being calculated based on a 365-day year and the actual number of days elapsed, to the extent permitted by applicable law. Interest will be due and payable on the maturity date for the Cable Car Note, unless the Cable Car Note is earlier converted pursuant to its terms, in which event such accrued and unpaid interest will also be converted. We recorded the Extension Fee of $0.1 million in other expense, net within the unaudited condensed consolidated statements of operations and comprehensive loss for the three months ended March 31, 2025.

On February 26, 2025, we used a portion of the proceeds of the Lynrock Lake Term Loan to pay Cable Car an amount equal to the full principal, interest and fees amount of approximately $1.6 million in cash to fully settle and discharge our obligations under the Cable Car Note and extinguish the Cable Car Note as having been fully performed. As a result of the extinguishment of the Cable Car Note, we recorded an expense of $0.1 million in other expense, net within the unaudited condensed consolidated statements of operations and comprehensive loss for the three months ended March 31, 2025.

As of March 31, 2026 and December 31, 2025, there was no amount outstanding for the Cable Car Note. Interest expense, including amortization of debt issuance costs, for the three months ended March 31, 2025 was $36 thousand.

Lynrock Lake Term Loan

On February 26, 2025, we entered into the Lynrock Lake Credit Agreement that provides the Lynrock Lake Term Loan with Lynrock Lake. The Lynrock Lake Credit Agreement is secured by a first priority lien on substantially all of our assets and provides for a term loan in the aggregate principal amount of $10.1 million at an interest rate of 10.0% per annum, compounded quarterly. Prior to the Second Amended Credit Agreement, the maturity date of the Lynrock Lake Credit Agreement was March 31, 2027 and is now March 31, 2029. The Lynrock Lake Term Loan will be repaid on the maturity date in an amount equal to the aggregate principal amount outstanding, together with all accrued and unpaid interest and any outstanding and payable fees.

Subject to the payment of the Make-Whole Amount (as defined in the Lynrock Lake Credit Agreement), we may at any time prior to the maturity date optionally prepay the term loan, in full or in part, upon irrevocable written notice of three business days prior to the proposed prepayment; provided that if such prepayment is to be funded with the proceeds of a refinancing or disposition, such notice of prepayment may be revoked if the financing or disposition is not consummated; provided further, that any such prepayment made in connection with, or in anticipation of, a Change of Control (as defined in the Lynrock Lake Credit Agreement) will also be subject to a prepayment premium equal to 20% of the amount of principal being prepaid (the "***Prepayment Premium***").

Subject to the payment of the Make-Whole Amount (as defined in the Lynrock Lake Credit Agreement), at the option of Lynrock Lake, we will make mandatory repayments of the term loan upon the following occurrences:

- If on any date we or any of our subsidiaries will receive any cash proceeds from any Extraordinary Receipt (as defined in the Lynrock Lake Credit Agreement) in an amount equal to or exceeding $0.3 million in the aggregate, we will prepay the term loan within five business days of receipt of such cash proceeds, in an amount equal to 100% of the cash proceeds of such Extraordinary Receipt (as defined in the Lynrock Lake Credit Agreement);

- If any indebtedness will be incurred by us or any subsidiary thereof (excluding any indebtedness that the Lynrock Lake Credit Agreement permits us to incur), an amount equal to 100% of the net cash proceeds thereof will be applied on the date of incurrence or receipt toward the prepayment of the term loan;

- If on any date we or any of our subsidiaries will receive net cash proceeds in an amount equal to or exceeding (i) $0.3 million in any single transaction or series of related transactions or (ii) $0.3 million in the aggregate for all transactions during the term of the Lynrock Lake Credit Agreement from any Asset Sale (as defined in the Lynrock Lake Credit Agreement) or Recovery Event (as defined in the Lynrock Lake Credit Agreement) then we or such subsidiary will prepay the term loan, on or prior to the date which is five business days after the date of the realization or receipt by us or subsidiary in an amount equal to 100% of such proceeds; and

- Subject to the payment of the Prepayment Premium in addition to the Make-Whole Amount (as defined in the Lynrock Lake Credit Agreement), in the event that a Change of Control (as defined in the Lynrock Lake Credit Agreement) will occur, we will prepay all of the outstanding term loan, on or prior to the date which is two business days after the date of such Change of Control (as defined in the Lynrock Lake Credit Agreement).

There are no requirements to make any prepayment in the event that we sell any of our capital stock. In addition, at the option of Lynrock Lake, we will also make mandatory repayments of the term loan on a monthly basis, no later than five business days after the end of each month (provided that such date for payment is prior to the maturity date), if we or our subsidiaries receive payment of accounts receivable on or after January 1, 2026, in an amount equal to 15% of the aggregate amount of payments of accounts receivable actually received during such prior month, net of any cost of collection incurred not in the ordinary course of business. No Make-Whole Amount (as defined in the Lynrock Lake Credit Agreement) or Prepayment Premium is due or payable on any such mandatory prepayment as a result of receipt of accounts receivable on or after January 1, 2026. As of March 31, 2026, Lynrock Lake has not elected the repayment option in the amount equal to 15% of the aggregate amount of payments of accounts receivable actually received on or after January 1, 2026.

In connection with the Lynrock Lake Term Loan, we issued to Lynrock Lake the Lynrock Lake Warrant to purchase 20,333,623 shares of common stock at an exercise price of $1.20 per share. Upon the closing of the October 2025 Private Placement (as defined below), the number of shares which may be purchased upon exercise of the Lynrock Lake Warrant and the per share exercise price were adjusted to 24,396,416 and $1.0002, respectively. The Lynrock Lake Warrant is

exercisable until February 26, 2035. Lynrock Lake may cashless exercise the Lynrock Lake Warrant. The Lynrock Lake Warrant is also subject to anti-dilution adjustments to the exercise price and the number of shares which may be purchased upon exercise of the Lynrock Lake Warrant in the event that we issue shares of common stock (or derivative securities) at a price that is either less than the $1.0002 exercise price or the fair market value of a share of common stock from the immediately prior trading day. The fair value of the Lynrock Lake Warrant at issuance amounted to $16.5 million. On June 11, 2025, the Lynrock Lake Warrant was amended to update the provisions that would trigger cash settlement such that, when such events occur, the holders of the warrants receive the same form of consideration as the underlying stockholders. As equity classification is permitted for an instrument that requires net-cash settlement if the holders of the contract's underlying shares receive the same form of consideration in transactions outside our control, consequently the warrants were revalued and then reclassified to additional paid-in capital on the consolidated balance sheet upon modification. We determined the fair value of the Lynrock Lake Warrant using the Black-Scholes pricing model through the modification. Refer to *Note 3 - Fair Value Measurements* for more information.

Upon issuance of the Lynrock Lake Term Loan, we recorded a loss of $6.6 million, including debt issuance costs of $0.2 million, in other expense, net within the unaudited condensed consolidated statements of operations and comprehensive loss for the three months ended March 31, 2025.

On August 26, 2025, we and Lynrock Lake entered into the First Amendment to the Lynrock Lake Credit Agreement (the "***Lynrock Lake Amended Credit Agreement***") to add an additional tranche of $5.0 million ("***Tranche B***") to the loan and increase the aggregate principal amount of the Lynrock Lake Term Loan to $15.1 million. The proceeds of Tranche B were used to repurchase the Yorkville Warrant. Tranche B was subject to the Tranche B Premium equal to 6% multiplied by the sum of (i) the principal of Tranche B being repaid plus (ii) all related accrued and unpaid interest. Subject to the payment of the Make-Whole Amount, if we received Net Cash Proceeds (as defined in the Lynrock Lake Credit Agreement) from any sale or issuance of our common stock, then we will, at the option of Lynrock Lake, prepay, or cause to be prepaid, Tranche B on or prior to the date which is thirty days after the date of the receipt by us of such Net Cash Proceeds in an amount equal to the lesser of (i) 100% of such Net Cash Proceeds or (ii) the principal amount of Tranche B on such date of prepayment, together with all accrued and unpaid interest thereon and any outstanding fees or premium, if any, payable in accordance with the Lynrock Lake Term Loan. Additionally, in connection with any mandatory prepayment of Tranche B on or prior to December 31, 2025, such mandatory prepayment will be subject to the payment of the Tranche B Premium instead of the Make-Whole Amount.

On October 6, 2025, we repaid the $5.0 million under Tranche B of the Lynrock Lake Term Loan, plus accrued interest and the Tranche B Premium, with a portion of the proceeds from the October 2025 Private Placement.

On May 12, 2026, we and Lynrock Lake entered into the Second Amended Credit Agreement to extend the maturity date of the Lynrock Lake Term Loan from March 31, 2027 to March 31, 2029, and to increase the interest rate from 10% to 12% per annum.

As of March 31, 2026, the outstanding amount of the Lynrock Lake Term Loan was $1.4 million, net of the unamortized debt discount of $8.7 million, and accrued interest was $1.2 million. Interest expense, including amortization of debt issuance costs, for the three months ended March 31, 2026 and 2025 was $1.0 million and $0.1 million, respectively.

Future principal payments on the long-term debt as of March 31, 2026 are as follows *(in thousands)*:

Year ending December 31:		
2029	$	10,100
Total payments	$	10,100
Less: Unamortized debt issuance costs		(8,740)
Long-term debt, net	$	1,360

In February 2026, we obtained waivers from Lynrock Lake in connection with debt covenant non-compliance related to the first three quarters of 2025. We were in compliance with the debt covenant covered by the Lynrock Lake Term Loan for the fourth quarter of 2025 and first quarter of 2026. The Lynrock Lake Term Loan has been classified as a noncurrent liability on the unaudited condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025.

6. Leases

We lease our operating facilities in Novato, California, under a non-cancelable operating lease through May 31, 2027. There are no options or rights to extend the term of this lease.

The following table reflects our operating lease right-of-use ("***ROU"***) assets, net and operating lease liabilities as of March 31, 2026 and December 31, 2025 *(in thousands)*:

	March 31, 2026	December 31, 2025
Assets:		
Operating lease ROU assets, net	$ 477	$ 573
Liabilities:		
Operating lease liabilities, current	$ 467	$ 454
Operating lease liabilities, noncurrent	82	203
	$ 549	$ 657

The following table presents supplemental cash flow information related to our operating leases for the three months ended March 31, 2026 and 2025 *(in thousands)*:

	Three Months Ended March 31,	
	2026	2025
Operating cash flows from operating leases	$ 121	$ 117

As of March 31, 2026, the maturity of operating lease liabilities was as follows *(in thousands)*:

Year ending December 31:	
2026 (remainder)	$ 370
2027	207
Total payments	577
Less: Interest	(28)
Present value of obligations	$ 549

As of March 31, 2026, the weighted-average remaining lease term was 1.2 years and the weighted-average discount rate was 8%. As of December 31, 2025, the weighted-average remaining lease term was 1.4 years and the weighted-average discount rate was 8%.

Operating lease expenses for each of the three months ended March 31, 2026 and 2025 was $0.1 million, of which $6 thousand was related to leases with a term of less than 12 months.

7. Contingencies

Litigation

We are subject to occasional lawsuits, investigations, and claims arising out of the normal conduct of business. As of the date the unaudited condensed consolidated financial statements were available to be issued, management is not aware of any pending claims that will have a material impact on our unaudited condensed consolidated financial statements.

8. Stockholders' Equity

Common Stock Reserved for Future Issuance

Common stock reserved for future issuance as of March 31, 2026 was as follows *(in thousands)*:

	March 31, 2026
Common stock warrants	38,418
Pre-funded warrants	1,808
Options outstanding under the 2024 Incentive Plan	993
Restricted stock units ("RSUs") outstanding under the 2024 Incentive Plan	619
Awards available under the 2024 Incentive Plan	66
Options outstanding under the Inducement Equity Incentive Plan	108
RSUs outstanding under the Inducement Equity Incentive Plan	220
Potential merger earnout consideration shares	1,000
Potential shares from convertible notes	90
Total	43,322

Warrants (Public Warrants, Private Warrants, Working Capital Note Warrants, PIPE Warrants, Lynrock Lake Warrant, and Yorkville Warrant)

As of March 31, 2026 and December 31, 2025, there were 7,882,807 Public Warrants, Private Warrants, and Working Capital Note Warrants (collectively, the "***PubCo Warrants***") outstanding with an exercise price of $6.90 per warrant and expiring on March 4, 2029, pursuant to the terms of the warrant agreement governing such warrants (the "***Warrant Agreement").***

On April 9, 2025, we entered into the First Securities Purchase Agreement between us, on the one hand, and Dr. Avi Katz, the Chairman of our Board of Directors, and Dr. Raluca Dinu, the Chief Executive Officer and a member of our Board of Directors, on the other hand (the "***April 2025 Private Placement***"). On April 24, 2025, at the closing of the April 2025 Private Placement, we issued (i) 261,644 shares of common stock at a per share purchase price of $1.911, which represented 110% of the volume weighted trading price for the common stock on April 9, 2025; and (ii) warrants with a term of ten years from the initial exercise date to purchase up to an additional 523,286 shares of common stock with a per share exercise price of $2.16. The aggregate gross proceeds to us from the April 2025 Private Placement was approximately $0.5 million, before deducting the offering expenses payable by us, which expenses consisted solely of legal fees. We used the net proceeds from the offering for working capital purposes.

On May 12, 2025, we entered into the Second Securities Purchase Agreement" (the "***May 2025 Private Placement***") in an amount of approximately $0.2 million, pursuant to which we issued 68,447 shares of common stock plus a PIPE Warrant to purchase 68,447 shares of common stock. The May 2025 Private Placement provides a per share purchase price of $2.922, which represents 110% of the five-day volume weighted trading price for the common stock through May 9, 2025, and the per share exercise price of the warrant is $3.36. We used the net proceeds from the offering for working capital purposes.

On September 30, 2025, we entered into the Third Securities Purchase Agreement, by and between us and certain accredited investors and qualified institutional buyers (the "***October 2025 Private Placement").*** At the closing of the October 2025 Private Placement on October 3, 2025, we issued (i) 2,232,243 shares of our common stock, par value $0.0001 per share; (ii) Subscription PIPE Warrants with a term of five years from the initial exercise date to purchase up to an additional 4,040,272 shares of common stock; and (iii) 5,424,083 pre-funded PIPE Warrants to purchase up to an additional 1,808,055 shares of common stock, exercisable any time after its issuance (the "***Pre-Funded Warrants***"). The purchase price of each share of common stock was $4.50 and the purchase price for each Pre-Funded Warrant was $4.4997. Both of these amounts were paid by the Purchasers at the closing of the October 2025 Private Placement. The aggregate gross proceeds to us from the October 2025 Private Placement was approximately $18.2 million, before deducting the offering expenses payable by us, which expenses consist solely of legal fees and the amounts provided for pursuant to a placement agency agreement The per share exercise price of each Subscription PIPE Warrant is $4.50 and the

per share exercise price of each Pre-Funded Warrant is $0.0003. We used the net proceeds from the offering for working capital purposes and to repay Tranche B of the Lynrock Lake Term Loan.

On January 22, 2026, we entered into the Fourth Securities Purchase Agreement where we received approximately $0.2 million from Dr. Avi Katz, the Chairman of our Board of Directors (the "***January 2026 Private Placement***"), in exchange for the issuance of (i) 24,107 shares of common stock at a per share purchase price of $6.43, which represented 110% of the 5-day volume weighted trading price for the common stock on January 22, 2026; and (ii) warrants with a term of ten years from the initial exercise date to purchase up to an additional 48,214 shares of common stock with a per share exercise price of $6.43. We used the net proceeds from the offering for working capital purposes.

As of March 31, 2026 and December 31, 2025, total PIPE Warrants, including the Pre-Funded Warrants, covering common stock of 7,946,588 shares and 7,898,374 shares were outstanding.

In connection with the Lynrock Lake Term Loan, on February 26, 2025, we issued to Lynrock Lake, pursuant to the terms of the Lynrock Lake Warrant, a warrant to purchase 20,333,623 shares of common stock at an exercise price of $1.20 per share. Upon the closing of the October 2025 Private Placement, the number of shares which may be purchased upon exercise of the Lynrock Lake Warrant and the per share exercise price were adjusted to 24,396,416 and $1.0002, respectively. As of March 31, 2026 and December 31, 2025, the Lynrock Lake Warrant to purchase 24,396,416 shares of common stock was outstanding. Refer to *Note 3 - Fair Value Measurements* and *Note 5 - Long-Term Debt* for more information.

On February 26, 2025, we issued to Yorkville a warrant to purchase 5,000,071 shares of our common stock at an exercise price of $1.20 per share pursuant to the Yorkville Warrant. On August 26, 2025, we repurchased the Yorkville Warrant for an aggregate price of $5.0 million. Refer to *Note 3 - Fair Value Measurements* and *Note 5 - Long-Term Debt* for more information.

9. Stock Incentive Plans

Inducement Equity Incentive Plan

The following table summarizes information regarding stock option and RSU activity in the Inducement Equity Incentive Plan (the "***Inducement EIP***") during the three months ended March 31, 2026 *(in thousands, except per share data)*:

Stock Options	**Number of Stock Options**	**Weighted-Average Exercise Price**	**Weighted-Average Remaining Contractual Life (years)**	**Aggregate Intrinsic Value**
Outstanding, January 1, 2026	108	$ 7.47	9.7	$ —
Outstanding, March 31, 2026	108	$ 7.47	9.4	$ —
Vested as of March 31, 2026	—	$ —	—	$ —
Expected to vest as of March 31, 2026	108	$ 7.47	9.4	$ —

RSUs	**Number of RSUs**	**Weighted-Average Grant Date Fair Value per Share**	**Weighted-Average Remaining Contractual Life (years)**	**Aggregate Intrinsic Value**
Outstanding, January 1, 2026	220	$ 6.25	9.9	$ 1,291
Outstanding, March 31, 2026	220	$ 6.25	9.7	$ 1,291
Exercisable as of March 31, 2026	—	$ —	—	$ —
Expected to vest as of March 31, 2026	220	$ 6.25	9.7	$ 1,291

2024 Equity Incentive Plan

On January 1, 2026, we increased the number of authorized shares of common stock pursuant to the 2024 Equity Incentive Plan (the "***2024 EIP***") by 595,110 shares.

The following table summarizes information regarding stock option and RSU activity in the 2024 EIP during the three months ended March 31, 2026 *(in thousands, except per share data)*:

Stock Options	**Number of Stock Options**	**Weighted-Average Exercise Price**	**Weighted-Average Remaining Contractual Life (years)**	**Aggregate Intrinsic Value**
Outstanding, January 1, 2026	1,116	$ 2.52	8.4	
Granted	17	$ 6.95		
Exercised	(116)	$ 2.17		
Cancelled	(24)	$ 5.87		
Outstanding, March 31, 2026	993	$ 2.56	8.8	$ 3,307
Exercisable as of March 31, 2026	570	$ 2.12	8.7	$ 2,140
Expected to vest as of March 31, 2026	423	$ 3.17	8.9	$ 1,167

RSUs	**Number of RSUs**	**Weighted-Average Grant Date Fair Value per Share**	**Weighted-Average Remaining Contractual Life (years)**	**Aggregate Intrinsic Value**
Outstanding, January 1, 2026	—	$ —	—	$ —
Granted	619	$ 6.95		$ 3,632
Outstanding, March 31, 2026	619	$ 6.95	4.0	$ 3,632
Exercisable as of March 31, 2026	—	$ —	—	$ —
Expected to vest as of March 31, 2026	619	$ 6.95	4.0	$ 3,632

The determination of the fair value of options granted under the Inducement EIP and the 2024 EIP during the three months ended March 31, 2026 was computed using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Three Months Ended March 31, 2026
Stock price per share	$ 6.95
Expected option term (years)	5.8
Expected volatility	76.6 %
Risk-free rate of return	4.1 %
Expected annual dividend yield	— %
Weighted-average grant date fair value	$ 6.95

No options or RSUs were granted during the three months ended March 31, 2025.

Stock-based Compensation

The following table shows stock-based compensation expense by functional area in the condensed consolidated statements of operations and comprehensive loss for the three months ended March 31, 2026 and 2025 *(in thousands)*:

	Three Months Ended March 31,	
	2026	**2025**
Research and development	$ 30	$ 17
Selling, general and administrative	351	84
Total stock-based compensation expense	$ 381	$ 101

Stock-based compensation expense capitalized to inventory for the three months ended March 31, 2026 and 2025 was insignificant.

As of March 31, 2026, the total unrecognized compensation cost related to all nonvested stock options and RSUs was $6.6 million and the weighted-average period over which it is expected to be recognized is 1.7 years.

10. Revenue

Revenue recognized during the three months ended March 31, 2026 and 2025 was as follows *(in thousands)*:

	Three Months Ended March 31,	
	2026	**2025**
Product	$ 6,456	$ 2,760
Service	74	38
Total revenue	$ 6,530	$ 2,798

Revenue recognized by geography during the three months ended March 31, 2026 and 2025 was as follows *(in thousands)*:

	Three Months Ended March 31,	
	2026	**2025**
United States	$ 6,519	$ 2,787
International	11	11
Total revenue	$ 6,530	$ 2,798

Substantially all of the revenue recognized by us during the three months ended March 31, 2026 and 2025 was recognized at a point in time. We had no contract assets as of March 31, 2026 and December 31, 2025. We had contract liabilities of $44 thousand as of March 31, 2026, all of which is expected to be recognized as revenue in the next twelve months. We had contract liabilities of $7 thousand as of December 31, 2025. Contract liabilities are included in accrued expenses and other current liabilities on the unaudited condensed consolidated balance sheets. Revenue recognized during the three months ended March 31, 2026 that was previously included in contract liabilities as of December 31, 2025 was $7 thousand.

One customer represented 10% or more of our accounts receivable balance and our total revenue as follows:

	Accounts Receivable		Revenue Three Months Ended March 31,	
	March 31, 2026	**December 31, 2025**	**2026**	**2025**
Customer A	98 %	100 %	96 %	97 %

11. Income Taxes

Consistent with our conclusion as of December 31, 2025, we continue to believe that it is not more likely than not that the deferred tax assets will be realized and we therefore maintained a full valuation allowance against the deferred tax assets as of March 31, 2026. As a result, the estimated annual effective tax rate for 2026 is expected to be 0% because our forecasted losses are expected to generate no income tax benefit. Furthermore, there were no discrete tax items for the quarter ended March 31, 2026.

The income tax benefit was zero for both the three months ended March 31, 2026 and 2025.

On July 4, 2025, the One Big Beautiful Bill Act ("***OBBBA***") was enacted into law. Among its provisions, OBBBA introduced Section 174, which allows for the immediate expensing of domestic research and experimental expenditures, reversing the amortization requirement enacted under the Tax Cuts and Jobs Act of 2017. Taxpayers may elect to expense such costs either entirely in the year incurred or ratably over a two-year period. We will elect to expense over a two-year period. As we have historically been in a loss position, the election to deduct domestic research and experimental expenditures will not have any impact to our financial results for the year ending December 31, 2026.

12. Earnings (Loss) per Share

Basic net loss per share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common shares and potentially dilutive common share equivalents outstanding for the period determined using the treasury-stock and if-converted methods. For the purposes of the diluted net loss per share calculation, common stock equivalents are considered to be potentially dilutive securities.

Reconciliation of net loss per share for the three months ended March 31, 2026 and 2025 was as follows *(in thousands, except per share data)*:

	Three Months Ended March 31,	
	2026	**2025**
Net loss and comprehensive loss attributable to common stockholders	$ (3,406)	$ (11,136)
Weighted-average number of common shares used in computing net loss per share [1]	13,798	9,172
Net loss per share - basic and diluted [1]	$ (0.25)	$ (1.21)

The following securities were excluded from the calculation of net loss per share because the inclusion would be anti-dilutive as of March 31, 2026 and 2025 *(in thousands)*:

	March 31, 2026	**March 31, 2025**
Common stock warrants [1][2]	38,418	34,755
Merger earnout consideration shares [1]	1,000	2,000
Potential shares from convertible notes [1]	90	85
RSUs outstanding	839	—
Options outstanding [1]	1,101	652
Total	41,448	37,492

(1) Amounts as of March 31, 2025 differ from those published in prior unaudited condensed consolidated financial statements as they were retrospectively adjusted as a result of the Reverse Stock Split (refer to Note 1 - The Company and Summary of Significant Accounting Policies). Specifically, the number of potential common shares outstanding during the periods before the Reverse Stock Split are divided by the exchange ratio of 3:1, such that each three shares of potential common stock were combined and reconstituted into one share of potential common stock effective October 23, 2025.

(2) Warrants issuable for little or no cash consideration are considered outstanding common shares and included in the computation of basic net loss per share. As such, for the three months ended March 31, 2026, we included pre-funded common stock warrants in our computation of net loss per share and thus excluded them from the table above. These warrants were issued in October 2025 with an exercise price of $0.0003 per pre-funded warrant (See Note 8 – Stockholders' Equity for additional information).

13. Related Party Transactions

Convertible Notes Payable

Our three convertible notes to three of our stockholders for advances up to $3.5 million in principal issued in July 2020 (the "***2020 Notes***") bear annual interest of 5% on any amounts drawn. The additional note issued in March 2022 as part of the 2020 Notes, has an annual interest rate of 8%. All principal and interest payments were initially due on or before July 1, 2025. In connection with the issuance of the Lynrock Lake Term Loan on February 26, 2025, the maturity date on these convertible notes payable was extended to October 21, 2027.

As of March 31, 2026, an aggregate of 90,385 shares of common stock would be issued if the entire principal and interest under the 2020 Notes was converted.

As of March 31, 2026 and December 31, 2025, the outstanding amount of the 2020 Notes was $3.9 million and $3.9 million, respectively, and accrued interest was $0.8 million and $0.7 million, respectively.

Working Capital Note

As of March 31, 2026 and December 31, 2025, a promissory note (the "***Working Capital Note***") issued to a stockholder was outstanding in the aggregate principal amount of $0.7 million. The Working Capital Note is interest-free and matures on October 1, 2027. Refer to *Note 5 - Long-Term Debt* for more information.

Private Placements

On April 24, 2025, we completed the April 2025 Private Placement for net proceeds of $0.5 million from Dr. Avi Katz, the Chairman of our Board of Directors, and Dr. Raluca Dinu, the Chief Executive Officer and a member of our Board of Directors, in exchange for a total of 261,644 shares of our common stock and warrants to purchase 523,286 shares of common stock that are issuable upon exercise.

On January 22, 2026, we completed the January 2026 Private Placement, for net proceeds of approximately $0.2 million from Dr. Avi Katz, the Chairman of our Board of Directors, in exchange for the issuance of 24,107 shares of common stock plus warrants with a term of ten years from the initial exercise date to purchase up to an additional 48,214 shares of common stock with a per share exercise price of $6.43.

Refer to *Note 8 - Stockholders' Equity* for more information.

Sublease Agreement

On January 23, 2025, we entered into a Sublease Agreement (the "***Sublease***") with a related party (the "***Sublessee***"), pursuant to which the Sublessee will sublease certain space, currently leased from Hamilton Landing Novato LLC by us pursuant to the "***Prime Lease***" (as defined in the Sublease), to the Sublessee for use in our operations, on a full-time and exclusive basis. The Sublessee will pay to us a rental fee for the Subleased Space as defined in the Sublease in an amount equal to $6 thousand through May 31, 2027. The term of the Sublease is one year unless terminated and will auto-renew on a month-to-month basis thereafter, unless otherwise terminated. The Sublease will expire automatically upon the termination of the Prime Lease, which is set to terminate in April 2027. We recorded sublease income of $18 thousand and $17 thousand in our unaudited condensed consolidated statements of operations and comprehensive loss for the three months ended March 31, 2026 and 2025, respectively.

14. Segment Information

We have one operating and reportable segment, which is engaged in the development and commercialization of our Breast Acoustic CT Scanner. Our Chief Executive Officer has been determined to be the chief operating decision maker ("***CODM***"). The CODM assesses performance, makes operating decisions and decides how to allocate resources based on

net loss that is reported on the consolidated statements of operations and comprehensive loss. The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets.

The following table presents information about reported segment revenue, significant segment expenses, and segment net loss for the three months ended March 31, 2026 and 2025 *(in thousands)*:

	Three Months Ended March 31,	
	2026	**2025**
Revenue	$ 6,530	$ 2,798
Less:		
Cost of revenue [(1)]	3,858	986
Research and development [(1)]	1,724	852
Selling, general and administrative [(1)]	3,297	2,002
Other expense, net	4	8,749
Change in fair value of warrant liability	173	705
Change in fair value of derivative liability	—	(101)
Change in fair value of earnout liability	(50)	50
Interest expense, net	930	691
Income tax benefit	—	—
Consolidated net loss	$ (3,406)	$ (11,136)

(1) Includes total salaries, bonuses, employee benefits and stock-based compensation of $2.9 million and $1.6 million for the three months ended March 31, 2026 and 2025, respectively.

All of our long-lived assets are located in the United States.

15. Subsequent Events

On May 12, 2026, we and Lynrock Lake entered into the Second Amended Credit Agreement to extend the maturity date of the Lynrock Lake Term Loan from March 31, 2027 to March 31, 2029, and to increase the interest rate from 10% to 12% per annum. Refer to *Note 5 - Long-Term Debt* for more information.

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

Unless otherwise indicated or the context otherwise requires, references in this Quarterly Report on Form 10-Q (this "***Quarterly Report***") to "*we*," "our," "us," "QT Imaging," "QT Imaging Holdings," or the "Company" and other similar terms refer to QT Imaging Holdings, Inc. and its consolidated subsidiaries. The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the unaudited condensed consolidated financial statements and notes thereto contained in this Quarterly Report.

Special Note Regarding Forward-Looking Statements

This Quarterly Report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "***Securities Act***") and Section 21E of the Exchange Act of 1934, as amended (the "***Exchange Act***"), that are not historical facts, and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements, other than statements of historical fact included in this Quarterly Report including, without limitation, statements in this *Management's Discussion and Analysis of Financial Condition and Results of Operations* regarding our financial position, business strategy, and the plans and objectives of management for future operations, are forward-looking statements. Words such as "expect," "believe," "anticipate," "intend," "estimate," "seek," "may," "might," "plan," "possible," "potential," "should, "would," and similar words and expressions are intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect management's current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the *Risk Factors* section in Part II, Item 1A. of this Quarterly Report, the *Risk Factors* section in our Annual Report, and in any more recent filings with the SEC. Our securities filings can be accessed on the EDGAR section of the SEC's website at www.sec.gov. Except as expressly required by applicable securities law, we disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Overview

We are a medical device company founded in 2012 and engaged in the research, development, and commercialization of innovative body imaging systems using low energy sound. We believe that medical imaging is critical to the detection, diagnosis, and treatment of disease and that it should be safe, affordable, and accessible. Our goal is to improve global health outcomes through the development and commercialization of imaging devices that address critical healthcare challenges with accuracy and precision.

With the support of nearly $18.0 million in financial support from the U.S. National Institutes of Health ("***NIH***"), we developed a novel, comprehensive body imaging technology that has high resolution, high sensitivity, high specificity, high positive and negative predictive values, and is safe and inexpensive. The technology is based on ultra-low frequency transmitted sound and uses a one-of-a-kind novel sound back-scatter design and inverse-scattering reconstruction to create its images.

Our current Breast Acoustic CT Scanner is a Class II device subject to premarket notification and clearance under Section 510(k) of the Federal Food, Drug, and Cosmetic Act ("***FDCA***"). On August 23, 2016, we submitted a Section 510(K) Summary of Safety and Effectiveness application for the Breast Acoustic CT Scanner in accordance with 21 CFR 807.92 under 510(K) Number K162372. As part of meeting the general requirements for basic safety and essential performance of the Breast Acoustic CT Scanner (formerly, QT Ultrasound Breast Scanner) pursuant to AAMI ES60601-1:2005/(R)2012 and A1:2012 Medical electrical equipment, testing was conducted by Intertek, an independent testing laboratory, located in Menlo Park, CA. Intertek also conducted applicable testing pursuant to IEC 60601-1-6 Edition 3.1 2013-10-Medical electrical equipment Part 1-6 General requirements for safety - Collateral Standard: Usability. In addition, we conducted, and Intertek witnessed, all applicable testing pertaining to the requirements for the safety of ultrasonic medical diagnostic and monitoring equipment and to demonstrate compliance with the *Acoustic Output Measurement Standard for Diagnostic Ultrasound Equipment*. This test on acoustic output was pursuant to IEC 60601-2-37 Edition 2.0.2007 Medical electrical equipment - Part 2-37: Particular requirements for the basic safety and essential performance of ultrasonic medical diagnostic and monitoring equipment. Finally, system verification testing was conducted to ensure that the Breast Acoustic CT Scanner met all design and other requirements including but not limited to that no new issues of safety or effectiveness compared to the predicate device, SoftVue System manufactured by Delphinus Medical Technologies, were raised.

Since our inception, we have devoted substantially all our financial resources to acquiring and developing the base technology for our body imaging systems, conducting research and development activities, securing related intellectual property rights, and for managing corporate operations and growth. On June 6, 2017, the FDA, in response to QT Imaging's Section 510(K) Summary of Safety and Effectiveness premarket notification, determined that the Breast Acoustic CT Scanner is substantially equivalent to the predicate device. Our use of the words "safe," "safety," "effectiveness," and "efficacy" in relation to the Breast Acoustic CT Scanner in this Management's Discussion and Analysis and all other documents related to us is limited to the context of the Section 510(K) Summary of Safety and Effectiveness that was reviewed and responded to by the FDA.

Our strategies for commercializing the Breast Acoustic CT Scanner include the following:

- Create disruptive technological innovation (software, artificial intelligence, and smart physics) to improve medical imaging and thus health care quality and access;
- Continue to improve our high quality, high resolution, native 3D, reproducible image quality regardless of operator or breast size/tissue type breast imaging technology, as well as the techniques for quantifiable analysis, comparison, and training;
- Partner with strategic business and distribution channels to address the U.S. market for breast imaging immediately and, other regions in the future, to place the Breast Acoustic CT Scanner in hospitals, radiology centers, etc. and generate awareness of the benefits of our technology;
- Perform manufacturing internally to us and partner strategically for large scale manufacturing;
- Expand the market by supporting additional Direct-to-Customer and Direct-to-Patient approaches to enable the ability to lower health care costs and increase access via personal medical imaging;
- Provide a new social and economic opportunity for consumers to take control of some aspects of their own health care—such as imaging for minor injuries or medical conditions without needing a healthcare "gate-keeper;" and
- Focus our intellectual capabilities and ethical framework to become unified in our mission to improve the quality and lower the cost of health care world-wide . . . "It's about time."

We have incurred net operating losses and negative cash flows from operations since our inception and had an accumulated deficit of $56.4 million as of March 31, 2026. During the three months ended March 31, 2026, we incurred a net loss of $3.4 million and used $3.7 million of cash in operating activities. We continue to incur losses, and our ability to achieve and sustain profitability will depend on the achievement of sufficient revenue to support our cost structure. We may never achieve profitability and, unless and until we do, we will need to continue to raise additional capital.

We expect to incur additional recurring administrative expenses associated as a publicly traded company, including costs associated with compliance under the Exchange Act, annual and quarterly reports to stockholders, transfer agent fees, audit fees, incremental director and officer liability insurance costs, Sarbanes-Oxley Act compliance readiness, and director and officer compensation.

Recent Developments

On January 19, 2026, we entered into the Al Naghi Distribution Agreement for an initial term of three years. Under the terms of the Al Naghi Distribution Agreement, we granted to Al Naghi the exclusive right to market, advertise, and sell our Breast Acoustic CT Scanner and the QTI Cloud SaaS platform subscriptions in the UAE, with MOQs of 7 scanners in 2026, 16 scanners in 2027, and 20 scanners in 2028, for a total minimum of 43 scanners, representing revenue of more than $24 million in 2026 through 2028, upon regulatory approval from the EDE in the UAE, which was received on March 17, 2026.

On January 22, 2026, we entered into the Fourth Securities Purchase Agreement where we received approximately $0.2 million from Dr. Avi Katz, the Chairman of our Board of Directors, in exchange for the issuance of (i) 24,107 shares of common stock at a per share purchase price of $6.43, which represented 110% of the 5-day volume weighted trading price for the common stock on January 22, 2026; and (ii) warrants with a term of ten years from the initial exercise date to purchase up to an additional 48,214 shares of common stock with a per share exercise price of $6.43. We used the net proceeds from the offering for working capital purposes.

Effective January 28, 2026, upon meeting all of the Nasdaq listing requirements, our common stock was uplisted from the OTCQB Venture Market to the Nasdaq Capital Market and began trading under the ticker symbol "QTI."

On May 12, 2026, we and Lynrock Lake entered into the Second Amended Credit Agreement to extend the maturity date of the Lynrock Lake Term Loan from March 31, 2027 to March 31, 2029, and to increase the interest rate from 10% to 12% per annum.

Components of Our Results of Operations

Revenue

Revenue consists of revenue from the sale of our products including the Breast Acoustic CT Scanner, associated software, accessories, and related services, which are primarily training and maintenance. For sales of products (which include the Breast Acoustic CT Scanner and any accessories), revenue is recognized when a customer obtains control of the promised goods. The amount of revenue recognized reflects the consideration we expect to be entitled to receive in exchange for these goods. Service revenue is generally related to maintenance and training the customer. Service revenue is recognized at the time the related performance obligation is satisfied, in an amount that reflects the consideration that we expect to receive in exchange for those services.

Cost of Revenue

Cost of revenue consists of our product costs, which includes manufacturing costs, payroll and payroll related costs, stock-based compensation expenses, duties and other applicable importing costs, shipping and handling costs, packaging costs, warranty replacement costs, fulfillment costs, inventory obsolescence and write-offs, and direct or allocated expenses for rent, maintenance of facilities, insurance, and other overhead. We expect our cost of revenue to increase in absolute dollars and decrease as a percentage of revenue over time as we shift to new manufacturing processes and vendors that we anticipate will result in greater efficiency and lower per unit costs.

We expect we will continue to invest additional resources into our products to expand and further develop our offerings. The level and timing of investment in these areas could affect our cost of revenue in the future.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred in connection with the research and development of our products, which include payroll and payroll related costs, stock-based compensation expenses, consultant costs, professional services costs, material and supplies costs, clinical study costs, and direct or allocated expenses for rent, maintenance of facilities, insurance, and other overhead.

We expense all research and development costs in the periods in which such costs are incurred. Research and development activities are central to our business. We expect that our research and development expenses will increase substantially for the foreseeable future as we continue to invest in the continued development of the Breast Acoustic CT Scanner.

We cannot reasonably determine the nature, timing and costs of the efforts that will be necessary to build our QTI Cloud SaaS platform, run clinical trials that are necessary to generate biomarker data, and reduce the bill of materials and other

costs to manufacture the Breast Acoustic CT Scanner. Our research and development expenses may vary significantly based on factors such as, without limitation:

- The timing and progress of development activities;
- Our ability to maintain our current research and development programs and to establish new ones;
- The receipt of regulatory approvals from applicable regulatory authorities without the need for independent clinical trials or validation;
- Duration of subject participation in any trials and follow-ups;
- The countries and jurisdictions in which the trials are conducted;
- Length of time required to enroll eligible subjects and initiate trials;
- Per trial subject costs;
- Number of trials required for regulatory approval;
- The timing, receipt, and terms of any marketing approvals from applicable regulatory authorities;
- The success of our distribution arrangements, and our ability to establish new licensing or collaboration arrangements outside of U.S.;
- The hiring and retention of research and development personnel;
- Obtaining, maintaining, defending, and enforcing intellectual property rights; and
- The phases of development of our product candidates.

Any changes in the outcome of any of these variables with respect to the development of our products or product candidates could significantly change the costs and timing associated with the development of these products and product candidates.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of payroll and payroll related costs, stock-based compensation expenses, consultant costs, professional services costs, which include legal, investor relations, intellectual property, audit, accounting, and tax services, marketing costs, and direct or allocated expenses for rent, maintenance of facilities, insurance, and other overhead.

We anticipate that our selling, general and administrative expenses will increase to support our expanding headcount and operations, increased costs of operating as a public company, the development of a commercial infrastructure to support commercialization of our products and product candidates, increased support for existing and new distribution partner relationships, and the use of outside service providers such as insurers, consultants, lawyers, and accountants. We also expect selling expenses to increase in the near term as we promote our brand through marketing and advertising initiatives, expand market presence, and hire additional personnel to drive penetration and generate leads.

Results of Operations

Comparison of the three months ended March 31, 2026 and 2025 (in thousands)

	Three Months Ended March 31,		Change	
	2026	2025	$	%
Revenue	$ 6,530	$ 2,798	$ 3,732	133 %
Cost of revenue	3,858	986	2,872	291 %
Gross profit	2,672	1,812	860	47 %
Operating expenses:				
Research and development	1,724	852	872	102 %
Selling, general and administrative	3,297	2,002	1,295	65 %
Total operating expenses	5,021	2,854	2,167	76 %
Loss from operations	(2,349)	(1,042)	(1,307)	(125)%
Interest and other expense, net:				
Interest expense, net	(930)	(691)	(239)	(35)%
Other expense, net	(4)	(8,749)	8,745	100 %
Change in fair value of warrant liability	(173)	(705)	532	75 %
Change in fair value of derivative liability	—	101	(101)	(100)%
Change in fair value of earnout liability	50	(50)	100	200 %
Total interest and other expense, net	(1,057)	(10,094)	9,037	90 %
Net loss and comprehensive loss	$ (3,406)	$ (11,136)	$ 7,730	69 %

Revenue

Revenue increased by $3.7 million to $6.5 million during the three months ended March 31, 2026 from $2.8 million during the three months ended March 31, 2025. The increase was primarily due to the sale of 13 Breast Acoustic CT Scanners during the three months ended March 31, 2026, as compared with six scanners sold during the three months ended March 31, 2025, in accordance with MOQs per the Amended NXC Distribution Agreement.

Cost of Revenue

Cost of revenue increased by $2.9 million to $3.9 million during the three months ended March 31, 2026 from $1.0 million during the three months ended March 31, 2025. The increase was primarily due to the sale of 13 Breast Acoustic CT Scanners during the three months ended March 31, 2026, as compared with six scanners sold during the three months ended March 31, 2025, including one scanner that had been repurchased at a lower cost and one depreciated scanner that had been repurposed for sale.

Operating Expenses

Research and Development Expenses

Research and development expenses increased by $0.9 million to $1.7 million during the three months ended March 31, 2026 from $0.9 million during the three months ended March 31, 2025. The increase was primarily due to an increase in professional service costs of $0.6 million and an increase in payroll and payroll-related expenses of $0.2 million due to higher headcount.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by $1.3 million to $3.3 million during the three months ended March 31, 2026 from $2.0 million during the three months ended March 31, 2025. The increase was primarily due to an increase in payroll and payroll-related expenses of $1.1 million due to higher headcount and an increase in professional services costs of $0.2 million, partially offset by an increase in the allocation of overhead of $0.3 million from selling, general and administrative expenses to cost of revenue.

Interest expense, net

Interest expense, net increased by $0.2 million to $0.9 million during the three months ended March 31, 2026 from $0.7 million during the three months ended March 31, 2025. The increase was primarily due to the increase in accrued interest and debt discount amortization of $0.9 million for the Lynrock Lake Term Loan, partially offset by the decrease in Yorkville Note interest of $0.5 million as a result of the termination of the Yorkville Note in the first quarter of 2025 and an increase in interest income of $0.1 million.

Other expense, net

Other expense, net decreased by $8.7 million to $4 thousand during the three months ended March 31, 2026 from $8.7 million during the three months ended March 31, 2025. The decrease was primarily due to $6.6 million in noncash expense incurred at the issuance of the Lynrock Lake Term Loan, and $2.2 million due to an extinguishment loss and modification charges for the Yorkville Note and Cable Car Note during the three months ended March 31, 2025.

Change in fair value of warrant liability

Change in fair value of warrant liability changed by $0.5 million to expense of $0.2 million during the three months ended March 31, 2026 from expense of $0.7 million during the three months ended March 31, 2025. The change was primarily due to the decrease in the Lynrock Lake Warrant liability of $0.4 million and $0.1 million of expense from the modification on the Yorkville Warrant during the three months ended March 31, 2025.

Change in fair value of derivative liability

Change in the fair value of derivative liability changed by $0.1 million to nil for during three months ended March 31, 2026 from income of $0.1 million during the three months ended March 31, 2025. The change was due to the extinguishment of the derivative liability during the three months ended March 31, 2025 as a result of the extinguishment of the Yorkville Note.

Change in fair value of earnout liability

Change in the fair value of earnout liability changed by $0.1 million to income of $50 thousand during the three months ended March 31, 2026 from expense of $50 thousand during the three months ended March 31, 2025. The change was primarily due to changes in the probability of outcome related to our revenue assumptions.

Liquidity and Capital Resources

Sources of Liquidity

Liquidity describes our ability to meet financial obligations which arise during the normal course of business. To date, we have financed our operations primarily through the sale of equity securities, issuances of convertible notes and other debt, and grants from the U.S. government. We expect to derive future liquidity primarily through our revenue from customers and sale of equity securities. Our current liquidity position consists of cash on hand and certificates of deposit.

As of March 31, 2026, we had cash and cash equivalents of $7.0 million. We have incurred net operating losses and negative cash flows from operations since our inception and had an accumulated deficit of $56.4 million as of March 31, 2026. During the three months ended March 31, 2026, we incurred a net loss of $3.4 million and used $3.7 million of cash in operating activities. We expect to continue to incur losses, and our ability to achieve and sustain profitability will depend on the achievement of sufficient revenue to support our cost structure. We may never achieve profitability and, unless and until we do, we will need to continue to raise additional capital.

On February 26, 2025, we entered into the Lynrock Lake Credit Agreement that provided the Lynrock Lake Term Loan in the aggregate principal amount of $10.1 million. On August 26, 2025, we and Lynrock Lake entered into the Lynrock Lake Amended Credit Agreement to add Tranche B in the amount of $5.0 million to the Lynrock Lake Term Loan and increase the aggregate principal amount of the Lynrock Lake Term Loan to $15.1 million. The proceeds of Tranche B were used to repurchase the Yorkville Warrant. On October 6, 2025, we repaid the $5.0 million under Tranche B of the Lynrock Lake Term Loan, plus accrued interest and the Tranche B Premium. On May 12, 2026, we and Lynrock Lake entered into the Second Amended Credit Agreement to extend the maturity date of the Lynrock Lake Term Loan from March 31, 2027 to March 31, 2029, and to increase the interest rate from 10% to 12% per annum.

During the year ended December 31, 2025 and the three months ended March 31, 2026, we completed a series of PIPE transactions, where we received cash in exchange for the issuance of shares of common stock plus warrants for the purchase of common stock.

- On April 24, 2025, we entered into the First Securities Purchase Agreement in an amount of approximately $0.5 million from related persons. We used the net proceeds from the offering for working capital purposes.
- On May 12, 2025, we entered into the Second Securities Purchase Agreement in an amount of approximately $0.2 million. We used the net proceeds from the offering for working capital purposes.
- On October 3, 2025, we entered into the Third Securities Purchase Agreement in an amount of approximately $18.2 million, before deducting the offering expenses payable by us. We used the net proceeds from the offering for working capital purposes and to repay Tranche B of the Lynrock Lake Term Loan.
- On January 22, 2026, we entered into the Fourth Securities Purchase Agreement in an amount of approximately $0.2 million from a related person. We used the net proceeds from the offering for working capital purposes.

During the years ended December 31, 2025 and 2024 and the three months ended March 31, 2026, we entered into several distribution agreements which provided us with MOQs as follows:

- On June 18, 2024, as amended on December 11, 2024 and further amended on March 28, 2025, we entered into the Amended NXC Distribution Agreement, which provides us with MOQs of 60 scanners in 2026, representing revenue of more than $28 million in 2026.
- On August 21, 2025, we entered into the Gulf Medical Distribution Agreement for an initial term of three years. Under the terms of the Gulf Medical Distribution Agreement, we granted to GMC the exclusive right to market, advertise, and sell our Breast Acoustic CT Scanner and the QTI Cloud SaaS platform subscriptions in Saudi Arabia, with MOQs of 20 scanners in 2026, 32 scanners in 2027, and 40 scanners in 2028, for a total minimum of 92 scanners, representing revenue of more than $51 million in 2026 through 2028, upon regulatory approval from the SFDA in Saudi Arabia.
- On January 19, 2026, we entered into the Al Naghi Distribution Agreement for an initial term of three years. Under the terms of the Al Naghi Distribution Agreement, we granted to Al Naghi the exclusive right to market, advertise, and sell our Breast Acoustic CT Scanner and the QTI Cloud SaaS platform subscriptions in the UAE, with MOQs of 7 scanners in 2026, 16 scanners in 2027, and 20 scanners in 2028, for a total minimum of 43 scanners, representing revenue of more than $24 million in 2026 through 2028, upon regulatory approval from the EDE in the UAE, which was received on March 17, 2026.

Currently, as a result of the armed conflicts and heightened geopolitical tensions in the Middle East, including ongoing U.S. and Israeli military operations against Iran launched on February 28, 2026, we are unable to ship scanners to GMC and Al Naghi. If we are unable to ship scanners to our distributors in the Gulf Region for a prolonged period of time, our business, financial condition, results of operations, and liquidity could be materially impacted.

We believe that the additional cash received from the Lynrock Lake Term Loan, the extension of the maturity date of the Lynrock Lake Term Loan to March 2029, the additional cash received from the PIPE Investments, and the expected revenue from MOQs per the Amended NXC Distribution Agreement, the Gulf Medical Distribution Agreement, and the Al Naghi Distribution Agreement will be sufficient to fund our current operating plan for at least the next 12 months.

Our future capital requirements will depend on many factors, including our growth rate, the timing and extent of our spending to support research and development activities, purchasing inventory to meet our growth plan, and the timing and cost to enhance commercialized existing products. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us, or at all. Any additional debt financing obtained by us in the future could also involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. Additionally, if we raise additional funds through further issuances of equity, convertible debt securities, or other securities convertible into equity, our existing stockholders could suffer significant dilution in their percentage ownership of us, and any new equity securities we issue could have rights, preferences and privileges senior to those of holders of our common stock. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited.

Lynrock Lake Term Loan

On February 26, 2025, we entered into the Lynrock Lake Credit Agreement that provides the Lynrock Lake Term Loan with Lynrock Lake. The Lynrock Lake Credit Agreement is secured by a first priority lien on substantially all of our assets and provides for a term loan in the aggregate principal amount of $10.1 million at an interest rate of 10.0% per annum, compounded quarterly. Prior to the Second Amended Credit Agreement, the maturity date of the Lynrock Lake Credit Agreement was March 31, 2027 and is now March 31, 2029. The Lynrock Lake Term Loan will be repaid on the maturity date in an amount equal to the aggregate principal amount outstanding, together with all accrued and unpaid interest and any outstanding and payable fees.

Subject to the payment of the Make-Whole Amount (as defined in the Lynrock Lake Credit Agreement), we may at any time prior to the maturity date optionally prepay the term loan, in full or in part, upon irrevocable written notice of three business days prior to the proposed prepayment; provided that if such prepayment is to be funded with the proceeds of a refinancing or disposition, such notice of prepayment may be revoked if the financing or disposition is not consummated; provided further, that any such prepayment made in connection with, or in anticipation of, a Change of Control (as defined in the Lynrock Lake Credit Agreement) will also be subject to a prepayment premium equal to 20% of the amount of principal being prepaid (the "***Prepayment Premium***").

Subject to the payment of the Make-Whole Amount (as defined in the Lynrock Lake Credit Agreement), at the option of Lynrock Lake, we will make mandatory repayments of the term loan upon the following occurrences:

- If on any date we or any of our subsidiaries will receive any cash proceeds from any Extraordinary Receipt (as defined in the Lynrock Lake Credit Agreement) in an amount equal to or exceeding $0.3 million in the aggregate, we will prepay the term loan within five business days of receipt of such cash proceeds, in an amount equal to 100% of the cash proceeds of such Extraordinary Receipt (as defined in the Lynrock Lake Credit Agreement);

- If any indebtedness will be incurred by us or any subsidiary thereof (excluding any indebtedness that the Lynrock Lake Credit Agreement permits us to incur), an amount equal to 100% of the net cash proceeds thereof will be applied on the date of incurrence or receipt toward the prepayment of the term loan;

- If on any date we or any of our subsidiaries will receive net cash proceeds in an amount equal to or exceeding (i) $0.3 million in any single transaction or series of related transactions or (ii) $0.3 million in the aggregate for all transactions during the term of the Lynrock Lake Credit Agreement from any Asset Sale (as defined in the Lynrock Lake Credit Agreement) or Recovery Event (as defined in the Lynrock Lake Credit Agreement) then we or such subsidiary will prepay the term loan, on or prior to the date which is five business days after the date of the realization or receipt by us or subsidiary in an amount equal to 100% of such proceeds; and

- Subject to the payment of the Prepayment Premium in addition to the Make-Whole Amount (as defined in the Lynrock Lake Credit Agreement), in the event that a Change of Control (as defined in the Lynrock Lake Credit Agreement) will occur, we will prepay all of the outstanding term loan, on or prior to the date which is two business days after the date of such Change of Control (as defined in the Lynrock Lake Credit Agreement).

There are no requirements to make any prepayment in the event that we sell any of our capital stock. In addition, at the option of Lynrock Lake, we will also make mandatory repayments of the term loan on a monthly basis, no later than five business days after the end of each month (provided that such date for payment is prior to the maturity date), if we or our subsidiaries receive payment of accounts receivable on or after January 1, 2026, in an amount equal to 15% of the aggregate amount of payments of accounts receivable actually received during such prior month, net of any cost of collection incurred not in the ordinary course of business. No Make-Whole Amount (as defined in the Lynrock Lake Credit Agreement) or Prepayment Premium is due or payable on any such mandatory prepayment as a result of receipt of accounts receivable on or after January 1, 2026. As of March 31, 2026, Lynrock Lake has not elected the repayment option in the amount equal to 15% of the aggregate amount of payments of accounts receivable actually received on or after January 1, 2026.

In connection with the Lynrock Lake Term Loan, we issued to Lynrock Lake the Lynrock Lake Warrant to purchase 20,333,623 shares of common stock at an exercise price of $1.20 per share. Upon the closing of the October 2025 Private Placement, the number of shares which may be purchased upon exercise of the Lynrock Lake Warrant and the per share exercise price were adjusted to 24,396,416 and $1.0002, respectively. Lynrock Lake may cashless exercise the Lynrock Lake Warrant. The Lynrock Lake Warrant is also subject to anti-dilution adjustments to the exercise price and the number of shares which may be purchased upon exercise of the Lynrock Lake Warrant in the event that we issue shares of common stock (or derivative securities) at a price that is either less than the $1.0002 exercise price or the fair market value of a share

of common stock from the immediately prior trading day. The fair value of the Lynrock Lake Warrant at issuance amounted to $16.5 million. On June 11, 2025, the Lynrock Lake Warrant was amended to update the provisions that would trigger cash settlement such that, when such events occur, the holders of the warrants receive the same form of consideration as the underlying stockholders. As equity classification is permitted for an instrument that requires net-cash settlement if the holders of the contract's underlying shares receive the same form of consideration in transactions outside our control, consequently the warrants were revalued and then reclassified to additional paid-in capital on the consolidated balance sheet upon modification. We determined the fair value of the Lynrock Lake Warrant using the Black-Scholes pricing model through the modification.

Upon issuance of the Lynrock Lake Term Loan, we recorded a loss of $6.6 million, including debt issuance costs of $0.2 million, in other expense, net within the unaudited condensed consolidated statements of operations and comprehensive loss for the three months ended March 31, 2025.

On August 26, 2025, we and Lynrock Lake entered into the Lynrock Lake Amended Credit Agreement to add Tranche B in the amount of $5.0 million to the loan and increase the aggregate principal amount of the Lynrock Lake Term Loan to $15.1 million. The proceeds of Tranche B were used to repurchase the Yorkville Warrant. Tranche B was subject to the Tranche B Premium equal to 6% multiplied by the sum of (i) the principal of Tranche B being repaid plus (ii) all related accrued and unpaid interest. Subject to the payment of the Make-Whole Amount, if we received Net Cash Proceeds (as defined in the Lynrock Lake Credit Agreement) from any sale or issuance of our common stock, then we will, at the option of Lynrock Lake, prepay, or cause to be prepaid, Tranche B on or prior to the date which is thirty days after the date of the receipt by us of such Net Cash Proceeds in an amount equal to the lesser of (i) 100% of such Net Cash Proceeds or (ii) the principal amount of Tranche B on such date of prepayment, together with all accrued and unpaid interest thereon and any outstanding fees or premium, if any, payable in accordance with the Lynrock Lake Term Loan. Additionally, in connection with any mandatory prepayment of Tranche B on or prior to December 31, 2025, such mandatory prepayment will be subject to the payment of the Tranche B Premium instead of the Make-Whole Amount.

On October 6, 2025, we repaid the $5.0 million under Tranche B of the Lynrock Lake Term Loan, plus accrued interest and the Tranche B Premium, with a portion of the proceeds from the October 2025 Private Placement.

On May 12, 2026, we and Lynrock Lake entered into the Second Amended Credit Agreement to extend the maturity date of the Lynrock Lake Term Loan from March 31, 2027 to March 31, 2029, and to increase the interest rate from 10% to 12% per annum.

As of March 31, 2026, the outstanding amount of the Lynrock Lake Term Loan was $1.4 million, net of the unamortized debt discount of $8.7 million, and accrued interest was $1.2 million. Interest expense, including amortization of debt issuance costs, for the three months ended March 31, 2026 and 2025 was $1.0 million and $0.1 million, respectively.

Related Party Convertible Notes Payable

Our 2020 Notes bear annual interest of 5% on any amounts drawn. The additional note issued in March 2022 as part of the 2020 Notes, has an annual interest rate of 8%. All principal and interest payments were initially due on or before July 1, 2025. In connection with the issuance of the Lynrock Lake Term Loan, on February 26, 2025, the maturity date on these convertible notes payable was extended to October 21, 2027.

The 2020 Notes are convertible, at the holder's option, into shares of our common stock at the lower of $43.77 per share or the offering price in a financing of at least $5.0 million in equity from unaffiliated parties. As of March 31, 2026, an aggregate of 90,385 shares of common stock would be issued if the entire principal and interest under the 2020 Notes was converted.

As of March 31, 2026 and December 31, 2025, the outstanding amount of the 2020 Notes was $3.9 million, and accrued interest was $0.8 million and $0.7 million, respectively.

Related Party Working Capital Loan

On May 3, 2023, we issued the Working Capital Note to a stockholder for a principal amount of $0.3 million. The Working Capital Note was subsequently amended and restated six times on June 12, 2023 to add an additional principal amount of $0.1 million, August 15, 2023 to add an additional principal amount of $0.1 million, August 29, 2023 to add an additional principal amount of $0.1 million, September 12, 2023 to add an additional principal amount of $0.1 million, September 15, 2023 to add an additional principal amount of $0.1 million, and October 26, 2023 to add an additional principal amount of $0.1 million, for an aggregate principal amount outstanding as of March 31, 2026 and December 31, 2025 under the Working Capital Note of $0.7 million. The Working Capital Note was issued to provide us with additional working capital

during the period prior to consummation of the Business Combination Agreement with GigCapital5. The Working Capital Note is interest-free and originally matured on the earlier of (i) the date on which we consummated the Business Combination with GigCapital5; (ii) the date we wind up; or (iii) December 31, 2023. The Working Capital Note may be prepaid without penalty. On March 4, 2024, the holder of the Working Capital Note agreed to extend and subordinate the promissory note pursuant to and in accordance with the terms of the Business Combination Agreement. Effective on the closing of the Business Combination, the Working Capital Note cannot be repaid prior to the repayment or conversion of the Yorkville Note received from Yorkville. In connection with the issuance of the Lynrock Lake Term Loan, on February 26, 2025, the maturity date on the Working Capital Note was extended to October 1, 2027.

Cash Flows

The following table provides information regarding our cash flows for the periods presented *(in thousands)*:

	Three Months Ended March 31,	
	2026	**2025**
Net cash used in operating activities	$ (3,654)	$ (3,536)
Net cash used in investing activities	(17)	—
Net cash provided by financing activities	159	5,352
Net increase in cash and cash equivalents and restricted cash and cash equivalents	$ (3,512)	$ 1,816

Net Cash Used In Operating Activities

Net cash used in operating activities was $3.7 million for the three months ended March 31, 2026 as compared to $3.5 million for the three months ended March 31, 2025. Net cash used for the three months ended March 31, 2026 consisted of a net loss of $3.4 million, adjusted for non-cash expenses primarily including stock-based compensation expense of $0.4 million, non-cash interest of $0.7 million, and change in fair value of warrant liability of $0.2 million, and adjusted for the net change in operating assets and liabilities primarily including an increase in accounts receivable of $0.6 million, an increase in inventory of $1.8 million, an increase in prepaid expenses and other current assets of $0.2 million, and a decrease in accounts payable of $0.5 million, partially offset by an increase in other liabilities of $1.2 million and an increase in accrued expenses and other current liabilities of $0.5 million.

Net cash used for the three months ended March 31, 2025 consisted of a net loss of $11.1 million, adjusted for non-cash expenses primarily including loss on issuance of the Lynrock Lake Term Loan of $6.6 million, debt extinguishment loss of $2.0 million, non-cash interest of $0.5 million, and change in fair value of warrant liability of $0.7 million, and adjusted for the net change in operating assets and liabilities primarily including an increase in accounts receivable of $2.7 million and an increase in prepaid expenses and other current assets of $0.6 million, partially offset by a decrease in inventory of $0.3 million, and an increase in accrued expenses and other liabilities of $0.5 million.

Net Cash Used in Investing Activities

Net cash used in investing activities was $17 thousand for the three months ended March 31, 2026 due to purchases of property and equipment. There were no investing activities for the three months ended March 31, 2025.

Net Cash Provided by Financing Activities

During the three months ended March 31, 2026, net cash provided by financing activities was $0.2 million primarily due to net proceeds from the sale of common stock and warrants of $0.2 million, and proceeds from stock option exercises of $0.2 million, partially offset by $0.2 million of stock issuance costs accrued in 2025 but paid during the three months ended March 31, 2026.

During the three months ended March 31, 2025, net cash provided by financing activities was $5.4 million, primarily due to $10.0 million of net proceeds received from issuance of long-term debt related to the Lynrock Lake Term Loan, partially offset by the repayment of long-term debt of $4.6 million related to the Yorkville Note, Cable Car Note, and the PPP Loans.

Future Funding Requirements

We expect to incur increased significant expenses in connection with our ongoing activities, particularly as we continue the research and development of our products and product candidates, seek expanded regulatory clearances for the Breast Acoustic CT Scanner, expand our clinical studies, and build a U.S. sales and marketing team. We expect to incur additional

costs associated with operating as a public company. Our future funding requirements, both short-and long-term, will depend on many factors, including, without limitation:

- Having the cash to repay our debt obligations as they come due;
- Expand our current manufacturing operations and expand existing and build new partnerships with contract manufacturing third-party vendors;
- Purchase inventory for our planned shipments;
- Expand or enhance our distribution with third-party distribution channels outside of the U.S.;
- The progress and results of our trials and interpretation of those results by the FDA (and other regulatory authorities, as required);
- Seek regulatory clearances for product candidates and expanded regulatory clearance for the Breast Acoustic CT Scanner;
- The cost of operating as a public company, including hiring additional personnel as well as increased director and officer insurance premiums, audit and legal fees, investor relations fees and expenses related to compliance with public company reporting requirements under the Exchange Act and rules implemented by the SEC and Nasdaq; and
- The costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights, and defending our intellectual property-related claims.

We plan to continue to incur substantial costs in order to conduct research and development activities and to invest in the continued development of the Breast Acoustic CT Scanner. Additional capital will be needed to undertake these activities and commercialization efforts. We intend to raise such capital through the issuance of additional equity, borrowings, and potential strategic alliances with other companies. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. If such financing is not available at adequate levels or on acceptable terms, we could be required to significantly reduce operating expenses and delay, reduce the scope of or eliminate some of our development programs or our commercialization efforts, out-license intellectual property rights to our product candidates, and sell unsecured assets, or a combination of the foregoing, any of which may have a material adverse effect on our business, results of operations, financial condition and/or our ability to fund our scheduled obligations on a timely basis, or at all.

Because of the numerous risks and uncertainties associated with manufacturing, research, development and commercialization of products, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on, and could increase significantly as a result of, many factors, including, without limitation:

- The timing, receipt, and amount of revenue from the sales of the Breast Acoustic CT Scanner and related products and services, or any future approved or cleared products and product candidates, if any;
- The cost of future activities, including product sales, medical affairs, marketing, manufacturing, and distribution for the Breast Acoustic CT Scanner;
- The costs, timing, and outcomes of regulatory review of applications for expanded clearances for the Breast Acoustic CT Scanner;
- The scope, progress, results, and costs of researching, developing and manufacturing our product candidates or any future product candidates, and conducting studies and clinical trials;
- The timing of, and the costs involved in, obtaining regulatory approvals or clearances for our product candidates or any future product candidates;
- The cost of manufacturing our product candidates or any future product candidates and any products we successfully commercialize, including costs associated with building out our manufacturing capabilities;
- The cost and time needed to attract and retain skilled personnel to support our continued growth;

- Our ability to establish and maintain strategic collaborations, licensing, or other arrangements and the financial terms of any such agreements that we may enter into; and
- The costs associated with being a public company.

Additionally, our operating plans may change, and we may need additional funds to meet operational needs and capital requirements for future trials and other research and development activities. Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic partnerships or marketing, distribution, or licensing arrangements with third parties. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders may be materially diluted, and the terms of such securities could include liquidation or other preferences that adversely affect the rights of our stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specified actions, such as incurring additional debt, making capital expenditures, or declaring dividends. In addition, debt financing would result in increased fixed payment obligations.

If we raise funds through collaborations, strategic partnerships or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or products, or grant licenses on terms that may not be favorable to us.

If we are unable to raise additional funds when needed, we may be required to delay, reduce, or eliminate our product development or future commercialization efforts, or grant rights to develop and market products that we would otherwise prefer to develop and market ourselves.

Our ability to continue as a going concern is dependent upon our ability to successfully accomplish these plans and secure sources of financing and attain profitable operations. If we are unable to obtain adequate capital, we could be forced to cease operations. See the section entitled *Risk Factors* for additional factors and risks associated with our capital requirements.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements.

Contractual Obligations

We lease our operating facilities in Novato, California, under a non-cancelable operating lease through May 31, 2027. There are no options or rights to extend the term of this lease.

Contingencies

Litigation

We are subject to occasional lawsuits, investigations and claims arising out of the normal course of business. As of the date the unaudited condensed consolidated financial statements were available to be issued, management is not aware of any pending claims that will have a material impact on our unaudited condensed consolidated financial statements.

Emerging Growth Company

We are an emerging growth company ("***EGC***"), as defined in the Jumpstart Our Business Startups Act of 2012 ("***JOBS Act***"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company, or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our unaudited condensed consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

In addition, we intend to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an EGC, we intend to rely on such exemptions, we are not required to, among other things: (i) provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd- Frank Wall Street Reform and Consumer Protection

Act; (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (United States) regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis); and (iv) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation.

We will remain an EGC under the JOBS Act until the earliest of (i) the last day of our first fiscal year following the fifth anniversary of the Closing of the Business Combination, (ii) the last date of our fiscal year in which we have total annual gross revenue of at least $1.235 billion, (iii) the date on which we are deemed to be a "large accelerated filer," as defined in Rule 12b-2 promulgated under the Exchange Act, or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the previous three-years.

Critical Accounting and Estimates

Refer to Part II, Item 7, *Critical Accounting and Estimates*, in our Annual Report on Form 10-K for the year ended December 31, 2025.

Recent Accounting Pronouncements

Recent Accounting Pronouncements Not Yet Adopted

Refer to *Note 1 - The Company and Summary of Significant Accounting Policies* to the unaudited condensed consolidated financial statements for a discussion of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of our management, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act were effective as of March 31, 2026 to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Inherent Limitations on Effectiveness of Controls

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, in designing and evaluating the disclosure controls and procedures, management recognizes that any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Moreover, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business but cannot provide assurance that such improvements will be sufficient to provide us with effective internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II

Item 1: Legal Proceedings

We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us or any of our officers or directors in their corporate capacity.

Item 1A: Risk Factors

The statements in this section describe the known material risks to our business and should be considered carefully. As of March 31, 2026, there have been no material changes in risk factors previously disclosed in our Annual Report, other than as noted below. Any of these risk factors disclosed in our Annual Report or herein could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC.

The forward-looking statements contained in this Quarterly Report are based on our current expectations and beliefs concerning future developments and their potential effects on us. Future developments affecting us may not be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, the following risks, uncertainties and other factors:

We are a development-stage company with limited operating history and significant losses since inception which may make it difficult to evaluate prospects for our future viability and predict our future performance. We may never be able to effectuate our business plan or achieve any meaningful revenue or reach profitability.

We have a limited operating history and only a preliminary and unproven business plan upon which investors may evaluate our prospects. We have demonstrated the commercial viability of our breast imaging platform at scales of tens of scanners but not yet demonstrated the commercial viability on larger scales. The QT Breast Scanner is deployed at facilities in the United States and abroad. Even if we are able to do so, we may not be able to manufacture the QT Breast Scanner device at the costs needed to support our business model. Even if we are able to commercialize some of our products or product candidates, there can be no assurance that we will generate significant revenues or ever achieve profitability. We expect to continue to incur significant sales and marketing, research and development, regulatory and other expenses as we expand our marketing efforts to increase adoption of our products, expand existing relationships, obtain regulatory approvals for our product candidates, conduct clinical studies on our existing and planned product candidates and develop new product candidates or add new features to our existing products. There is no assurance that our distribution partners will succeed in selling and servicing devices in sufficient volumes to help the company meet its business plan, revenue objectives or profitability.

Furthermore, even if our technology and product become commercially viable and deployed at scale, we may not generate sufficient revenue necessary to support our business. We may never successfully stimulate market interest in our QT Breast Scanner in the near-to-mid-term at any level or at all, which may cause our business to fail. The medical imaging industry is also highly competitive, and our technology, products, services or business models may not achieve widespread market acceptance. If we are unable to address any issues mentioned above, or encounter other problems, expenses, difficulties, complications, and delays in connection with the starting and expansion of our business, our entire business may fail, in which case you may lose your entire investment.

We have a history of net losses and negative cash flow from operations since inception and we expect such losses and negative cash flows from operations to continue in the foreseeable future. As of March 31, 2026 and December 31, 2025, we had an accumulated deficit of approximately $56.4 million and $53.0 million, respectively. For the three months ended March 31, 2026 and 2025, we incurred net losses attributable to the Company of approximately $3.4 million and $11.1 million, respectively. For the three months ended March 31, 2026 and 2025, we used cash in operations of $3.7 million and $3.5 million, respectively. We anticipate our losses will continue to increase from current levels because we expect to incur additional costs related to developing our business, including research and development costs, manufacturing costs, employee-related costs, costs of complying with government regulations, intellectual property development and prosecution costs, marketing and promotion costs, capital expenditures, general and administrative expenses, and costs associated with operating as a public company.

Our ability to generate revenue from our operations and ultimately achieve profitability will depend on factors including but not limited to whether we can complete the development and commercialization of our QT Breast Scanner breast imaging technology and our future products, whether we can manufacture the QT Breast Scanner and future products on a commercial scale in such amounts and at such costs as we anticipate, and whether we can achieve market acceptance of our products, services and business models. The net losses that we incur may fluctuate significantly from period to period. As a result of these increased expenditures, we will need to generate significant additional revenue in order to offset our operating expenses and achieve and sustain profitability. Accordingly, we may not achieve or maintain profitability, and we may continue to incur significant losses in the future. Even if we achieve profitability, we cannot be sure that we will remain profitable for any substantial period of time. If we do not achieve or sustain profitability, it will be more difficult for us to finance our business and accomplish our strategic objectives, either of which would have a material adverse effect on our business, financial condition, results of operations and prospects and may cause the market price of the common stock to decline.

Future sales, or the perception of future sales, of common stock by us or our existing stockholders in the public market could cause the market price for our common stock to decline.

The sale of substantial amounts of shares of common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

All shares issued as merger consideration in the Business Combination are freely tradable without registration under the Securities Act and without restriction by persons other than our "affiliates" (as defined under Rule 144), including our directors, executive officers and other affiliates, and certain other former QT Imaging stockholders.

The Company has registered in a resale registration statement on Form S-1 declared effective by the SEC on May 22, 2024, securities held by certain stockholders of the Company which have the right, subject to certain conditions, to require us to register the sale of their shares of common stock under the Securities Act, pursuant to the terms of a registration statement that we entered into with GigAcquisitions5 and certain other security holders of GigCapital5 and QT Imaging (the "***GigCapital5 Registration Rights Agreement***"). The Company has also registered in a resale registration statement on Form S-1 declared effective by the SEC on February 5, 2025, the securities sold in the private placement conducted in November 2024 as the purchasers received the right, subject to certain conditions, to require us to register the sale of their shares of common stock under the Securities Act, pursuant to the terms of a registration statement that we entered into ("***PIPE Registration Rights Agreement***"). We have also registered in a resale registration statement on Form S-1 declared effective by the SEC on December 31, 2025 additional securities of the Company, including those issued in further private placements conducted during 2025, as well as warrants that we have issued during 2025. The sale of a large number of shares by these stockholders, or the sale of shares by warrant holders following the exercise of these warrants, could cause the prevailing market price of shares of our common stock to decline. Significant sales of shares of our common stock may have negative pressure on the public trading price of our common stock.

The shares already registered for resale currently represent over 50% of the total number of shares outstanding, based on the number of shares of common stock outstanding as of March 24, 2026. Even though the current trading price is significantly below the Company's initial public offering price, based on the closing price of the common stock on March 24, 2026, certain of our stockholders may have an incentive to sell their shares because they will still profit on sales due to the lower prices at which they purchased their shares as compared to the public investors who acquired shares during the GigCapital5 initial public offering. For example, members of our founding stockholder, GigAcquisitions5, who received a distribution of shares from GigAcquisitions5 for which there is an effective resale registration statement, have a cost basis in up to 1,911,696 shares of common stock that were acquired at an effective purchase price of $0.0130776 per share, and, therefore, based on the closing price of the common stock, could earn an aggregate profit of approximately $12.5 million from the resale of such shares based upon the closing stock price on March 24, 2026.

To the extent that the selling security holders under any of our registration statements on Form S-1 sell their shares or are perceived by the market as intending to sell them, the market price of shares of common stock could drop significantly. These factors could also make it more difficult for us to raise additional funds through future offerings of shares of common stock or other securities.

The Company has converted each of its resale registration statements on Form S-1 to post-effective amendments on Form S-3, which allow the selling security holders to continue to offer and sell the registered securities thereunder. In addition, the Company has an effective shelf registration statement on Form S-3 from which it may offer and sell securities from time to time. The availability of the shelf registration statement may facilitate future capital raises by the Company; however, any such offerings could result in dilution to existing stockholders and may cause the market price of our common stock to decline.

On October 3, 2025, we issued the Pre-Funded Warrants which are exercisable for 1,808,055 shares at an exercise price of $0.0003 per share. In addition, the Company has other warrants that in the aggregate are exercisable for 38,417,755 shares of common stock at various exercise prices ranging from $1.0002 per share to $6.90 per share. This includes the warrant that we issued to Lynrock Lake in connection with the Lynrock Lake Warrant, which is exercisable for 24,396,416 shares of common stock at an exercise price of $1.0002 per share, but may be exercised on a "cashless basis."

In addition, the shares of common stock that will be issued upon exercise of stock options already granted pursuant to the terms of, or those shares of common stock reserved for future issuance under the 2024 Equity Incentive Plan will become eligible for sale in the public market once those shares are issued, subject to provisions relating to various vesting agreements and, in some cases, limitations on volume and manner of sale applicable to affiliates under Rule 144, as applicable. We have filed a registration statement on Form S-8 under the Securities Act to register shares of common stock or securities convertible into or exchangeable for shares of common stock issued pursuant to our equity incentive plans and may in the future file additional registration statements on Form S-8. Any such Form S-8 registration statements will automatically become effective upon filing. Accordingly, shares registered under such registration statements will be available for sale in the open market.

Certain of the Company's warrants are accounted for as a warrant liability and were recorded at fair value upon issuance with changes in fair value each period reported in earnings, which may have an adverse effect on the market price of the common stock.

As of March 31, 2026, an aggregate of 889,364 private warrants and working capital warrants that are Warrant Agreement Warrants, which following the Reverse Stock Split were exercisable for 296,445 shares of common stock, were outstanding. These warrants became exercisable 30 days after completion of the Business Combination and are exercisable now that we have an effective registration statement under the Securities Act covering the shares of common stock of the Company issuable upon exercise for so long as a current prospectus relating to them is available and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder (or the Company permits holders to exercise their warrants on a cashless basis under certain circumstances). Furthermore, the Company may redeem outstanding warrants in certain circumstances; provided, however, that these warrants will not be redeemable by the Company so long as they are held by the initial purchasers or any of its permitted transferees, to which the initial purchaser transferred the private warrants in June 2024. Under GAAP, the Company is required to evaluate contingent exercise provisions of these warrants and then their settlement provisions to determine whether they should be accounted for as a warrant liability or as equity. Any settlement amount not equal to the difference between the fair value of a fixed number of the Company's equity shares and a fixed monetary amount precludes these warrants from being considered indexed to its own stock, and therefore, from being accounted for as equity. As a result of the provision that these warrants, when held by someone other than the initial purchasers or their permitted transferees, will be redeemable by the Company, the requirements for accounting for these warrants as equity are not satisfied. Therefore, the Company is required to account for these warrants as a warrant liability and record (a) that liability at fair value, and (b) any subsequent changes in fair value as of the end of each period for which earnings are reported. The impact of changes in fair value on earnings may have an adverse effect on the market price of our common stock.

We conduct business in the Kingdom of Saudi Arabia and the UAE and military conflicts and geopolitical instability in the Middle East, including U.S. and Israeli military actions against Iran and the effective closure of the Strait of Hormuz, could disrupt our ability to ship products into the region, impair global markets and adversely affect our business and finances.

Armed conflicts and heightened geopolitical tensions in the Middle East, including ongoing U.S. and Israeli military operations against Iran launched on February 28, 2026, pose risks to the global economy and to our business, particularly as we have distribution arrangements in the Kingdom of Saudi Arabia and the UAE. Iran has retaliated across the Gulf region, including attacks against targets in Qatar, the UAE, Kuwait, Bahrain and the Kingdom of Saudi Arabia. Furthermore, starting on March 4, 2026, Iranian forces declared the Strait "closed" and have threatened and carried out attacks on ships attempting to transit the waterway. The Strait, which borders Iran and Oman, is a critical maritime choke

point through which roughly 27% of the world's maritime trade in crude oil and petroleum products, approximately 20% of global liquefied natural gas trade, and significant volumes of containerized manufactured goods and other commodities transit. Although U.S and other forces have acted to allow for shipping to be able to continue through the Strait, uncertainty remains as to whether ships can safely transit the Strait, and at what cost, with war risk insurance premiums for vessels transiting the Strait having surged from approximately 0.25% to as much as 1-3% of a vessel's insured value, and major maritime insurers have withdrawn war-risk coverage entirely, rendering the Strait economically non-functional even when it may be physically accessible. As a result, maritime shipping traffic through the Strait has declined by approximately 90% or more from normal volumes. A significant escalation of hostilities in this or other global conflicts may have a material adverse impact on our business. The current military conflict may affect our ability to continue our projects in these regions due to lack of resources, local support, and safety for the workers of our distribution partners. In addition, our distribution partners may be unable to receive product shipments destined for the Kingdom of Saudi Arabia and the UAE, or may experience significant delays, increased costs and supply chain interruptions that could materially impair our ability to fulfill customer orders, maintain existing distribution relationships and generate revenue from the region. Any disruption to our ability to distribute our products to this region will likely result in an impact on our finances. Furthermore, although the length and impact of the ongoing conflict is in the Middle East is highly unpredictable, it could lead to global market disruptions. The escalation of the conflict in the Middle East and the resulting measures that have been taken, and could be taken in the future, by the United States, NATO (or member countries), the European Union, Israel and its neighboring states and other countries have created global security concerns that could have a lasting impact on regional and global economies. In addition, the escalation of military action in the Middle East has disrupted global shipping routes, increased transit times and freight costs, and created broader supply chain bottlenecks. These shipping disruptions may persist even after the cessation of active hostilities, as insurance markets, operator risk perception and network redesign operate independently of military conditions, and the experience of the Red Sea crisis from 2023 to 2025 has demonstrated that commercial shipping traffic may not return to pre-crisis levels for an extended period. Furthermore, any disruption to the flow of oil through the Strait of Hormuz or other critical shipping lanes, could result in a rapid and sustained increase in global oil and energy prices, which would increase transportation and logistics costs and the cost of petroleum-based production materials. Higher energy and fuel prices would also be disruptive for the global economy and our end user customers. In addition, an escalation of military action in the Middle East could disrupt global shipping routes, increase transit times and freight costs, and create broader supply chain bottlenecks similar to those experienced during prior periods of global disruption. Any macroeconomic deterioration resulting from an escalation in Middle Eastern hostilities could compound the existing challenges facing our business and could have a material adverse effect on our business, financial condition, results of operations, and liquidity.

The extent and duration of the ongoing conflict, resulting sanctions and any related market disruptions are impossible to predict, but could be substantial, particularly if current or new sanctions continue for an extended period of time or if geopolitical tensions result in expanded military operations on a global scale. Any such disruptions may also have the effect of heightening many of the other risks described in this section. If these disruptions or other matters of global concern continue for an extensive period of time, to the extent that we have material operations or assets in a conflict zone, they may be materially adversely affected.

Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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

Please refer to the Current Report on Form 8-K that we filed with the SEC on January 23, 2026 for information regarding a private placement that occurred on January 22, 2026. On January 22, 2026, we entered into the Fourth Securities Purchase Agreement where we received approximately $0.2 million from Dr. Avi Katz, the Chairman of our Board of Directors, in exchange for the issuance of (i) 24,107 shares of common stock at a per share purchase price of $6.43, which represented 110% of the 5-day volume weighted trading price for the common stock on January 22, 2026; and (ii) warrants with a term of ten years from the initial exercise date to purchase up to an additional 48,214 shares of common stock with a per share exercise price of $6.43. We used the net proceeds from the offering for working capital purposes.

Item 3: Defaults Upon Senior Securities

Not applicable

Item 4: Mine Safety Disclosures

Not applicable

Item 5: Other Information

None

Item 6. Exhibits

Exhibit No.	Description
2.1†*	Business Combination Agreement, dated as of December 8, 2022, by and among GigCapital5, Inc., QTI Merger Sub, Inc. and QT Imaging, Inc. (incorporated by reference to Exhibit 2.1 to GigCapital5's Current Report on Form 8-K filed with the SEC on December 12, 2022).
2.2*	First Amendment to Business Combination, dated May 5, 2023, by and among GigCapital5, Inc., QTI Merger Sub, Inc. and QT Imaging, Inc. (included as Annex A to the Final Proxy Statement/Prospectus filed under Rule 424(b)(3) on February 7, 2024).
2.3†*	Second Amendment to Business Combination Agreement, dated as of September 21, 2023, by and among GigCapital5, Inc., QTI Merger Sub, Inc. and QT Imaging, Inc. (incorporated by reference to Exhibit 10.1 to GigCapital5's Current Report on Form 8-K filed with the SEC on September 21, 2023).
2.4*	Third Amendment to Business Combination Agreement, dated as of November 10, 2023, by and among GigCapital5, Inc., QTI Merger Sub, Inc. and QT Imaging, Inc. (incorporated by reference to Exhibit 2.1 to GigCapital5's Quarterly Report on Form 10-Q filed with the SEC on November 14, 2023).
2.5*	Fourth Amendment to Business Combination Agreement, dated November 22, 2023, by and among GigCapital5, Inc., QTI Merger Sub, Inc. and QT Imaging, Inc. (included as Annex A to the Final Proxy Statement/Prospectus filed under Rule 424(b)(3) on February 7, 2024).
2.6*	Fifth Amendment to Business Combination Agreement, dated February 2, 2024, by and among GigCapital5, Inc, QTI Merger Sub, Inc. and QT Imaging, Inc. (incorporated by reference to Exhibit 10.1 to GigCapital5's Current Report on Form 8-K filed with the SEC on February 6, 2024).
3.1*	Second Amended and Restated Certificate of Incorporation of QT Imaging Holdings, Inc. (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed with the SEC on March 8, 2024).
3.2*	Amended and Restated Bylaws of QT Imaging Holdings, Inc. (incorporated by reference to Exhibit 3.2 to Current Report on Form 8-K filed with the SEC on March 8, 2024).
3.3*	Certificate of Amendment to the Company's Second Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed with the SEC on October 23, 2025).
4.1*	Warrant Agreement between Continental Stock Transfer & Trust Company and the Company (incorporated by reference to Exhibit 4.1 to GigCapital5's Current Report on Form 8-K filed with the SEC on September 28, 2021).
4.2*	Warrant to Purchase Common Stock, dated February 26, 2025, by and between QT Imaging Holdings, Inc. and Lynrock Lake Master Fund, LP (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed with the SEC on February 28, 2025).
4.3*	Warrant to Purchase Common Stock, dated February 26, 2025, by and between QT Imaging Holdings, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed with the SEC on February 28, 2025).
4.4*	Amended and Restated Warrant to Purchase Common Stock, dated June 11, 2025, by and between QT Imaging Holdings, Inc. and Lynrock Lake Master Fund, LP (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed with the SEC on June 12, 2025).
4.5*	Amended and Restated Warrant to Purchase Common Stock, dated June 11, 2025, by and between QT Imaging Holdings, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed with the SEC on June 12, 2025).

10.1*	Insider Letter Agreement among the Company and the Founder (incorporated by reference to Exhibit 10.1 to GigCapital5's Current Report on Form 8-K filed with the SEC on September 28, 2021).
10.2*	Insider Letter Agreement among the Company and its executive officers and directors (incorporated by reference to Exhibit 10.2 to GigCapital5's Current Report on Form 8-K filed with the SEC on September 28, 2021).
10.3*	Registration Rights Agreement by and among the Company, the Founder and underwriters (incorporated by reference to Exhibit 10.6 to GigCapital5's Current Report on Form 8-K filed with the SEC on September 28, 2021).
10.4#*	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on March 8, 2024).
10.5*	Amendment to Insider Letter Agreement by and among GigCapital5, Inc. and each of its officers and directors, dated March 28, 2023 (incorporated by reference to Exhibit 10.1 to GigCapital5's Current Report on Form 8-K filed with the SEC on March 30, 2023).
10.6†*	Stockholder Support Agreement, dated as of December 8, 2022, by and among GigCapital5, QT Imaging, Inc. and certain stockholders of QT Imaging, Inc. named in the Stockholder Support Agreement (incorporated by reference to Exhibit 10.1 to GigCapital5's Current Report on Form 8-K filed with the SEC on December 12, 2022).
10.7*	Amendment to Sponsor Letter Agreement by and among GigCapital5, Inc., GigAcquisitions5, LLC and Underwriters, dated March 28, 2023 (incorporated by reference to Exhibit 10.2 to GigCapital5's Current Report on Form 8-K filed with the SEC on March 30, 2023).
10.8#*	Employment Agreement, dated March 18, 2024, by and between QT Imaging Holdings, Inc. and Dr. Raluca Dinu (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on March 18, 2024).
10.9*	Sponsor Support Agreement, dated as of December 8, 2022, by and among GigCapital5, GigAcquisitions5, LLC, and QT Imaging, Inc. (incorporated by reference to Exhibit 10.2 to GigCapital5's Current Report on Form 8-K filed with the SEC on December 12, 2022).
10.10*	Twelfth Amended and Restated Promissory Note for Extension Payment (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on March 8, 2024).
10.11*	Eleventh Amended and Restated Promissory Note for Working Capital (incorporated by reference to Exhibit 10.1 to GigCapital5's Current Report on Form 8-K filed with the SEC on August 28, 2023).
10.12*	Non-Convertible Working Capital Note (incorporated by reference to Exhibit 10.1 to GigCapital5's Current Report on Form 8-K filed with the SEC on February 22, 2024).
10.13*	Stock Subscription Agreement, dated February 28, 2024, by and among GigCapital5, Inc., QT Imaging, Inc., and William Blair & Co., L.L.C. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on March 5, 2024).
10.14*	Registration Rights Agreement, dated March 4, 2024, by and among GigCapital5, Inc. and certain stockholders (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on March 5, 2024).
10.15*	Lock-Up Agreement, dated March 4, 2024, by and among GigCapital5, Inc., QT Imaging, Inc. and Dr. John Klock (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K filed with the SEC on March 5, 2024).
10.16*	Promissory Note, dated March 4, 2024, issued by QT Imaging Holdings, Inc. to YA II PN, Ltd. (incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K filed with the SEC on March 5, 2024).
10.17*	Note Purchase Agreement, dated February 29, 2024, by and between GigCapital5, Inc., QT Imaging, Inc. and Funicular Funds, LP (incorporated by reference to Exhibit 10.5 to Current Report on Form 8-K filed with the SEC on March 5, 2024).
10.18*	Form of Promissory Note by and between QT Imaging Holdings, Inc. and Funicular Funds, LP (incorporated by reference to Exhibit 10.6 to Current Report on Form 8-K filed with the SEC on March 5, 2024).

10.19*	Form of Guaranty by and between QT Imaging, Inc., QT Ultrasound Labs, Inc. and Funicular Funds, LP (incorporated by reference to Exhibit 10.7 to GigCapital5's Current Report on Form 8-K filed with the SEC on March 5, 2024).
10.20†*	Form of Security Agreement by and between QT Imaging Holdings, Inc., QT Imaging, Inc., QT Ultrasound Labs, Inc. and Funicular Funds, LP (incorporated by reference to Exhibit 10.8 to Current Report on Form 8-K filed with the SEC on March 5, 2024).
10.21#*	2024 Equity Incentive Plan (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K filed with the SEC on March 8, 2024).
10.22#*	Form of Restricted Stock Units Agreement (incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K filed with the SEC on March 8, 2024).
10.23#*	Form of Stock Option Agreement (incorporated by reference to Exhibit 10.5 to Current Report on Form 8-K filed with the SEC on March 8, 2024).
10.24*	Standby Equity Purchase Agreement, dated November 16, 2023 and effective as of November 15, 2023, by and between GigCapital5, Inc., QT Imaging, Inc., QT Imaging Holdings, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 10.1 to GigCapital5's Current Report on Form 8-K filed with the SEC on November 22, 2023).
10.25*	Registration Rights Agreement, dated November 16, 2023 and effective as of November 15, 2023, by and between GigCapital5, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 10.2 to GigCapital5's Current Report on Form 8-K filed with the SEC on November 22, 2023).
10.26*	Business Associate Agreement, dated September 8, 2020, by and between QT Ultrasound LLC and Dr. John C. Klock, M.D. (incorporated by reference to Exhibit 10.22 to GigCapital5's Registration Statement on Form S-4/A Amendment No. 9 filed with the SEC on February 5, 2024).
10.27*	Management Services Agreement, dated September 1, 2020, by and between QT Ultrasound LLC and Dr. John C. Klock, M.D., as amended by First Amendment to Management Services Agreement, dated June 1, 2021, and Second Amendment to Management Services Agreement, dated October 1, 2021 (incorporated by reference to Exhibit 10.23 to GigCapital5's Registration Statement on Form S-4/A Amendment No. 9 filed with the SEC on February 5, 2024).
10.28†*	Sales Agent Agreement between QT Imaging, Inc. and NXC Imaging, dated May 31, 2023 (incorporated by reference to Exhibit 10.32 to GigCapital5's Registration Statement on Form S-4/A Amendment No. 9 filed with the SEC on February 5, 2024).
10.29*	Feasibility Study Agreement, dated as of March 28, 2024, by and between QT Imaging Holdings, Inc. and Canon Medical Systems Corporation (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on April 1, 2024).
10.30†*	Distribution Agreement between QT Imaging, Inc. and Innovador Healthcare (Asia) Pte. Ltd. dated November 2, 2022.(incorporated by reference to Exhibit 10.24 to GigCapital5's Registration Statement on Form S-4/A Amendment No. 9 filed with the SEC on February 5, 2024).
10.31#*	Employment Agreement, dated March 18, 2024, by and between QT Imaging Holdings, Inc. and Anastas Budagov (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on March 18, 2024).
10.32*	Services Agreement, dated as of April 1, 2024 and entered into on April 5, 2024, by and between QT Imaging Center and QT Imaging Holdings, Inc. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on April 8, 2024).
10.33*	Data Use and License Agreement, dated April 3, 2024, by and between QT Imaging Center and QT Imaging Holdings, Inc. (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on April 8, 2024).
10.34*	Space and Equipment Sublease, dated as of April 1, 2024, by and among QT Imaging Holdings, Inc. and QT Imaging Center (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on April 19, 2024).
10.35*	Distribution Agreement, dated as of June 10, 2024, by and between QT Imaging Holdings, Inc. and NXC Imaging, Inc. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on June 25, 2024).

10.36*	Omnibus Amendment, dated September 26, 2024, by and between QT Imaging Holdings, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on September 30, 2024).
10.37*	Second Amendment, dated October 31, 2024, by and between QT Imaging Holdings, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on November 1, 2024).
10.38*	Securities Purchase Agreement, dated November 12, 2024, by and between QT Imaging Holdings, Inc. and certain purchasers (incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-Q filed with the SEC on November 13, 2024).
10.39*	Registration Rights Agreement, dated November 12, 2024, by and between QT Imaging Holdings, Inc. and certain purchasers (incorporated by reference to Exhibit 10.4 to Quarterly Report on Form 10-Q filed with the SEC on November 13, 2024).
10.40*	Amended and Restated Distribution Agreement, dated as of December 11, 2024, by and between QT Imaging Holdings, Inc. and NXC Imaging, Inc. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on December 12, 2024).
10.41*	Third Omnibus Amendment, dated January 9, 2025, by and between QT Imaging Holdings, Inc. and YA II PN, LTD (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on January 10, 2025).
10.42*	Omnibus Amendment, dated January 9, 2025, by and between QT Imaging Holdings, Inc. and Funicular Funds, LP (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on January 10, 2025).
10.43*	Sublease, dated as of January 23, 2025, by and among QT Imaging Holdings, Inc. and QT Imaging Center.(incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on January 24, 2025).
10.44*	Credit Agreement, dated February 26, 2025, by and between QT Imaging Holdings, Inc. and Lynrock Lake Master Fund, LP (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on February 28, 2025).
10.45*	Termination Agreement, dated February 26, 2025, by and between QT Imaging Holdings, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on February 28, 2025).
10.46†*	Manufacturing Agreement, dated March 28, 2025, by and between QT Imaging Holdings, Inc. and Canon Medical Systems Corporation (incorporated by reference to to Exhibit 10.46 to Annual Report on Form 10-K filed with the SEC on March 31, 2025).
10.47†*	Amendment No. 1 to Amended and Restated Distribution Agreement, dated March 28, 2025, by and between QT Imaging Holdings, Inc. and NXC Imaging, Inc. (incorporated by reference to to Exhibit 10.47 to Annual Report on Form 10-K filed with the SEC on March 31, 2025).
10.48†*	Securities Purchase Agreement, dated April 9, 2025, by and between QT Imaging Holdings, Inc. and certain purchasers (incorporated by reference to Exhibit 10.1 to QT Imaging Holdings' Current Report on Form 8-K filed with the SEC on April 10, 2025).
10.49*	Registration Rights Agreement, dated April 9, 2025, by and between QT Imaging Holdings, Inc. and certain purchasers (incorporated by reference to Exhibit 10.2 to QT Imaging Holdings' Current Report on Form 8-K filed with the SEC on April 10, 2025).
10.50†*	Securities Purchase Agreement, dated May 12, 2025, by and between QT Imaging Holdings, Inc. and certain purchasers (incorporated by reference to Exhibit 10.10 to QT Imaging Holdings' Quarterly Report on Form 10-Q filed with the SEC on May 13, 2025).
10.51*	Registration Rights Agreement, dated May 12, 2025, by and between QT Imaging Holdings, Inc. and certain purchasers (incorporated by reference to Exhibit 10.11 to QT Imaging Holdings' Quarterly Report on Form 10-Q filed with the SEC on May 13, 2025).
10.52*	Securities Purchase Agreement, dated September 30, 2025, by and between QT Imaging Holdings, Inc. and certain purchasers (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on October 1, 2025).

10.53*	Registration Rights Agreement, dated September 30, 2025, by and between QT Imaging Holdings, Inc. and certain purchasers (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on October 1, 2025).
10.54*	Amended Credit Agreement, dated as of August 26, 2025, by and between QT Imaging Holdings, Inc. and Lynrock Lake Master Fund LP (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on August 28, 2025).
10.55†#*	Employment Agreement, dated as of August 22, 2025, by and between QT Imaging Holdings, Inc. and Jay Jennings (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K filed with the SEC on August 28, 2025).
10.56†*	Securities Purchase Agreement, dated January 22, 2026, by and between QT Imaging Holdings, Inc. and the Purchasers (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on January 23, 2026).
10.57*	Registration Rights Agreement, dated January 22, 2026, by and between QT Imaging Holdings, Inc. and the Purchasers (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed with the SEC on January 23, 2026).
10.58†*	Distribution Agreement, dated as of January 19, 2026, by and between QT Imaging Holdings, Inc. and Al Naghi Medical Co. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on January 20, 2026).
10.59*	Warrant Repurchase Agreement, dated as of August 26, 2025, by and between QT Imaging Holdings, Inc. and YA II PN, LTD. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on August 28, 2025).
10.60†*	Distribution Agreement, dated as of August 21, 2025, by and between QT Imaging Holdings, Inc. and Gulf Medical Co. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on August 25, 2025).
10.61*	Amended Distribution Agreement, dated as of February 25, 2026, by and between QT Imaging Holdings, Inc. and Gulf Medical Co. (incorporated by reference to Exhibit 10.61 to Annual Report on Form 10-K filed with the SEC on March 25, 2026).
10.62*	Inducement Equity Incentive Plan (incorporated by reference to Exhibit 4.4 to Registration Statement on Form S-8 filed with the SEC on August 28, 2025).
10.63†	Second Amendment to Credit Agreement, dated as of May 12, 2026, by and between QT Imaging Holdings, Inc. and Lynrock Lake Master Fund LP.Second Amendment to
14*	Code of Business Conduct and Ethics (incorporated by reference to Exhibit 14 to GigCapital5's Annual Report on Form 10-K filed with the SEC on March 25, 2024).
19.1*	Stock Trading Policy and Insider Trading Prohibition (Insider Trading Policy).
21.1*	List of Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 to Registration Statement on Form S-1/A filed with the SEC on May 16, 2024).
31.1	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1**	Section 1350 Certification of Chief Executive Officer.
32.2**	Section 1350 Certification of Chief Financial Officer.
97.1*	Clawback Policy (incorporated by reference to Exhibit 97.1 to GigCapital5's Annual Report on Form 10-K filed with the SEC on March 25, 2024).
99.1*	Audit Committee Charter (incorporated by reference to Exhibit 99.1 to GigCapital5's Annual Report on Form 10-K filed with the SEC on March 25, 2024).
99.2*	Compensation Committee Charter (incorporated by reference to Exhibit 99.2 to GigCapital5's Annual Report on Form 10-K filed with the SEC on March 25, 2024).
99.3*	Nominating and Corporate Governance Committee Charter (incorporated by reference to Exhibit 99.3 to GigCapital5's Annual Report on Form 10-K filed with the SEC on March 25, 2024).

101.INS**	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.SCH**	Inline XBRL Taxonomy Extension Schema Document.
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104**	Cover Page Interactive Data File (as formatted as Inline XBRL and contained in Exhibit 101).

* Previously filed and incorporated herein by reference.

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

† Certain portions of this exhibit (indicated by "[***]") have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is not material and is the type of information that the Registrant treats as private or confidential. The Registrant agrees to furnish supplementally a copy of such schedules, or any section thereof, to the SEC upon request.

Indicate management contract or compensatory plan or arrangement.

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.

QT IMAGING HOLDINGS, INC.

Dated: May 13, 2026

/s/ Dr. Raluca Dinu
Name: Dr. Raluca Dinu
Title: Chief Executive Officer

Dated: May 13, 2026

/s/ Jay Jennings
Name: Jay Jennings
Title: Chief Financial Officer

Exhibit 10.63

Annex A to Second Amendment to Credit Agreement

CREDIT AGREEMENT,

dated as of February 26, 2025,

among

QT IMAGING HOLDINGS, INC.,

as the Borrower,

and

LYNROCK LAKE MASTER FUND LP,

as the Lender

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CREDIT AGREEMENT

THIS CREDIT AGREEMENT (this "***Agreement***"), dated as of February 26, 2025, is entered into by and among **QT IMAGING HOLDINGS, INC.**, a Delaware corporation (the "***Borrower***"), and **LYNROCK LAKE MASTER FUND LP** (the "***Lender***").

RECITALS:

WHEREAS, the Borrower desires to obtain Term Loans in an aggregate principal amount of $15,100,000, subject to the terms and conditions set forth herein;

WHEREAS, the Lender has agreed to extend such Term Loans to the Borrower subject to the terms and conditions set forth herein; and

WHEREAS, each of the Guarantors has agreed to guarantee the Obligations of the Borrower and to secure all of its respective Obligations in respect of such guarantee by granting to the Lender a first priority Lien (free and clear of all other Liens, subject only to Liens permitted by the Loan Documents) on all of its assets, subject to certain specified exclusions set forth in the Loan Documents.

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in this Agreement, and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1
DEFINITIONS

1.1 Defined Terms. As used in this Agreement (including the recitals hereof), the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"***Accounting Change***": is defined in the definition of GAAP.

"***Additional Financing***": is defined in Section 10.19.

"***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; provided that, the Lender shall not be deemed an Affiliate of the Loan Parties solely as a result of the exercise of its rights and remedies under the Loan Documents.

"***Agreement***": is defined in the preamble hereto, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"***Anti-Corruption Laws***": the FCPA, UK Bribery Act 2010, and any other state or federal Governmental Requirements of any jurisdiction applicable to any Loan Party or any of their Subsidiaries or controlled Affiliates from time to time concerning or relating to bribery or corruption.

"***Anti-Terrorism Laws***": Executive Order No. 13224 (effective September 24, 2001), the Patriot Act, Money Laundering Control Act of 1986, the laws comprising or implementing the Bank Secrecy Act, the UK Proceeds of Crime Act 2002, the UK Terrorism Act 2000, and any other Governmental Requirements of any jurisdiction applicable to any Loan Party or any of their Subsidiaries or Affiliates from time to time concerning or relating to terrorism financing or money laundering.

"***Asset Sale***": any Disposition of property or series of related Dispositions of property (excluding any such Disposition of property permitted by clauses (a) through (h) of Section 7.4) that yields Net Cash Proceeds to the Borrower or any Subsidiary thereof (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds).

"***Assumption Agreement***": is defined in the Guarantee and Collateral Agreement.

"***Bankruptcy Code***": Title 11 of the United States Code entitled "Bankruptcy".

"***Borrower***": is defined in the preamble hereto.

"***Borrower Board***": the board of directors, board of managers or comparable authority of the Borrower, and each committee thereof.

"***Business***": is defined in Section 4.17(b).

"***Business Day***": a day other than a Saturday, Sunday or other day on which commercial banks in the State of New York or the State of California are authorized or required by law to close.

"***Cable Car Note***": that certain secured convertible promissory note issued by Borrower to Funicular Funds, LP on March 4, 2024, pursuant to that certain Note Purchase Agreement between the same parties dated as of February 29, 2024 (as amended, amended and rested, supplemented, or otherwise modified from time to time).

"***Called Principal***": with respect to any Term Loan, the amount of principal of such Term Loan, whether partial or the entirety, that is to be repaid pursuant to Section 2.5 or Section 2.6 or has become or is declared to be immediately due and payable pursuant to Section 8.2, as the context requires.

"***Capital Lease Obligations***": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as finance leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"***Capital Stock***": with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable or exercisable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"***Cash Equivalents***": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case, maturing within one (1) year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of one (1) year or less from the date of acquisition issued by any commercial bank organized under the laws of the United States or any state thereof, having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-1 by S&P or P-1 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within one (1) year from the date of acquisition; (d) repurchase obligations of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than thirty (30) days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one (1) year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six (6) months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the requirements of clause (b) of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (e) of this definition; (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended,

(ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000; or (i) instruments comparable in credit quality and tenor to those referred to in clauses (a) through (h) above and customarily used by corporations for normal cash management purposes in a jurisdiction outside of the United States, utilized by the Borrower to the extent reasonably required in connection with any business conducted in such jurisdiction.

"***Cash Management Services***" means any one or more of the following types of services or facilities: (a) ACH transactions; (b) treasury and/or cash management services, including, controlled disbursement services, depository, overdraft and electronic funds transfer services; (c) foreign exchange facilities; (d) deposit and other accounts; and (e) merchant services (other than those constituting a line of credit).

"***Casualty Event***": any damage to or any destruction of, or any condemnation or other taking by any Governmental Authority of any property of the Loan Parties.

"***Certificated Securities***": is defined in Section 4.19.

"***Change of Control***": (a) any person or group of persons (within the meaning of Section 13(d) or 14(a) of the Exchange Act) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Exchange Act) of 40% or more of the voting Equity Interests of the Borrower; (b) commencing on the date that is 91 days after the Closing Date, during any period of twelve (12) consecutive months, a majority of the members of the Borrower Board cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board, or (iii) whose election or nomination to that board was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board; (c) any merger, consolidation or sale of substantially all of the property or assets of any Loan Party to any Person that is not another Loan Party; or (d) any change of control, fundamental change or similar concept under any document evidencing Indebtedness of the Borrower or any of its Subsidiaries.

"***Closing Date***": the date on which all of the conditions precedent set forth in Section 5.1 are satisfied or waived by the Lender.

"***Code***": the Internal Revenue Code of 1986, as amended from time to time.

"***Collateral***": all property of the Loan Parties (other than Excluded Assets), now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

"***Collateral Access Agreement***": any landlord waiver, bailee letter, warehouseman lien waiver or other agreement, in form and substance reasonably satisfactory to the Lender, among the Lender and any third party (including any bailee, consignee, customs broker, warehouseman or other similar Person) in possession of any Collateral or any landlord of any real property where any Collateral is located in the United States, as such landlord waiver, bailee letter, warehouseman lien waiver or other agreement may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"***Collateral-Related Expenses***": all reasonable and documented out-of-pocket costs and expenses of the Lender paid or incurred in connection with any sale, collection or other realization on the Collateral, and reimbursement for all other reasonable and documented out-of-pocket costs, expenses and liabilities and advances made or incurred by the Lender in connection therewith (including as described in Section 6.6 of the Guarantee and Collateral Agreement), and all amounts for which the Lender is entitled to indemnification under the Security Documents and all advances made by the Lender under the Security Documents for the account of any Loan Party.

"***Compliance Certificate***": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

"***Control***": either (a) the power to vote, or the beneficial ownership of, ten percent (10%) or more of the voting Capital Stock of such Person or (b) 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. "***Controlled***" has a meaning correlative thereto.

"***Control Agreement***": any control agreement with respect to any Deposit Account, Securities Account or a commodities account, in form and substance reasonably satisfactory to the Lender, entered into among the depository institution at which a Loan Party maintains a Deposit Account, or the securities intermediary at which a Loan Party maintains a Securities Account, such Loan Party, and the Lender pursuant to which the Lender obtains "control" (within the meaning of the UCC, or any other applicable law) over such deposit account, securities account or commodities account.

"***Copyrights***": is defined in the Guarantee and Collateral Agreement.

"***Core Business***": any material line of business conducted by the Borrower and its Subsidiaries as of the Closing Date and any business reasonably related, similar, corollary, complementary, ancillary, synergistic or incidental thereto.

"***Debtor Relief Laws***": the Bankruptcy Code, and all other liquidation, provisional liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, plan of arrangement, scheme of arrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"***Declined Proceeds***": is defined in Section 2.6(h).

"***Default***": any of the events specified in Section 8.1, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"***Default Rate***": is defined in Section 2.8(c).

"***Deposit Account***": any "deposit account" as defined in the UCC with such additions to such term as may hereafter be made.

"***Designated Jurisdiction***": any country or territory to the extent that such country or territory itself is the subject of comprehensive Sanctions or whose government is the subject or target of Sanctions (which, as of the Closing Date, includes the Crimea Region of Ukraine, Zaporizhzhia and Kherson Regions or oblasts of Ukraine, the so-called Donetsk People's Republic and the territory it controls in the Donetsk oblast of Ukraine, the so-called Luhansk People's Republic and the territory it controls in the Luhansk oblast of Ukraine, Cuba, Iran, North Korea, Venezuela and Syria).

"***Designated Person***": at any time, (a) any Person who is the target of Sanctions including any Person listed in any Sanctions-related list of designated Persons maintained by the U.S. government, including OFAC, the U.S. Department of State, the U.S. Department of Commerce or His Majesty's Treasury, (b) any Person operating, organized or resident in a Designated Jurisdiction or (c) any Person owned or otherwise controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

"***Discharge of Obligations***": subject to Section 10.8, the satisfaction of the Obligations by the payment in full, in cash of the principal of and interest on or other liabilities relating to the Term Loans, all fees and all other expenses or amounts payable under any Loan Document (other than inchoate indemnification and reimbursement obligations and any other obligations which pursuant to the terms of any Loan Document specifically survive repayment of the Term Loans for which no claim has been made), to the extent the aggregate Term Commitments of the Lender are terminated.

"***Disposition***": with respect to any property (including, without limitation, Capital Stock of each Subsidiary of the Borrower), any sale, lease, Sale Leaseback Transaction, assignment, conveyance, transfer, encumbrance or other disposition thereof (including by merger, allocation of assets, division, consolidation or amalgamation) and any issuance of Capital Stock of each Subsidiary of the Borrower. The terms "***Dispose***" and "***Disposed of***" shall have correlative meanings.

"***Disqualified Stock***": any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable (other than for Capital Stock that is not Disqualified Stock), pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is ninety-one (91) days after the date on which any Term Loan matures (excluding any Capital Stock that is subject to any provision thereof that requires the redemption thereof upon the occurrence of a change of control, asset sale or other similar event at any time on or prior to the date that is ninety-one (91) days after the date on which any Term Loan matures if such Capital Stock provides that such redemption is subject to the Discharge of Obligations). The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Agreement will be the maximum amount that the Borrower and its Subsidiaries may become obligated to pay upon maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock or portion thereof, plus accrued dividends.

"***Distribution Agreement***": The Amended and Restated Distribution Agreement, dated as of December 11, 2024, by and between Borrower and NXC Imaging, Inc., a wholly owned subsidiary of Canon Medical Systems USA, Inc.

"***Dollars***" and "***$***": dollars in lawful currency of the United States.

"***Environmental Laws***": any and all foreign, federal, provincial, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, legally binding requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human or occupational health and safety (as related to the handling of, or exposure to, Materials of Environmental Concern) or the environment, including those relating to the generation, use, handling, transportation, storage, treatment, disposal, release or threatened release of, or exposure to, Materials of Environmental Concern.

"***Environmental Liability***": any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) a violation of an Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Materials of Environmental Concern, (c) exposure to any Materials of Environmental Concern, (d) the release or threatened release of any Materials of Environmental Concern into the environment, or (e) any contract or agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"***ERISA***": the Employee Retirement Income Security Act of 1974, as amended, including (unless the context otherwise requires) any rules or regulations promulgated thereunder.

"***ERISA Affiliate***": each corporation, trade or business (wahether or not incorporated) which is treated as a single employer with any Group Member under Section 414(b) or (c) of the Code or, solely for the purposes of Section 302 of ERISA and Section 412 of the Code, any other Person required to be aggregated with any Group Member under Section 414(m) or (o) of the Code. Any former ERISA Affiliate of any Group Member shall continue to be considered an ERISA Affiliate of such Group Member within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of such Group Member and with respect to liabilities arising after such period for which such Group Member could be liable under the Code or ERISA.

"***ERISA Event***": any of (a) a reportable event as defined in Section 4043 of ERISA with respect to a Pension Plan, excluding, however, such events as to which the PBGC by regulation has waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event; (b) the applicability of the requirements of Section 4043(b) of ERISA with respect to a contributing sponsor, as defined in

Section 4001(a)(13) of ERISA, to any Pension Plan where an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such plan within the following 30 days, excluding, however, such events as to which the PBGC by regulation has waived the requirement of Section 4043(b) of ERISA); (c) a withdrawal by any Group Member or any ERISA Affiliate from a Pension Plan or the termination of any Pension Plan resulting in liability under Sections 4063 or 4064 of ERISA; (d) the withdrawal of any Group Member or any ERISA Affiliate in a complete or partial withdrawal (within the meaning of Section 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor, or the receipt by any Group Member or any ERISA Affiliate of notice from any Multiemployer Plan that it is in insolvency pursuant to Section 4245 of ERISA; (e) 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 the receipt by any Group Member or any ERISA Affiliate of notice from any Multiemployer Plan that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (f) the imposition of liability on any Group Member or any ERISA Affiliate pursuant to Sections 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (g) the failure by any Group Member or any ERISA Affiliate to make any required contribution to a Pension Plan, or the failure to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) with respect to any Pension Plan (whether or not waived in accordance with Section 412(c) of the Code or Section 302(c) of ERISA) or the failure to make by its due date a required installment under Section 430 of the Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (h) the determination that any Pension Plan is, or is expected to be, in "at-risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA) or any Multiemployer Plan is, or is expected to be, in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (j) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Group Member or any ERISA Affiliate with respect to any Pension Plan; (k) an application for a funding waiver under Section 302 of ERISA or Section 412 of the Code or an extension of any amortization period pursuant to Section 303 of ERISA or Section 430 of the Code with respect to any Pension Plan; (l) the occurrence of a non-exempt prohibited transaction under Sections 406 or 407 of ERISA or Section 4975 of the Code for which any Group Member or any Subsidiary thereof may be directly or indirectly liable; (m) the occurrence of an act or omission which would be reasonably expected to give rise to the imposition on any Group Member of fines, penalties, taxes or related charges under Chapter 43 of the Code or under Sections 409, 502(c), (i) or (1) or 4071 of ERISA; (n) the assertion of a material claim (other than routine claims for benefits) against any Plan or the assets thereof, or against any Group Member or any Subsidiary thereof in connection with any Plan; (o) receipt from the IRS of notice of the failure of any Qualified Plan to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Qualified Plan to fail to qualify for exemption from taxation under Section 501(a) of the Code; or (p) the imposition of any lien (or the fulfillment of the conditions for the imposition of any lien) on any of the rights, properties or assets of any Group Member or any ERISA Affiliate thereof, in either case pursuant to Title I or IV of ERISA, including Section 303(k) of ERISA or to Section 430(k) of the Code.

"***ERISA Funding Rules***": the rules regarding minimum required contributions (including any installment payment thereof) to Pension Plans, as set forth in Section 412 of the Code and Section 302 of ERISA, with respect to Plan years ending prior to the effective date of the Pension Protection Act of 2006, and thereafter, as set forth in Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"***Event of Default***": any of the events specified in Section 8.1.

"***Exchange Act***": the Securities Exchange Act of 1934, as amended.

"***Excluded Accounts***": is defined in the Guarantee and Collateral Agreement.

"***Excluded Assets***": is defined in the Guarantee and Collateral Agreement.

"***Excluded Taxes***": any of the following Taxes imposed on or with respect to the Lender or required to be withheld or deducted from a payment to the Lender, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of the Lender being

organized or incorporated under the laws of, or having its principal office or, in the case of the Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of the Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of the Lender with respect to an applicable interest in the Term Loans or Term Commitment pursuant to a law in effect on the date on which (i) the Lender acquires such interest in the Term Loans or Term Commitment or (ii) the Lender changes its lending office, except in each case, to the extent that, pursuant to Section 2.13, amounts with respect to such Taxes were payable either to the Lender's assignor immediately before the Lender became a party hereto or to the Lender immediately before it changed its lending office, (c) Taxes attributable to the Lender's failure to comply with Section 2.13(f), and (d) any withholding Taxes imposed under FATCA.

"***Existing Credit Facilities***": means the Cable Car Note and Yorkville Note.

"***Existing Notes***": collectively, (i) the Klock 2020 Note, (ii) the Klock 2023 Note and (iii) the Stanley Note.

"***Existing Note Amendments***": collectively, (i) the Klock 2020 Note Amendment, (ii) the Klock 2023 Note Amendment and (iii) the Stanley Amendment.

"***Export/Import Controls***": (a) the U.S. Export Administration Regulations administered by the U.S. Department of Commerce, the International Traffic in Arms Regulations administered by the U.S. Department of State, and any other applicable Governmental Requirements related to export controls and (b) customs laws administered or enforced by the United States, including the U.S. Customs and Border Protection, and any other applicable Governmental Requirements related to import controls or customs.

"***Extended SEC Reporting Deadline***": is defined in Section 6.1.

"***Extraordinary Receipts***": any cash receipts received by any Loan Party or any Subsidiary thereof not in the ordinary course of business, consisting of (a) proceeds of judgments, proceeds of settlements or other consideration of any kind in connection with any cause of action, (b) indemnification payments received by any Loan Party or Subsidiary, (c) any purchase price adjustment or working capital adjustment received by any Loan Party or Subsidiary pursuant to any purchase agreement or related documentation or (d) any other receipt of proceeds outside of the ordinary course of business of the Loan Parties and their Subsidiaries.

"***FATCA***": Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"***FCPA***": the Foreign Corrupt Practices Act of 1977, as amended.

"***Federal Reserve Board***": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"***Financial Covenants***": the covenants set forth in Section 7.20.

*"**First Amendment Closing Date**"*: August 26, 2025.

"***Fiscal Quarter***": each fiscal quarter of the Borrower and its Subsidiaries ending on March 31, June 30, September 30 and December 31 of each year.

"***Fiscal Year***": each fiscal year of the Borrower and its Subsidiaries ending on December 31 of each year.

"***Flex Cap***" means, as of any date of determination, $250,000, *minus* (i) the aggregate amount of Investments outstanding pursuant to Section 7.6(j), (ii) the aggregate amount of Indebtedness outstanding pursuant to Section 7.1(j) and (iii) the aggregate amount of Liens outstanding pursuant to Section 7.2(k), it being understood and

agreed that a single transaction that could be categorized as more than one of clauses (i), (ii) or (iii) will not count multiple times for the purpose of calculating the Flex Cap.

"***Foreign Benefit Arrangement***": any employee benefit arrangement mandated by non-US law that is maintained or contributed to by the Borrower or any Subsidiary thereof.

"***Foreign Lender***": a Lender that is not a U.S. Person.

"***Foreign Plan***": each employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to US law and is maintained or contributed to by the Borrower or any Subsidiary thereof.

"***Foreign Plan Event***": with respect to any Foreign Benefit Arrangement or Foreign Plan, (a) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Benefit Arrangement or Foreign Plan; (b) the failure to register or loss of good standing with applicable regulatory authorities of any such Foreign Benefit Arrangement or Foreign Plan required to be registered; or (c) the failure of any Foreign Benefit Arrangement or Foreign Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Foreign Benefit Arrangement or Foreign Plan.

"***Funding Office***": the office or account of the Lender as may be specified from time to time by the Lender as its funding office.

"***GAAP***": generally accepted accounting principles in the United States as in effect from time to time. In the event that any "***Accounting Change***" (as defined below) shall occur and such change results in a change in the standards or terms in this Agreement, then the Borrower and the Lender agree to enter into negotiations to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower and the Lender, all standards and terms in this Agreement shall continue to be construed as if such Accounting Changes had not occurred. "***Accounting Changes***" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

"***Governmental Approval***": any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"***Governmental Authority***": the government of the United States of America, or any other nation, or of any political subdivision thereof, whether state, provincial, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, and any group or body charged with setting accounting or regulatory capital rules or standards (including any successor or similar authority to any of the foregoing).

"***Governmental Requirement***": any applicable law, statute, code, ordinance, order, determination, rule, regulation, judgment, decree, injunction, franchise, permit, license, authorization or other directive or requirement, whether now or hereinafter in effect, including Environmental Laws, energy regulations and occupational, safety and health standards or controls, of any Governmental Authority.

"***Group Members***": the collective reference to the Borrower and its Subsidiaries.

"***Guarantee and Collateral Agreement***": the Guarantee and Collateral Agreement to be executed and delivered by the Borrower and each Guarantor, substantially in the form of Exhibit A, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"***Guarantee Obligation***": as to any Person (the "***guaranteeing person***"), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the "***primary obligations***") of any other third Person (the "***primary obligor***") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"***Guarantors***": a collective reference to (i) the Borrower and each domestic Subsidiary of the Borrower that is party to the Guarantee and Collateral Agreement on the Closing Date and (ii) each Subsidiary of the Borrower which has become a Guarantor pursuant to the requirements of Section 6.10 hereof and/or the Guarantee and Collateral Agreement.

"***Indebtedness***": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services, including Obligations to the extent such obligations are required to be accounted for as a liability or debt on the consolidated balance sheet of the Borrower in accordance with GAAP (other than (x) any such obligations incurred under ERISA and (y) trade payables incurred in the ordinary course of such Person's business not more than ninety (90) days overdue (or such longer period to the extent being contested in good faith)), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments and all obligations of such Person upon which interest charges are customarily paid or accrued, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations and all Synthetic Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Disqualified Stock in such Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, and (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor. Notwithstanding the foregoing, (i) operating leases, (ii) trade payables arising in the ordinary course of business and not more than ninety (90) days past due (or such longer period to the extent being contested in good faith), (iii) prepaid or deferred revenue arising in the ordinary course of business, (iv) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy unperformed obligations of the seller of such asset, or (v) earn-out obligations until such obligations become a liability on the balance sheet of such Person in accordance with GAAP, shall not, in each of the foregoing cases, be treated as "Indebtedness" for any purpose hereunder. The

amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

"***Indemnified Taxes***": (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"***Indemnitee***": is defined in Section 10.5(b).

"***Insolvency Proceeding***": (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other, similar arrangement in respect of any Person's creditors generally or any substantial portion of such Person's creditors, in each case, undertaken under federal, provincial, state or foreign law or any other applicable jurisdiction, including any Debtor Relief Law.

"***Intellectual Property***": is defined in the Guarantee and Collateral Agreement.

"***Intellectual Property Security Agreement***": is defined in the Guarantee and Collateral Agreement.

"***Intercompany Note***" means that certain promissory note, dated as of the Closing Date, evidencing Indebtedness owed among the Borrower and its Subsidiaries that are party thereto from time to time, substantially in the form of Exhibit G.

"***Interest Compounding Date***": the last Business Day of any Fiscal Quarter.

"***Interest Rate***": ten percent (10.0%) per annum prior to the Second Amendment Closing Date, and twelve percent (12.0%) per annum on and after the Second Amendment Closing Date.

"***Inventory***": all "inventory," as such term is defined in the UCC, now owned or hereafter acquired by any Loan Party, wherever located, and in any event including inventory, merchandise, goods and other personal property that are held by or on behalf of any Loan Party for sale or lease or are furnished or are to be furnished under a contract of service, or that constitutes raw materials, work in process, finished goods, returned goods, or materials or supplies of any kind used or consumed or to be used or consumed in such Loan Party's business or in the processing, production, packaging, promotion, delivery or shipping of the same, including all supplies and embedded software.

"***Investments***": is defined in Section 7.6.

"***IRS***": the U.S. Internal Revenue Service, or any successor thereto.

"***Junior Indebtedness***": collectively, any Indebtedness of the Borrower or any of its Subsidiaries, that is (x) secured by a Lien that is junior in priority to the Lien securing the Obligations, (y) Subordinated Indebtedness and/or (z) unsecured.

"***Klock 2020 Note Amendment***" : that certain Amendment to Reformed Convertible Promissory Note, dated on or about the Closing Date, by and between the Borrower and The John Charles Klock Jr. and Cynthia L. Klock Trust U/A DTD 07/26/07, with reference to that certain Reformed Convertible Promissory Note, dated as of June 24, 2020, in an aggregate principal amount of two million six hundred forty three thousand seven hundred and twenty five dollars ($2,643,725) plus accrued and unpaid interest as of February 25, 2025 for a total of three million one hundred thousand nine hundred and one dollars ($3,100,901.00), delivered by QT Imaging and subsequently assigned to and assumed by the Borrower pursuant to that certain Assignment and Assumption Agreement of the Reformed Convertible Promissory Note, dated as of March 4, 2024 (the "***Klock 2020 Note***").

"***Klock 2023 Note Amendment***": that certain Amendment to Amended and Restated Promissory Note, dated on or about the Closing Date, by and between the Borrower and The John Charles Klock Jr. and Cynthia L. Klock Trust U/A DTD 07/26/07, with reference to that certain Sixth Amended and Restated Promissory Note, dated as of

October 26, 2023, in an aggregate principal amount of seven hundred and five thousand dollars ($705,000) delivered by QT Imaging and subsequently assigned to and assumed by the Borrower pursuant to that certain Assignment and Assumption Agreement of the Sixth Amended and Restated Promissory Note, dated as of March 4, 2024 (the "***Klock 2023 Note***").

"***Lender***": is defined in the preamble hereto.

"***License***": with respect to any Loan Party (the "***Specified Party***"), (a) any licenses or other similar rights provided to the Specified Party in or with respect to any Intellectual Property owned or controlled by any other Person, and (b) any licenses or other similar rights provided to any other Person in or with respect to any Intellectual Property owned or controlled by the Specified Party, in each case, including (i) any software and technology license agreements (other than license agreements for commercially available, non-customized off-the-shelf software) and (ii) the license agreements listed on Schedule 4.9(a).

"***Lien***": any mortgage, deed of trust, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any other security agreement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"***Loan Documents***": this Agreement, each Security Document, each other guarantee executed by any Guarantor as required under Section 6.10 hereof or the other Loan Documents, the Term Loan Note(s), each Compliance Certificate, each Notice of Borrowing, the Solvency Certificate, the Perfection Certificate, each subordination or intercreditor agreement executed and delivered by any Loan Party, each other document or instrument executed and delivered in connection with any of the foregoing, each other document or instrument designated by the Borrower and the Lender as a "Loan Document" and any amendment, restatement, amendment and restatement, waiver, supplement or other modification to any of the foregoing.

"***Loan Party***": each Group Member that is, or is required to become, a party to a Loan Document as a "Borrower" or a "Guarantor".

"***Make-Whole Amount***": with respect to the Called Principal of any Term Loan, an amount equal to the Remaining Scheduled Payments with respect to the Called Principal of such Term Loan; provided that the Make-Whole Amount shall in no event be less than zero. For the avoidance of doubt, such amount shall be payable whether before or after an Event of Default or acceleration of any Term Loan.

"***Master Agreement***": is defined in the definition of "Swap Contract".

"***Material Adverse Effect***": means any event, circumstance or condition that, individually or in the aggregate, has had or would reasonably be expected to have a materially adverse effect on (a) the business, assets, properties, liabilities (contingent or otherwise), financial condition or results of operations of the Borrower and its Subsidiaries, taken as a whole, (b) the ability of (x) the Borrower and (y) the Loan Parties taken as a whole, to perform their respective obligations under the Loan Documents, (c) the rights and remedies of the Lender under any Loan Document or (d) the legality, validity, binding effect or enforceability against the Borrower or any Loan Party of any Loan Document to which it is a party.

"***Material Contracts***": (a) each contract, agreement, permit or license set forth on Schedule 4.28 and (b) any contract, agreement, permit or license of any Loan Party, which is material to such Loan Party's business or which the failure to comply with could reasonably be expected to have a Material Adverse Effect.

"***Materials of Environmental Concern***": (a) any substance, material or waste that is defined, regulated or governed under any Environmental Law as hazardous or toxic or as a pollutant or contaminant (or by words of similar meaning and regulatory effect), (b) any substance, material or waste which is regulated by, or for which liability or standards of conduct may be imposed under Environmental Law, or (c) any petroleum or petroleum products, asbestos or asbestos-containing materials, per- or polyfluoroalkyl substances, polychlorinated biphenyls, urea- formaldehyde insulation, toxic molds or fungi, and radioactive substances (at levels known to be hazardous to human health and safety).

"***Maturity Date***": March 31, ~~2027~~2029; provided that if the maturity date with respect to any Indebtedness of the Borrower or any of its Subsidiaries (but excluding the PPP Loans) is scheduled to occur prior to October 1, ~~2027~~2029, the Maturity Date shall automatically become the Springing Maturity Date.

"***Maximum Rate***": is defined in Section 10.9.

"***MNPI***": is defined in Section 10.16.

"***MNPI Notice***": is defined in Section 10.16.

"***Moody's***": Moody's Investors Service, Inc.

"***Mortgaged Properties***": the real properties, if any, as to which, pursuant to Section 6.10(b) or otherwise, the Lender shall be granted a Lien pursuant to the Mortgages.

"***Mortgages***": each of the mortgages, deeds of trust, deeds to secure debt or such equivalent documents hereafter entered into and executed and delivered by one or more of the Loan Parties to the Lender, in each case, as such documents may be amended, restated, amended and restated, supplemented or otherwise modified, renewed or replaced from time to time and in form and substance reasonably acceptable to the Lender.

"***Multiemployer Plan***": a "multiemployer plan" (within the meaning of Section 3(37) or Section 4001(a)(3) of ERISA) to which any Group Member or any ERISA Affiliate thereof makes, is making, or is obligated or has been obligated to make, contributions within the past six (6) years.

"***Net Cash Proceeds***": (a) in connection with any Asset Sale or any Recovery Event as set forth in Section 2.6(c), the proceeds thereof in the form of cash and cash equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received), net of attorneys' fees, accountants' fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such any Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document), other customary expenses and brokerage, consultant and other customary fees, costs and expenses actually incurred in connection therewith, all amounts provided as a reserve in accordance with GAAP against any liabilities under any indemnification obligation or purchase price adjustment associated with such Asset Sale (provided that to the extent and at the time any such amounts are released from such reserve, other than to make a payment for which such amount was reserved, such amounts shall constitute Net Cash Proceeds) and any funded escrow established pursuant to the documents evidencing any such sale or disposition to secure any indemnification obligations or adjustments to the purchase price associated with any such sale or disposition (provided that to the extent that any amounts are released from such escrow to any Loan Party, such amounts net of any related expenses shall constitute Net Cash Proceeds) from the sale price for such Asset Sale and net of taxes paid and the Borrower's reasonable and good faith estimate of income, franchise, sales, and other applicable taxes required to be paid by the Borrower or any Subsidiary in connection with such Asset Sale or Recovery Event in the taxable year that such Asset Sale or Recovery Event is consummated, the computation of which shall, in each such case, take into account the reduction in tax liability resulting from any available operating losses and net operating loss carryovers, tax credits, and tax credit carry forwards, and similar tax attributes, (b) in connection with any incurrence of Indebtedness as set forth in Section 2.6(b), the cash proceeds received from such incurrence, net of attorneys' fees, accountants' fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary fees, costs and expenses actually incurred in connection therewith and (c) in connection with any sale or issuance after the First Amendment Closing Date of any Capital Stock of the Borrower as set forth in Section 2.6(f), the cash proceeds received from such sale or issuance, net of attorneys' fees, accountants' fees, investment banking fees, other customary expenses and brokerage, consultant and other customary fees, costs and expenses actually incurred in connection therewith.

"***Notice of Borrowing***": a notice substantially in the form of Exhibit J.

"***Obligations***": the unpaid principal of and interest on (including interest accruing after the maturity of the Term Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Loan Party, whether or not a claim for post-filing or post-petition interest is allowed or allowable in such proceeding) the Term Loans and all other obligations and liabilities of the Loan Parties to the Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, any premium (including, without limitation, the Prepayment Premium, the Tranche B 2025 Premium and the Make-Whole Amount, if any), reimbursement obligations, payment obligations, fees, indemnities, costs and expenses (including all reasonable and documented out-of-pocket fees, charges and disbursements of counsel to the Lender).

"***OFAC***": the Office of Foreign Assets Control of the United States Department of the Treasury and any successor thereto.

"***Operating Documents***": for any Person as of any date, such Person's constitutional documents, formation documents and/or certificate of incorporation, amalgamation or continuance (or equivalent thereof), as certified (if applicable) by such Person's jurisdiction of formation as of a recent date, and, (a) if such Person is a corporation, its articles and bylaws (or equivalent thereof) or memorandum and articles of association (or equivalent thereof) in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"***Other Connection Taxes***": with respect to the Lender, Taxes imposed as a result of a present or former connection between the Lender and the jurisdiction imposing such Tax (other than connections arising solely from the Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in the Term Loans or any Loan Document).

"***Other Taxes***": all present or future stamp, court or 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 security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

"***Patriot Act***": the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Title III of Pub. L. 107-56, signed into law October 26, 2001.

"***Patents***": is defined in the Guarantee and Collateral Agreement.

"***PBGC***": the Pension Benefit Guaranty Corporation, or any successor thereto.

"***Pension Plan***": an employee benefit plan (as defined in Section 3(3) of ERISA) other than a Multiemployer Plan (x) that is or within the past six (6) years was maintained or sponsored by any Group Member or any ERISA Affiliate or to which any Group Member or any ERISA Affiliate thereof makes or is obligated to make, or within the past six years made or was obligated to make, contributions and (y) that is subject to Section 412 of the Code, Section 302 of ERISA or Title IV of ERISA.

"***Perfection Certificate***": the Perfection Certificate to be executed and delivered by the Borrower pursuant to Section 5.1, substantially in the form of Exhibit I, together with supplements and updates to such Perfection Certificate pursuant to Section 6.2(a).

"***Person***": any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"***PIK Interest***": is defined in Section 2.8(e).

"***Plan***": (a) an employee benefit plan (as defined in Section 3(3) of ERISA) other than a Multiemployer Plan which is maintained or sponsored by any Group Member or any Subsidiary thereof or to which any Group Member or any Subsidiary thereof makes, or is obligated to make contributions, (b) a Pension Plan, or (c) a Qualified Plan.

"***Pledge Supplement***": is defined in the Guarantee and Collateral Agreement.

"***PPP Loans***": unsecured Indebtedness of QT Ultrasound Labs, Inc. under the Paycheck Protection Program under the CARES Act with an aggregate outstanding principal balance equal to $74,127.42.

"***PPP Loan Documents***": the definitive documents governing the terms of the PPP Loan.

"***Prepayment Date***": is defined in Section 2.6(h).

"***Prepayment Premium***": an amount equal to 20.0% of the Called Principal of any Term Loan being repaid or prepaid. For the avoidance of doubt, such amount shall be payable whether before or after an Event of Default or acceleration of any Term Loan.

"***Projections***": is defined in Section 6.2(b).

"***Properties***": is defined in Section 4.17(a).

"***QT Imaging***": QT Imaging, Inc., a Delaware corporation.

"***Qualified Cash***": at any time of determination, the aggregate balance sheet amount of unrestricted cash and Cash Equivalents included in the consolidated balance sheet of Borrower and its Subsidiaries as of such time that (i) is free and clear of all Liens other than Liens permitted hereunder, (ii) may be applied to payment of the Obligations without violating any law, contract, or other agreement and (iii) is in deposit or securities accounts subject to a first-priority perfected lien in favor of the Lender.

"***Qualified Plan***": an employee benefit plan (as defined in Section 3(3) of ERISA) other than a Multiemployer Plan (a) that is maintained or sponsored by any Group Member or to which any Group Member makes or is obligated to make contributions and (b) that is intended to be tax-qualified under Section 401(a) of the Code.

"***Recovery Event***": any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of the Borrower or any Subsidiary thereof that yields Net Cash Proceeds to the Borrower or any Subsidiary thereof.

"***Registered IP***": is defined in the Guarantee and Collateral Agreement.

"***Regulation T***": Regulation T of the Federal Reserve Board as in effect from time to time.

"***Regulation U***": Regulation U of the Federal Reserve Board as in effect from time to time.

"***Regulation X***": Regulation X of the Federal Reserve Board as in effect from time to time.

"***Related Parties***": with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"***Relevant Governmental Body***": the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

"***Remaining Scheduled Payments***": with respect to the Called Principal of any Term Loan, all payments of interest in respect of such Called Principal that would be due after the repayment or prepayment date through the Maturity Date with respect to such Called Principal if no payment of such Called Principal were made.

"***Reportable Compliance Event***": any Loan Party or its Subsidiaries, or any of their respective officers or directors, (a) becomes a Designated Person; (b) is charged by indictment, criminal complaint or similar charging instrument under Anti-Terrorism Laws, Anti-Corruption Laws, Export/Import Controls, or Sanctions; or (c) receives a subpoena or other notification from a Governmental Authority pursuant to the laws, rules and regulations relating to information technology and communication supply chain (including U.S. Executive Order 13873 and 15 C.F.R. Part 7).

"***Requirement of Law***": as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case, binding upon such Person or any of its property or to which such Person or any of its property is subject.

"***Responsible Officer***": the chief executive officer, president, vice president, chief financial officer, treasurer, controller, comptroller, secretary or any other officer or similar authorized person of the Borrower with responsibility for the administration of the obligations in respect of this Agreement and the other Loan Documents, but in any event, with respect to financial matters, the chief financial officer, treasurer, controller or comptroller of the Borrower.

"***Restricted Payments***": is defined in Section 7.5.

"***S&P***": Standard & Poor's Ratings Services.

"***Sale Leaseback Transaction***": any arrangement with any Person or Persons, whereby in contemporaneous or substantially contemporaneous transactions a Group Member sells substantially all of its right, title and interest in any property and, in connection therewith, acquires, leases or licenses back the right to use any portion of such property.

"***Sanction(s)***": any economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the United States Government (including those administered by OFAC and the U.S. Department of State and the U.S. Department of Commerce), (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom (including His Majesty's Treasury), or (e) Canada.

"***SEC***": the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"***Second Amendment Closing Date***": May 12, 2026.

"***Section 6.1 Reporting Deadline***": is defined in Section 6.1.

"***Securities Account***": any "securities account" as defined in the UCC (or any other applicable law) with such additions to such term as may hereafter be made.

"***Security Documents***": the collective reference to (a) the Guarantee and Collateral Agreement, (b) the Mortgages, (c) each Intellectual Property Security Agreement, (d) each Control Agreement, (e) all other security documents hereafter delivered to the Lender granting a Lien on any property of any Person to secure the Obligations of any Loan Party arising under any Loan Document, (f) each Pledge Supplement (as defined in the Guarantee and

Collateral Agreement), (g) each Assumption Agreement (as defined in the Guarantee and Collateral Agreement), (h) each Collateral Access Agreement, and (i) all financing statements, fixture filings, Patent, Trademark and Copyright filings, assignments, acknowledgments and other filings, documents and agreements made or delivered pursuant to any of the foregoing.

"***Solvency Certificate***": the Solvency Certificate, dated the Closing Date, delivered to the Lender pursuant to Section 5.1, which Solvency Certificate shall be in substantially the form of Exhibit D.

"***Solvent***": when used with respect to any Person, as of any date of determination, (a) the amount of the fair value of the assets of such Person will, as of such date, exceed the amount of all liabilities of such Person, contingent or otherwise, as of such date, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the probable liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature.

"***Specified Party***": is defined in the Guarantee and Collateral Agreement.

"***Springing Maturity Date***": is the earlier of (i) the 91st day prior to the scheduled maturity date of any applicable Indebtedness (but excluding the PPP Loans) and (ii) March 31, ~~2027~~2029.

"***Stanley Amendment***": that certain Amendment to Convertible Promissory Note, dated on or about the Closing Date, by and between QT Imaging, the Borrower and Richard J. and Barbara Stanley, joint tenants with right of survivorship, with reference to that certain Convertible Promissory Note, dated as of March 2, 2022, in an aggregate principal amount of five hundred thousand dollars ($500,000) plus accrued and unpaid interest as of February 25, 2025 for a total of six hundred nineteen thousand six hundred seventy one dollars ($619,671), delivered by QT Imaging (the "***Stanley Note***").

"***Subordinated Indebtedness***": unsecured Indebtedness of a Loan Party that is expressly subordinated to the Obligations pursuant to terms (including payment and remedies subordination terms, as applicable) reasonably acceptable to the Lender; provided that, such Indebtedness (i) will have a final stated maturity that is at least one hundred eighty-one (181) days after the Maturity Date, (ii) contain no financial maintenance covenants, (iii) shall have covenants and events of default that are no less favorable, taken as a whole, to the applicable Loan Parties than those contained in this Agreement, (iv) shall not require any payments of principal or other obligations (including interest) in cash prior to its final stated maturity date, (v) will not be convertible into any equity interests of the Borrower or its Subsidiaries and (vi) shall not accrue interest at a rate greater than 10% per annum.

"***Subsidiary***": as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "***Subsidiary***" or to "***Subsidiaries***" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"***Swap Contract***": (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, (b) a "swap agreement" as that term is defined in Section 101(53B)(A) of the Bankruptcy Code, and (c) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master

agreement, together with any related schedules, a "***Master Agreement***"), including any such obligations or liabilities under any Master Agreement.

"***Swap Termination Value***": in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

"***Synthetic Lease Obligation***": the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"***Taxes***": all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Term Commitment***": the commitment of the Lender to make (a) a Term Loan on the Closing Date in a principal amount equal to $10,100,000 ("***Tranche A Amount***"), and (b) a Term Loan on the First Amendment Closing Date in a principal amount equal to $5,000,000 ("***Tranche B Amount***").

"***Term Loan***": a term loan or term loans made by the Lender to the Borrower pursuant to Section 2.1.

"***Term Loan Note***": a promissory note in the form of Exhibit H, as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"***Trademarks***": is defined in the Guarantee and Collateral Agreement.

"***Tranche A Term Loan***": as defined in Section 2.1.

"***Tranche B 2025 Premium"***: an amount equal to six percent (6.0%) multiplied by the sum of (a) the Called Principal of the Tranche B Term Loan being prepaid plus (b) all accrued and unpaid interest thereon (including, for the avoidance of doubt, accrued interest that has not yet been paid or capitalized).

"***Tranche B Term Loan***": as defined in Section 2.1.

"***Yorkville Note***": means that certain convertible promissory note No. QTI-1-1, dated as of March 4, 2024, issued by the Borrower to YA II PN, LTD, as amended.

"***Yorkville SEPA***": means that certain Standby Equity Purchase Agreement, dated as of November 15, 2023, between the Borrower and YA II PN, LTD., as amended.

"***Yorkville Warrant***": means that certain warrant agreement No. YA-1, dated as of February 26, 2025, issued by the Borrower to YA II PN, LTD., as amended.

"***Uniform Commercial Code***" or "***UCC***": the Uniform Commercial Code (or any similar or equivalent legislation) as in effect from time to time in the State of New York, or as the context may require, any other applicable jurisdiction.

"***United States***" and "***U.S.***": the United States of America.

"***U.S. Person***": any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"***U.S. Tax Compliance Certificate***": as defined in Section 2.13(f).

"***USCRO***": the U.S. Copyright Office.

"***USPTO***": the U.S. Patent and Trademark Office.

"***Warrant Agreement***": means the Warrant Agreement between the Borrower and the Lender, dated as of the Closing Date, as may be amended, modified and amended and restated from time to time.

"***Withholding Agent***": as applicable, any of any applicable Loan Party and the Lender, as the context may require.

1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to the Borrower or any Subsidiary thereof not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation," (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, (v) references to a given time of day shall, unless otherwise specified, be deemed to refer to Eastern time, and (vi) references to agreements (including this Agreement) shall, unless otherwise specified, be deemed to refer to such agreements as amended, supplemented, restated, amended and restated or otherwise modified from time to time.

(c) The words "***hereof***," "***herein***" and "***hereunder***" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any reference herein to any Person shall be construed to include such Person's successors and assigns, (ii) all references herein to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Agreement, (iii) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

1.3 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Capital Stock at such time.

SECTION 2
AMOUNT AND TERMS OF TERM COMMITMENTS

2.1 Term Commitment. Subject to the terms and conditions hereof, the Lender agrees to make Term Loans to the Borrower as follows: (a) a Term Loan equal to the Tranche A Amount available on the Closing Date

("***Tranche A Term Loan***"), and (b) a Term Loan equal to the Tranche B Amount available on the First Amendment Closing Date ("***Tranche B Term Loan***"). Once repaid, whether such payment is voluntary or required, no Term Loan may be reborrowed.

2.2 Procedure for Term Loan Borrowing. The Borrower shall give the Lender an irrevocable Notice of Borrowing (which must be received in writing by the Lender prior to 12:00 P.M., New York City time, on the second (2nd) Business Day prior to the Closing Date with respect to the Tranche A Term Loan or prior to the First Amendment Closing Date with respect to the Tranche B Term Loan (or, in each case, such shorter period as approved by the Lender)), requesting that the Lender make such Term Loan on the respective funding date and specifying (i) the amount to be borrowed and (ii) the wire instructions where funds should be sent. Upon receipt of such Notice of Borrowing, the Lender shall wire transfer to the Borrower such amounts in immediately available funds to the account specified by the Borrower in accordance with the instructions provided by the Borrower.

2.3 Repayment of Term Loans. The Term Loans (including the PIK Interest) shall be repaid on the Maturity Date in an amount equal to the aggregate principal amount of such Term Loans outstanding on such date, together with all accrued and unpaid interest thereon and any outstanding fees, if any, in each case, payable in accordance with the Loan Documents.

2.4 [Reserved].

2.5 Optional Prepayments. Subject to the payment of the Make-Whole Amount, the Borrower may, at any time prior to the Maturity Date, prepay any Term Loan, in full or in part, upon irrevocable written notice delivered to the Lender no later than 12:00 p.m., New York City time, three (3) Business Days prior thereto, which notice shall specify the date and amount of the proposed prepayment and the amount of the Make-Whole Amount that is due and payable; provided that, notwithstanding anything to the contrary herein or in any other Loan Document, if such notice of prepayment indicates that such prepayment is to be funded with the proceeds of a refinancing or disposition, such notice of prepayment may be revoked if the financing or disposition is not consummated; provided, further, that any such prepayment of any Term Loan made in connection with, or in anticipation of, a Change of Control will also be subject to the Prepayment Premium. If any such written notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to such date on the amount prepaid, unless such notice is revoked pursuant to the immediately preceding sentence of this Section 2.5. Partial prepayments of the Term Loans shall be in an aggregate principal amount of $250,000 or a whole multiple thereof.

2.6 Mandatory Prepayments.

(a) Subject to the payment of the Make-Whole Amount, if on any date the Borrower or any Subsidiary thereof shall receive any cash proceeds from any Extraordinary Receipts in an amount equal to or exceeding $250,000 in the aggregate since the Closing Date, the Borrower and its Subsidiaries shall, at the option of the Lender in accordance with Section 2.6(h), prepay the Term Loans within five (5) Business Days of such receipt by the Borrower or such Subsidiary of such cash proceeds, in an amount equal to one hundred percent (100%) of the cash proceeds of such Extraordinary Receipt, in each case, to be applied as set forth in Section 2.6(h).

(b) Subject to the payment of the Make-Whole Amount, if any Indebtedness shall be incurred by the Borrower or any Subsidiary thereof (excluding any Indebtedness incurred in accordance with Section 7.1), at the option of the Lender in accordance with Section 2.6(h), an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of incurrence or receipt toward the prepayment of the Term Loans as set forth in Section 2.6(h).

(c) Subject to the payment of the Make-Whole Amount, if on any date the Borrower or any Subsidiary thereof shall receive Net Cash Proceeds in an amount equal to or exceeding (i) $250,000 in any single transaction or series of related transactions or (ii) $250,000 in the aggregate for all transactions during the term of this Agreement from any Asset Sale or Recovery Event then the Borrower or such Subsidiary shall, at the option of the Lender in accordance with Section 2.6(h), prepay, or cause to be prepaid, the Term Loans, on or prior to the date which is five (5) Business Days after the date of the realization or receipt by the Borrower or such Subsidiary of such Net Cash Proceeds, in an amount equal to one hundred percent (100%) of such Net Cash Proceeds, in each case, to be applied as set forth in Section 2.6(h).

(d) If the Borrower or its Subsidiaries receive payment of accounts receivable on or after January 1, 2026, the Borrower or such Subsidiary shall, at the option of the Lender in accordance with Section 2.6(h), prepay, or cause to be prepaid the Term Loans, on a monthly basis, no later than five (5) Business Days after the end of each month (provided that such date for payment is prior to the Maturity Date), in an amount equal to fifteen percent (15.0%) of the aggregate amount of payments of accounts receivable actually received during such prior month, net of any cost of collection incurred not in the ordinary course of business. For avoidance of doubt, neither the Make-Whole Amount nor the Prepayment Premium is due or payable on any prepayment under this Section 2.6(d).

(e) Subject to the payment of the Make-Whole Amount and the Prepayment Premium, in the event that a Change of Control shall occur, the Borrower or such Subsidiary shall, at the option of the Lender in accordance with Section 2.6(h), prepay, or cause to be prepaid, all of the outstanding Term Loans, on or prior to the date which is two (2) Business Days after the date of such Change of Control.

(f) Subject to the payment of the Make-Whole Amount, if the Borrower receives Net Cash Proceeds from any sale or issuance of the Capital Stock of the Borrower, then the Borrower shall, at the option of the Lender in accordance with Section 2.6(h), prepay, or cause to be prepaid, the Tranche B Term Loan on or prior to the date which is thirty (30) days after the date of the receipt by the Borrower of such Net Cash Proceeds in an amount equal to the lesser of (i) one hundred percent (100%) of such Net Cash Proceeds or (ii) the principal amount of such Tranche B Term Loan outstanding on such date of prepayment, together with all accrued and unpaid interest thereon and any outstanding fees or premium, if any, payable in accordance with the Loan Documents, in each case, to be applied as set forth in Section 2.6(h).

(g) Notwithstanding any provision of this Agreement to the contrary, in connection with (i) any voluntary prepayment of any Term Loan pursuant to Section 2.5, (ii) any mandatory prepayment of any Term Loan pursuant to Section 2.6(a), Section 2.6(b), Section 2.6(c), Section 2.6(e) or Section 2.6(f) or (iii) any payment of any Term Loan after the occurrence and during the continuance of an Event of Default or after acceleration of the Obligations, in each case, the Borrower shall pay to the Lender the Make-Whole Amount, as the case may be, plus accrued and unpaid interest (including, for the avoidance of doubt, accrued interest that has not yet been paid or capitalized) on the principal amount of such Term Loan being prepaid to the date of such prepayment. Furthermore, notwithstanding any provision of this Agreement to the contrary, (I) in connection with any mandatory prepayment of any Term Loan pursuant to Section 2.6(e), the Borrower shall also pay to the Lender the Prepayment Premium and (II) in connection with any mandatory prepayment of the Tranche B Term Loan pursuant to Section 2.6(f) (other than, for the avoidance of doubt, after the occurrence and during the continuance of an Event of Default or after acceleration of the Obligations, in which case the Make-Whole Amount will apply) on or prior to December 31, 2025, such mandatory prepayment will be subject to the payment of the Tranche B 2025 Premium instead of the Make-Whole Amount.

(h) Amounts to be applied in connection with prepayments made pursuant to this Section 2.6 not constituting Declined Proceeds shall be applied to the Term Loans in accordance with Section 2.11(d). Each prepayment of the Term Loans under this Section 2.6 shall be accompanied by accrued and unpaid interest to the date of such prepayment on the amount prepaid. The Borrower shall deliver to the Lender by 12:00 P.M., New York City time, not less than three (3) Business Days prior to the date such prepayment shall be made (each, a "***Prepayment Date***") (i) a written notice of each prepayment of such Term Loan in whole or in part pursuant to this Section 2.6, which such notice shall set forth (1) the Prepayment Date, (2) the aggregate amount of such prepayment and (3) the applicable clause under this Section 2.6 that such prepayment relates to, and (ii) a certificate signed by a Responsible Officer setting forth in reasonable detail the calculation of the amount of such prepayment or reduction. The Lender may decline to accept all (or any portion) of any prepayment under this Section 2.6 (any such declined amounts, "***Declined Proceeds***") by providing written notice to the Borrower that the Lender has declined any prepayment under this Section 2.6 and the amount of the Declined Proceeds. Any Declined Proceeds shall be retained by the Borrower in a Control Account (as defined in the Guarantee and Collateral Agreement) subject to a Control Agreement in favor of the Lender until used to acquire, maintain, develop, construct, improve, upgrade or repair assets useful in the business of the Borrower or the other Loan Parties. For the avoidance of doubt, no Prepayment Premium, Make-Whole Amount or Tranche B 2025 Premium shall be payable in the event the Lender has declined any prepayment under this Section 2.6 solely in connection with such declined prepayment.

2.7 [Reserved].

2.8 Interest Rates and Payment Dates.

(a) The Term Loans (including the PIK Interest) shall bear interest at a rate *per annum* equal to the Interest Rate.

(b) [Reserved.]

(c) During the continuance of an Event of Default, all outstanding amounts of the Term Loans shall bear interest at a rate *per annum* equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provision of this Section 2.8 plus 4.00% and all other overdue amounts shall bear interest at a rate per annum equal to the rate that would apply to the Term Loans plus 4.00% (the "***Default Rate***").

(d) In computing interest on the Term Loans, (i) the date of the making of such Term Loan shall be included and (ii) the date of payment of such Term Loan shall be excluded.

(e) Interest on the Term Loans shall be compounded by adding the amount thereof to the unpaid principal amount of such Term Loan on each Interest Compounding Date ("***PIK Interest***"). Unpaid PIK Interest (and, for the avoidance of doubt, accrued interest that has not yet been paid or capitalized) shall be payable on the Maturity Date. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law. Interest at the Default Rate shall be payable in cash on written demand.

2.9 Computation of Interest and Fees. All interest and fees shall be computed on the basis of the actual number of days (including the first day but excluding the last day) occurring during the period for which such interest or fee is payable over a year comprised of three hundred and sixty (360) days.

2.10 [Reserved].

2.11 Pro Rata Treatment and Payments.

(a) Amounts prepaid on account of the Term Loans may not be reborrowed.

(b) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff and shall be made prior to 2:00 P.M., New York City time, on the due date thereof to the Lender at the Funding Office, in Dollars and in immediately available funds. Any payment received by the Lender after 2:00 P.M., New York City time, may, in the Lender's discretion be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment on any Term Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding sentence, interest thereon shall be payable at the then applicable rate during such extension.

(c) Nothing herein shall be deemed to obligate the Lender to obtain the funds for the Term Loans in any particular place or manner or to constitute a representation by the Lender that it has obtained or will obtain the funds for the Term Loans in any particular place or manner.

(d) If at any time insufficient funds are received by and available to the Lender to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, toward payment of interest and fees, then due hereunder, and (ii) second, toward payment of principal then due hereunder. Except with respect to any prepayment pursuant to Section 2.6(f), all payments (including prepayments) of the Term Loans shall be applied to the Tranche A Term Loan and the Tranche B Term Loan on a pro rata basis.

2.12 Requirements of Law.

(a) [Reserved].

(b) Requirements of Law. If the adoption of or any change in any Requirement of Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority, in each case, made subsequent to the date hereof:

(i) shall subject the Lender to any Taxes (other than (A) Indemnified Taxes and (B) Taxes described in the definition of Excluded Taxes) on the Term Loans, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) shall impose, modify or deem applicable any reserve, 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, the Lender; or

(iii) impose on the Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or the Term Loans made by the Lender;

and the result of any of the foregoing shall be to increase the cost to the Lender of making or maintaining the Term Loans or of maintaining its obligation to make such Term Loans, or to increase the cost to the Lender, or to reduce the amount of any sum receivable or received by the Lender hereunder in respect thereof (whether of principal, interest or any other amount), then, in any such case, upon the request of the Lender, the Borrower will promptly pay the Lender any additional amount or amounts necessary to compensate the Lender, as the case may be, for such additional costs incurred or reduction suffered. If the Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it may promptly notify the Borrower of the event by reason of which it has become so entitled.

(c) If the Lender determines that any change in any Requirement of Law occurring after the date hereof affecting the Lender or any lending office of the Lender or the Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on the Lender's capital or on the capital of the Lender's holding company, if any, as a consequence of this Agreement, the Term Commitments of the Lender or the Term Loans made by the Lender to a level below that which the Lender or the Lender's holding company could have achieved but for such change in such Requirement of Law (taking into consideration the Lender's policies and the policies of the Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender or the Lender's holding company for any such reduction suffered.

(d) For purposes of this Agreement, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case, pursuant to Basel III, shall, in each case, be deemed to be a change in any Requirement of Law, regardless of the date enacted, adopted or issued.

(e) A certificate as to any additional amounts payable pursuant to paragraphs (a), (b), or (c) of this Section submitted by the Lender to the Borrower shall be conclusive absent manifest error. The Borrower shall pay the Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof. Failure or delay on the part of the Lender to demand compensation pursuant to this Section shall not constitute a waiver of the Lender's right to demand such compensation. The obligations of the Borrower arising pursuant to this Section 2.12 shall survive the Discharge of Obligations.

2.13 Taxes. For purposes of this Section 2.13, the term "applicable law" includes FATCA.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law, and the Borrower shall, and shall cause each other Loan Party, to comply with the requirements set

forth in this Section 2.13. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.13) the Lender receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes. The Borrower shall, and the Borrower shall cause each other Loan Party to, timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Lender timely reimburse it for the payment of, any Other Taxes applicable to such Loan Party.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.13, the Borrower shall, or shall cause such other Loan Party to, deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.

(d) Indemnification by Loan Parties. Without duplication of Section 2.13(a) or Section 2.13(b), the Borrower shall, and shall cause each other Loan Party to, jointly and severally indemnify the Lender, within ten (10) Business Days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.13) payable or paid by the Lender or required to be withheld or deducted from a payment to the Lender and any 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. A certificate as to the amount of such payment or liability delivered to the Borrower by the Lender shall be conclusive absent manifest error.

(e) [Reserved].

(f) Status of the Lender.

(i) To the extent the Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, the Lender shall deliver to the Borrower, at the time or times reasonably requested by the Borrower, such properly completed and executed documentation reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, the Lender, if reasonably requested by the Borrower, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower as will enable the Borrower to determine whether or not the Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.13(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if, in the Lender's reasonable judgment, such completion, execution or submission would subject the Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of the Lender.

(ii) Without limiting the generality of the foregoing,

(A) if the Lender is a U.S. Person, it shall deliver to the Borrower on or prior to the Closing Date (and from time to time thereafter upon the reasonable request of the Borrower), executed copies of IRS Form W-9 certifying that the Lender is exempt from U.S. federal backup withholding tax;

(B) if the Lender is a Foreign Lender, it shall, to the extent it is legally entitled to do so, deliver to the Borrower on or prior to the Closing Date (and from time to time thereafter upon the reasonable request of the Borrower), whichever of the following is applicable:

(a) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor form) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable

payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor form) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(b) executed copies of IRS Form W-8ECI;

(c) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code (a "***U.S. Tax Compliance Certificate***") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor form); or

(d) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W- 8BEN or IRS Form W-8BEN-E, as applicable (or any successor form), a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower on or prior to the Closing Date (and from time to time thereafter upon the reasonable request of the Borrower), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made; and

(D) if a payment made to the Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if the 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, as applicable), the Lender shall deliver to the Borrower at the time or times prescribed by law and at such time or times reasonably requested by the Borrower such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower as may be necessary for the Borrower to comply with their obligations under FATCA and to determine that the Lender has complied with the Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) The Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.13 (including by the payment of additional amounts pursuant to this Section 2.13), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 2.13(g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.13(g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 2.13(g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party 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. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.13 shall survive the Discharge of Obligations.

2.14 [Reserved].

2.15 [Reserved].

2.16 [Reserved].

2.17 Notes. If so requested by the Lender by written notice to the Borrower, the Borrower shall execute and deliver to the Lender (promptly after the Borrower's receipt of such notice) a Term Loan Note to evidence each of the Lender's Term Loans.

SECTION 3
[RESERVED]

SECTION 4
REPRESENTATIONS AND WARRANTIES

To induce the Lender to enter into this Agreement and to make the Term Loans, the Borrower hereby represents and warrants to the Lender that:

4.1 [Reserved].

4.2 No Change. Since the date of the most recent audited consolidated financial statements, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Each Group Member (a) is duly organized, validly existing and in good standing (to the extent such concept exists in such jurisdiction) under the laws of the jurisdiction of its organization, formation, incorporation, amalgamation or continuation, (b) has the power and authority, and the legal right, to own and operate its material property, to lease the material property it operates as lessee and to conduct the material business in which it is currently engaged, (c) is duly qualified as a foreign corporation or other organization and in good standing under the laws of each jurisdiction in which the nature of the business conducted by it or the nature of the properties owned or leased by it requires such qualification or good standing, except where the failure to be so qualified or in good standing could not reasonably be expected to have a Material Adverse Effect and (d) is in material compliance with all Requirements of Law except in such instances in which (i) such Requirement of Law is being contested in good faith by appropriate proceedings diligently conducted and the prosecution of such contest could not reasonably be expected to result in a Material Adverse Effect, or (ii) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

4.4 Power, Authorization; Enforceable Obligations. Each Loan Party has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. No Governmental Approval or consent or authorization of, filing with, notice to or other act by or in respect of, any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except (i) Governmental Approvals, consents, authorizations, filings and notices described on Schedule 4.4, which Governmental Approvals, consents, authorizations, filings and notices have been obtained or made and are in full force and effect, (ii) the filings referred to in Section 4.19 and (iii) Governmental Approvals, consents, authorizations, filings and notices, the failure of which to obtain, make or give would not reasonably be expected to result in a Material Adverse Effect. Each Loan Document, when delivered hereunder, will have been, duly executed and delivered on behalf of each Loan Party party

thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not violate (i) any Requirement of Law (except as set forth on Schedule 4.5), (ii) any organizational documents, shareholder agreements, voting agreements or similar agreements of any Loan Party, or (iii) any Material Contract of any Loan Party and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any Material Contract (other than Liens permitted by Section 7.2). No Loan Party has violated or failed to comply with any Material Contract applicable to the Borrower or any of its Subsidiaries that could reasonably be expected to have a Material Adverse Effect. The absence of obtaining the Governmental Approvals described on Schedule 4.4 and the violations of Requirements of Law referenced on Schedule 4.5 could not reasonably be expected to have a Material Adverse Effect.

4.6 Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened in writing by or against any Group Member or against any of their respective properties or assets that (a) purport to affect or pertain to any of the Loan Documents or any of the transactions contemplated thereby, or (b) could reasonably be expected to have a Material Adverse Effect.

4.7 No Default. No Default or Event of Default has occurred and is continuing, or would, result from the making of a requested credit extension hereunder.

4.8 Ownership of Property; Liens; Investments. No Loan Party owns any real property. Each Loan Party has a valid leasehold interest in all of the real property which it uses, and good title to, or a valid leasehold interest in, all of its other property, and none of such fee owned property is subject to any Lien except as permitted by Section 7.2. No Loan Party owns any Investment except as permitted by Section 7.6.

4.9 Intellectual Property.

(a) Attached hereto as Schedule 4.9(a) (which Borrower may amend from time to time provided that notice and copies thereof are provided to the Lender as contemplated hereunder) is a true, correct and complete listing of (i) all Registered IP of the Borrower and its Subsidiaries, and (ii) all Licenses entered into by the Borrower and its Subsidiaries. The Borrower and its Subsidiaries are in compliance with all of the provisions of the Licenses.

(b) Except as set forth in Schedule 4.9(a), all Registered IP is subsisting, in full force and, to the knowledge of the Borrower and its Subsidiaries, valid and enforceable, and in material compliance with all legal requirements, filings, and payments and other actions that are required to maintain such Intellectual Property in full force and effect and valid and enforceable.

(c) Except as set forth in Schedule 4.9(e), the Borrower and/or its Subsidiaries exclusively own all Registered IP and have rights to use, all of the Intellectual Property used in or necessary for the conduct of the business of the Borrower and its Subsidiaries as currently conducted.

(d) The Borrower and its Subsidiaries have taken and continue to take commercially reasonable measures, at least consistent with industry standards, to protect the Intellectual Property of the Borrower and its Subsidiaries that are necessary to the conduct of the business of the Borrower and its Subsidiaries and there has not been any unauthorized access or breach concerning any trade secrets owned by the Borrower and its Subsidiaries.

(e) To the knowledge of the Borrower and its Subsidiaries, the conduct of the business of the Borrower and its Subsidiaries, and the use of the Intellectual Property owned by the Borrower and its Subsidiaries in connection with the conduct of the business of the Borrower and its Subsidiaries, do not infringe, misappropriate, or violate the Intellectual Property of any Person. Except as set forth on Schedule 4.9(e) (which Borrower may amend from time to

time provided that notice and copies thereof are provided to the Lender as contemplated hereunder), no proceedings are pending before any Governmental Authority, and none of the Borrower or any of its Subsidiaries has received any written claim or demand alleging, that the use by the Borrower or any of its Subsidiaries of any Intellectual Property infringes, misappropriates or dilutes the Intellectual Property of any Person.

(f) To the knowledge of the Borrower and its Subsidiaries, there is currently no infringement or unauthorized use by any third party of any Intellectual Property owned by the Borrower and its Subsidiaries.

4.10 Taxes. Each Loan Party has filed or caused to be filed (i) all federal, state and other tax returns that are required to be filed (taking into account all applicable extension periods) and (ii) has paid all federal, state and other taxes, fees or other charges imposed on it or any of its property, income or assets otherwise due and payable, except (x) Taxes that are being contested in good faith by appropriate proceedings diligently conducted and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Loan Party and (y) to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

4.11 Federal Regulations. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of "buying" or "carrying" "margin stock" (within the respective meanings of each of the quoted terms under Regulation U) or extending credit for the purpose of purchasing or carrying margin stock in violation of Regulations T, U or X. No part of the proceeds of the Term Loans, and no other extensions of credit hereunder, will be used for buying or carrying any such margin stock or for extending credit to others for the purpose of purchasing or carrying margin stock in violation of Regulations T, U or X. If any margin stock directly or indirectly constitutes Collateral securing the Obligations, the Borrower will furnish to the Lender a statement to the foregoing effect in conformity with the requirements of FR Form G- 3 or FR Form U-1, as applicable, referred to in Regulation U.

4.12 Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) no Group Member is a party to or subject to (or in the process of negotiating) any collective bargaining agreements, works council agreements, labor union contracts, trade union agreements, and other similar agreements with any labor union, works council, or labor organization; (b) during the past three (3) years, no labor union or group of employees of any Group Member made a demand to any Group Member for recognition or certification of labor union, or filed a petition for recognition with any Governmental Authority or, to the knowledge of any Group Member, has sought to organize any employees for purposes of collective bargaining; (c) during the past three (3) years there have been no actual or, to the knowledge of any Group Member, threatened labor strikes, lockouts, slowdowns, work stoppages, boycotts, hand billing, picketing, walkouts, leafleting, sit-ins, sick-outs, or other similar forms of organized labor disruption by a labor union or group of employees of any Group Member with respect to any Group Member; (d) each Group Member is in compliance with all applicable laws relating to labor and employment, including but not limited to all laws relating to employment practices; the hiring, promotion, assignment, and termination of employees; discrimination; equal employment opportunities; labor relations; wages and hours; immigration; workers' compensation; privacy; accessibility; employee benefits; background and credit checks; occupational safety and health; family and medical leave; and (e) as of the date hereof, there are no pending or, to the knowledge of any Group Member, threatened in writing proceedings, investigations, claims, actions or grievances against any Group Member brought by or on behalf of any applicant for employment, any current or former employee, consultant, independent contractor, or leased employee, volunteer, or "temp" of any Group Member, or any group or class of the foregoing, or any Governmental Authority, relating to or arising from such individual, group, or class's employment or relationship with any Group Member.

4.13 Employee Benefit Plans. Except as, individually or in the aggregate, could not reasonably be expected to have or result in a Material Adverse Effect: (a) each Group Member and each ERISA Affiliate are in compliance in all respects with all applicable provisions and requirements of ERISA, the Code and all other applicable laws with respect to each Plan, and have performed all their obligations under each Plan; (b) no ERISA Event or Foreign Plan Event has occurred or is reasonably expected to occur; (c) each Group Member and each ERISA Affiliate have met all applicable requirements under the ERISA Funding Rules with respect to each Pension Plan, and no waiver of the minimum funding standards under the ERISA Funding Rules has been applied for or obtained; and (d) all liabilities under each Plan are funded to at least the minimum level required by law or, if higher, to the level required by the terms governing the Plans. No Loan Party is or will be (i) a "benefit plan investor" within the meaning of Section 3(42) of ERISA, (ii) an entity whose assets are deemed to include "plan assets" under

Section 3(42) of ERISA or under any similar law or (iii) a "governmental plan" within the meaning of Section 3(32) of ERISA; and assuming the Lender is not using assets that are deemed to include "plan assets" under Section 3(42) of ERISA or under any similar law for purposes of making the Term Loans neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereunder will result in a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code.

4.14 Investment Company Act; Other Regulations. No Loan Party is required to register as an investment company under the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any applicable federal or state Requirement of Law that limits its ability to incur Indebtedness under this Agreement or which may otherwise render all or any portion of the Obligations unenforceable.

4.15 Subsidiaries. Except as disclosed to the Lender by the Borrower in writing from time to time after the Closing Date, (a) Schedule 4.15(a) sets forth the name and jurisdiction of organization of each Subsidiary of the Borrower and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party, and (b) other than as set forth on Schedule 4.15(b), there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Borrower or any Subsidiary, except as may be created by the Loan Documents.

4.16 Use of Proceeds. The proceeds of the Tranche A Term Loan shall be used (a) to refinance the obligations outstanding under the Existing Credit Facilities, (b) to pay fees and expenses in connection with the transactions contemplated hereby and (c) for working capital and other general corporate purposes of the Loan Parties to the extent permitted under this Agreement. The proceeds of the Tranche B Term Loan shall be used to purchase and cancel the Yorkville Warrant in full.

4.17 Environmental Matters. Except as disclosed on Schedule 4.17 or as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) to the Borrower's knowledge, the facilities and properties leased or operated by any Loan Party (collectively, the "***Properties***") do not contain any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or have constituted a violation of, or could reasonably be expected to give rise to liability, under any Environmental Law;

(b) no Loan Party has received any notice of violation, alleged violation, non-compliance, liability or potential liability, in each case, pending and in writing, regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Loan Party (the "***Business***"), nor does the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) no Loan Party has released, disposed of, or arranged for or permitted the disposal of Materials of Environmental Concern in violation of, or in a manner that could reasonably be expected to give rise to liability under, any Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the Borrower's knowledge, threatened, under any Environmental Law to which any Loan Party is or could reasonably be expected to be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders outstanding under any Environmental Law against any Loan Party with respect to the Properties or the Business;

(e) the operations of the Loan Parties at the Properties are in compliance, and have in the last five (5) years been in compliance, with all applicable Environmental Laws, and except as set forth on Schedule 4.17, to the Borrower's knowledge, there is no contamination for which Environmental Law requires investigation or remediation at, under or about the Properties; and

(f) no Loan Party has assumed by contract any liability of any other Person under Environmental Laws.

4.18 Accuracy of Information, etc. No (i) written statement or information (other than projections and pro forma financial information and information of a general economic or industry nature) contained in this Agreement or any other Loan Document, or (ii) any other document, certificate or written statement furnished by or on behalf of any Loan Party to the Lender or its designees for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date of such statement, information, document or certificate was so furnished, taken as a whole, any misstatement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading as of the date so furnished in any material respect (giving effect to all supplements and updates thereto). The projections and *pro forma* financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lender that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents or in any other documents, certificates and statements furnished to the Lender or its designee for use in connection with the transactions contemplated hereby and by the other Loan Documents.

4.19 Security Documents. Subject to the time periods set forth in Schedule 5.2, the Guarantee and Collateral Agreement is effective to create in favor of the Lender a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles (whether enforcement is sought by proceedings in equity or at law). In the case of the Pledged Stock described in the Guarantee and Collateral Agreement that are securities represented by stock certificates or otherwise constituting certificated securities within the meaning of Section 8-102(a)(15) of the UCC or the corresponding code or statute of any other applicable jurisdiction ("***Certificated Securities***"), when certificates representing such Pledged Stock are delivered to the Lender, and in the case of the other Collateral constituting personal property described in the Guarantee and Collateral Agreement, when financing statements and other filings specified on Schedule 4.19 in appropriate form are filed in the offices specified on Schedule 4.19, the Lender shall have a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations, in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the UCC or upon the receipt and recording of an Intellectual Property Security Agreement with the USCRO or the USPTO, as applicable, in each case, prior and superior in right to any other Person (except, in the case of Collateral other than Pledged Stock, Liens permitted by Section 7.2 or in the case of Collateral that is Pledged Stock, Liens permitted by Section 7.2 which arise by operation of law). Each of the Mortgages delivered after the Closing Date will be, upon execution, effective to create in favor of the Lender a legal, valid and enforceable Lien on the Mortgaged Properties described therein and proceeds thereof, and when the Mortgages are filed in the offices for the applicable jurisdictions in which the Mortgaged Properties are located, each such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case, prior and superior in right to any other Person (subject to Liens permitted by Section 7.2).

4.20 Solvency; Voidable Transaction. The Loan Parties, taken as a whole, are, and after giving effect to the incurrence of the Obligations and obligations being incurred in connection herewith, will be, Solvent. No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

4.21 Regulation H. No Mortgage encumbers improved real property that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has not been made available under the National Flood Insurance Act of 1968.

4.22 Insurance. All insurance maintained by the Loan Parties is in full force and effect, all premiums have been duly paid, no Loan Party has received notice of violation or cancellation thereof, and each Loan Party has complied in all material respects with the requirements of each such policy except to the extent any such non-

compliance could reasonably be expected to have a Material Adverse Effect. Each Loan Party maintains insurance with financially sound and reputable insurance companies on all its properties in at least such amounts and against at least such risks (but including in any event public liability, business interruption and property damage insurance) as are usually insured against by companies engaged in similar businesses and owning similar properties in localities where the Loan Parties operate.

4.23 No Casualty. No Loan Party has received any notice of, nor does any Loan Party have any knowledge of, the occurrence or pendency or contemplation of any Casualty Event affecting all or any material portion of its property.

4.24 PATRIOT Act; Export/Import Controls; Sanctions. Each Loan Party and each Subsidiary of each Loan Party, and their respective officers, directors, agents, and employees have been during the past five (5) years and are in compliance in all respects with Anti-Terrorism Laws, Export/Import Controls and Sanctions. No Loan Party, nor any Subsidiary of a Loan Party, nor any of their respective directors, officers, or to the knowledge of the Borrower or any of its Subsidiaries, any employees, is, or is acting for or on behalf of, a Designated Person. No Loan Party nor any Subsidiary of a Loan Party (a) has assets located in, or otherwise directly or, to the knowledge of the Borrower, indirectly derives revenues from investments, activities or transactions in or with, any Designated Jurisdiction; or (b) directly or, to the knowledge of the Borrower, indirectly derives revenues from investments in, or activities or transactions with, any Designated Person. There is no (a) pending or, to the knowledge of the Borrower, threatened in writing, action, suit, proceeding or investigation before any court or other Governmental Authority against any Loan Party or any Subsidiary of a Loan Party, or any of their officers, directors or employees or (b) informal or formal investigation by any Loan Party, a Subsidiary of a Loan Party, or their respective legal representatives or a Governmental Authority involving the foregoing persons described in clause (a), in each case with respect to clauses (a) and (b), that relates to a potential or actual violation of Anti-Terrorism Laws, Export/Import Controls or Sanctions, nor has there occurred any event or does there exist any condition on the basis of which any such claim may be asserted. No Loan Party nor any Subsidiary of any Loan Party has received during the past five (5) years a notice alleging a violation by any Loan Party or Subsidiary of a Loan Party, or an officer or director of a Loan Party or a Subsidiary of a Loan Party or, to the knowledge of the Borrower, any employee or agent authorized to act on behalf of a Loan Party or a Subsidiary of a Loan Party, of Anti-Terrorism, Export/Import Controls or Sanctions.

4.25 Anti-Corruption Laws. Each Loan Party and each Subsidiary of each Loan Party and their directors, officers, agents and employees have been during the past five (5) years and are in compliance in all respects with Anti-Corruption Laws. There is no pending or threatened action, suit, proceeding or investigation before any court or other Governmental Authority against any Loan Party or any Subsidiary of a Loan Party, or any of their officers, directors, employees, or agents, or any informal or formal investigation by any Loan Party, a Subsidiary of a Loan Party, or their respective legal representatives or a Governmental Authority involving the foregoing, that relates to a potential or actual violation of Anti-Corruption Laws, nor has there occurred any event or does there exist any condition on the basis of which any such claim may be asserted. No Loan Party nor any Subsidiary of any Loan Party has received during the past five (5) years a notice alleging a violation by any Loan Party or Subsidiary of a Loan Party, or any of their officers, directors, employees, or agents of Anti-Corruption Laws.

4.26 Leases. All leases of the Borrower and its Subsidiaries that are material to their business are valid and subsisting and no default by the Borrower or any of its Subsidiaries exists under any of them which could reasonably be expected to result in a Material Adverse Effect.

4.27 Senior Indebtedness. All Obligations including those to pay principal of and interest (including post-petition interest, whether or not allowed as a claim under bankruptcy or similar laws) on the Term Loans and other Obligations, and fees and expenses in connection therewith, constitute "Senior Indebtedness" or similar term relating to the Obligations.

4.28 Material Contracts. Each Material Contract (a) is in full force and effect and is binding upon and enforceable against each Loan Party that is a party thereto and, to the knowledge of such Loan Party, all other parties thereto in accordance with its terms, (b) except as otherwise permitted under Section 7.17, has not been otherwise amended or modified in any material respect, and (c) is not in default due to the action of any Loan Party or, to the

knowledge of any Loan Party, any other party thereto; in each case, except as would not reasonably be expected to have a Material Adverse Effect.

SECTION 5
CONDITIONS PRECEDENT

5.1 Conditions to Initial Extension of Credit. The effectiveness of this Agreement and the obligation of the Lender to make its initial extension of credit hereunder shall be subject to the satisfaction (or waiver by the Lender) of the following conditions precedent:

(a) Loan Documents. The Lender shall have received each of the following, each of which shall be in form and substance reasonably satisfactory to the Lender:

(i) this Agreement, executed and delivered by the Borrower and the Lender;

(ii) if required by the Lender, a Term Loan Note executed by the Borrower in favor of the Lender;

(iii) the Guarantee and Collateral Agreement, executed and delivered by each Grantor named therein;

(iv) each Intellectual Property Security Agreement, executed by the applicable Grantor related thereto;

(v) all UCC financing statements listed on Schedule 3 to the Guarantee and Collateral Agreement;

(vi) the Existing Note Amendments; and

(vii) the Warrant Agreement, executed and delivered by the Borrower and the Lender.

(b) [Reserved].

(c) Approvals. Except for the Governmental Approvals described on Schedule 4.4 and Governmental Approvals, consents, authorizations, filings and notices, the failure of which to obtain, make or give would not reasonably be expected to result in a Material Adverse Effect, all Governmental Approvals and consents and approvals of, or notices to, any other Person (including the holders of any Capital Stock issued by any Loan Party) required in connection with the execution and performance of the Loan Documents and the consummation of the transactions contemplated hereby, shall have been obtained and be in full force and effect.

(d) Secretary's Certificates; Certified Operating Documents; Good Standing Certificates. The Lender shall have received (i) a certificate of each Loan Party, dated the Closing Date and executed by the Secretary (or other senior officer) or equivalent officer of such Loan Party, substantially in the form of Exhibit C, with appropriate insertions and attachments, including (A) the Operating Documents of such Loan Party, (B) the relevant board (and/or, if applicable, stockholders') resolutions or written consents of such Loan Party adopted by such Loan Party for the purposes of authorizing such Loan Party to enter into and perform the Loan Documents to which such Loan Party is party, and (C) the names, titles, incumbency and signature specimens of those representatives of such Loan Party who have been authorized by such resolutions and/or written consents to execute Loan Documents on behalf of such Loan Party, (ii) a long form good standing certificate (or equivalent) for each Loan Party from its respective jurisdiction of organization dated not more than thirty (30) days prior to the Closing Date, and (iii) if applicable, certificates of foreign qualification for each Loan Party from each jurisdiction where the failure to be qualified or in good standing could reasonably be expected to have a Material Adverse Effect.

(e) Responsible Officer's Certificates.

(i) The Lender shall have received a certificate signed by a Responsible Officer, in form and substance reasonably satisfactory to it, either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required.

(ii) The Lender shall have received a certificate signed by a Responsible Officer, dated as of the Closing Date, and in form and substance reasonably satisfactory to it, certifying that the conditions specified in Section 5.1(m), (n) and (o) are satisfied.

(f) Patriot Act, etc. To the extent requested within a reasonable period of time prior to the Closing Date, the Lender shall have received, at least two (2) Business Days (or such shorter period acceptable to the Lender) prior to the Closing Date, all documentation and other information requested to comply with Anti-Terrorism Laws and Sanctions, as applicable, for each Loan Party.

(g) Existing Indebtedness. All existing third party Indebtedness for borrowed money (except for any such indebtedness permitted to be outstanding in accordance with Section 7.1) of the Loan Parties, including the Existing Credit Facilities, shall have been, or substantially concurrently with the initial funding under this Agreement shall be, terminated and repaid in full (other than contingent or indemnification obligations for which no claim has been made), and the Lender shall have received reasonably satisfactory payoff letters, all documents or instruments necessary to release all applicable Liens and evidence of the discharge (or the irrevocable and unconditional (except for receipt of the stated payoff amount) making of arrangements for discharge) of all guarantees and related Liens upon the initial funding under this Agreement, including evidence of termination of the Yorkville SEPA; provided that no more than $4,650,000 of cash shall be paid and no more than 15,000,000 additional warrants shall be issued, in each case, in order to settle the Existing Credit Facilities; provided, further, that the warrant strike price shall be no lower than $0.40, the warrant expiration shall be no later than five (5) years following the Closing Date, and the anti-dilution provisions shall be no less favorable to the Company than those contained in the Yorkville Note.

(h) Collateral Matters.

(i) Lien Searches. The Lender shall have received the results of recent lien, tax, judgment and litigation searches in each of the jurisdictions where any of the Loan Parties is formed or organized and such other jurisdictions that it reasonably requests, and such searches shall reveal no liens on any of the assets of the Loan Parties except for Liens permitted by Section 7.2, and Liens to be discharged on or prior to the Closing Date.

(ii) Pledged Stock; Stock Powers; Pledged Notes. Subject to the provisions of Section 5.2, the Lender shall have received (A) the certificates representing the shares of Capital Stock pledged to the Lender pursuant to the Security Documents, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof, and (B) each promissory note (if any) pledged to the Lender pursuant to the Security Documents, endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(iii) Filings, Registrations, Recordings, Agreements, Etc. Subject to the provisions of Section 5.2, each document (including any UCC financing statements, Intellectual Property Security Agreements, Control Agreements) required by the Security Documents or under law or reasonably requested by the Lender to be filed, registered or recorded to create in favor of the Lender, a perfected Lien on the Collateral described therein, prior and superior in right and priority to any Lien in the Collateral held by any other Person (other than with respect to Liens expressly permitted by Section 7.2), shall have been executed and delivered to the Lender or, as applicable, be in proper form for filing, registration or recordation.

(iv) Insurance. Subject to the provisions of Section 5.2, the Lender shall have received insurance certificates and applicable endorsements, satisfying the requirements of Section 6.5 hereof and Section 5.2(b) of the Guarantee and Collateral Agreement, in each case, in form and substance reasonably satisfactory to the Lender.

(v) Perfection Certificate. The Lender shall have received on or prior to the Closing Date a completed and executed Perfection Certificate;

(i) Fees. The Lender shall have received all fees required to be paid on or prior to the Closing Date, and all reasonable and documented out-of-pocket fees and expenses for which detailed invoices have been presented (including the reasonable and documented fees and expenses of legal counsel to the Lender) for payment no later than one (1) Business Day prior to the Closing Date shall be paid; provided that such fees and expenses may be paid with proceeds of Tranche A Term Loan made on the Closing Date and will be reflected in the funding instructions given by the Borrower to the Lender on or before the Closing Date.

(j) Legal Opinion. The Lender shall have received the executed legal opinion of DLA Piper LLP (US) in form and substance reasonably satisfactory to the Lender.

(k) Borrowing Notices. The Lender shall have received a completed Notice of Borrowing executed by the Borrower and otherwise complying with the requirements of Section 2.2.

(l) Solvency Certificate. The Lender shall have received a Solvency Certificate from the chief financial officer or treasurer of the Borrower.

(m) No Material Adverse Effect. There shall not have occurred since December 31, 2023 any event or condition that has had or would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Representations and Warranties. Each of the representations and warranties made by each Loan Party in any Loan Document shall be true and correct on and as of such date as if made on and as of such date, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct as of such earlier date.

(o) No Default. No Default or Event of Default shall have occurred and be continuing as of or on such date or after giving effect to such Term Loan.

5.2 Post-Closing Conditions Subsequent. The Borrower shall satisfy each of the conditions subsequent to the Closing Date specified in Schedule 5.2 to the reasonable satisfaction of the Lender, in each case, by no later than the date specified for such condition (or such later date as the Lender shall agree in its sole discretion).

SECTION 6
AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, at all times prior to the Discharge of Obligations, the Borrower shall, and, where applicable, shall cause each other Group Member to:

6.1 Financial Statements. Furnish to the Lender:

(a) promptly, and in any event within ninety (90) days after the end of each Fiscal Year, financial statements of the Borrower and its consolidated Subsidiaries including, but not limited to, audited consolidated statements of income and stockholders' equity and cash flow from the beginning of the prior Fiscal Year to the end of such Fiscal Year and the audited consolidated balance sheet as at the end of such Fiscal Year, all prepared in accordance with GAAP applied on a basis consistent with prior practices, and in reasonable detail and reported upon without a "going concern" or like qualification, commentary, or exception, or any qualification or exception as to the scope of such audit, or qualification or report regarding a material financial controls weakness (other than with respect to an upcoming maturity date in respect of any Term Loan or a prospective default in respect of the Financial Covenants), by an independent registered public accounting firm selected by the Borrower and reasonably satisfactory to the Lender;

(b) promptly, and in any event within forty-five (45) days after the end of each Fiscal Quarter, an unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries and unaudited consolidated statements of income and stockholders' equity and cash flow of the Borrower and its consolidated Subsidiaries reflecting results of operations from the beginning of the Fiscal Year to the end of such quarter and for such quarter, certified by a Responsible Officer as prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year-end adjustments that individually and in the aggregate are not material to the Borrower's business operations and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous Fiscal Year; and

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied (except with respect to unaudited financial statements subject

to normal year-end audit adjustments and the absence of year-end audit footnotes) consistently throughout the periods reflected therein and with prior periods.

Notwithstanding the foregoing, the obligations in Section 6.1(a) and Section 6.1(b) may be satisfied with respect to financial information of the Borrower and its Subsidiaries by furnishing the Borrower's Form 10-K or 10-Q, as applicable, filed with the SEC; provided that to the extent such information is in lieu of information required to be provided under Section 6.1(a), such materials are accompanied by a report and opinion of an independent registered public accounting firm subject to the same exceptions and requirements set forth above in Section 6.1(a). To the extent the SEC has granted the ability to extend any financial statement reporting deadline generally to all non-accelerated filers, including pursuant to Rule 12b-25, (the "***Extended SEC Reporting Deadline***") and such Extended SEC Reporting Deadline would be later than the deadline for delivery of the corresponding financial statements of the Borrower pursuant to clause (a) or (b) of this Section 6.1 (a "***Section 6.1 Reporting Deadline***"), then the applicable Section 6.1 Reporting Deadline shall be automatically deemed to be extended to the date of the Extended SEC Reporting Deadline, without any further action by any party.

6.2 Certificates; Reports; Other Information. Furnish to the Lender:

(a) (1) concurrently with the delivery of any financial statements pursuant to Sections 6.1(a) and (b), a Compliance Certificate (i) stating that, to such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, (ii) [reserved], (iii) to the extent not previously disclosed to the Lender, a description of any change in the jurisdiction of organization of any Loan Party and a list of any Registered IP issued to or acquired by any Loan Party since the date of the most recent report delivered pursuant to this clause (iii) (or, in the case of the first such report so delivered, since the Closing Date) and (iv) confirmation to the Lender that there has been no change to the information set forth on the Perfection Certificate since the Closing Date or the date of the most recent report delivered pursuant to this clause (a), as applicable, and/or deliver to the Lender an updated Perfection Certificate identifying such changes as of the date of such delivery and (2) within five (5) Business Days after the end of each month, a Compliance Certificate containing all calculations necessary for determining compliance of the Borrower with the Financial Covenants in Section 7.20;

(b) promptly, and in any event no later than sixty (60) days after the beginning of the Borrower's Fiscal Year, a projected operating budget and cash flow of the Borrower and its consolidated Subsidiaries for such Fiscal Year (including an income statement for each month and a balance sheet as at the end of the last month in each Fiscal Quarter) (collectively, the "***Projections***"), such Projections to be accompanied by a certificate signed by the President, Treasurer, Chief Financial Officer, or equivalent officer of the Borrower to the effect that such projections have been prepared on the basis of sound financial planning practice consistent with past budgets and financial statements and that such officer has no reason to question the reasonableness of any material assumptions on which such Projections were prepared;

(c) promptly, and in any event within five (5) Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation by such agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof (other than routine comment letters from the staff of the SEC relating to the Borrower's filings with the SEC);

(d) promptly, and in any event within five (5) Business Days after the same are sent or received, copies of all material correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a Material Adverse Effect on any of the Governmental Approvals or otherwise on the operations of the Group Members;

(e) concurrently with the delivery of the financial statements referred to in Section 6.1(a) and (b), a written report summarizing all material variances from budgets submitted by the Borrower pursuant to Section 6.2(b); and

(f) promptly, such additional information (including materials intended for third party distribution prepared by a financial advisor) regarding the business, financial or organizational affairs and condition of any Loan Party and any Subsidiary, or compliance with the terms of this Agreement, as the Lender may from time to time reasonably request.

6.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations and liabilities of whatever nature (including any income and other Tax liabilities), except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member.

6.4 Maintenance of Existence; Compliance. (a)(i) Preserve, renew and keep in full force and effect its organizational existence; provided that any Subsidiary of the Borrower shall not be required to preserve any such existence if the Borrower or such Subsidiary shall determine that the preservation thereof is no longer desirable or necessary in the conduct of the business of such Subsidiary, and the failure to preserve such existence could not reasonably be expected to have a Material Adverse Effect and (ii) take all reasonable action to maintain or obtain all Governmental Approvals and all other rights, privileges and franchises necessary in the normal conduct of its business or necessary for the performance by such Person of its Obligations under any Loan Document, except, in each case, as otherwise permitted by Section 7.3 or 7.4 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; (b) comply with all Requirements of Law except to the extent that failure to comply therewith would not, in the aggregate, reasonably be expected to have a Material Adverse Effect; and (c) comply with all Governmental Approvals, and any term, condition, rule, filing or fee obligation, or other requirement related thereto, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, the Borrower shall, and shall cause each ERISA Affiliate to: (1) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code or other applicable law; (2) cause each Qualified Plan to maintain its qualified status under Section 401(a) of the Code; (3) make all required contributions to any Plan; (4) make all required contributions to any Multiemployer Plan; (5) ensure that all liabilities under each Plan are funded to at least the minimum level required by law or, if higher, to the level required by the terms governing such Plan; and (6) ensure that the contributions or premium payments to or in respect of each Plan are and continue to be promptly paid at no less than the rates required under the rules of such Plan and in accordance with the most recent actuarial advice received in relation to such Plan (if any) and applicable law, except, with respect to (1) through (6), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. (a) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear and obsolescence excepted except where the failure to do so could not reasonably be expected to have a Material Adverse Effect and (b) maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability, business interruption and property damage insurance) as are usually insured against by companies engaged in similar businesses and owning similar properties in localities where the Loan Parties operate.

6.6 Inspection of Property; Books and Records; Audits; Discussions. (a) Keep proper books of record and account, in which full, true and correct, in all material respects, entries in conformity in all material respects with GAAP shall be made of all dealings and transactions in relation to its business and activities and (b) at any reasonable time, from time to time, during regular business hours and upon reasonable advance notice, permit representatives (including independent contractors) of the Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records and to discuss the business, operations, properties and financial and other condition of the Borrower and its Subsidiaries with officers, directors and management employees of the Group Members and with their independent certified public accountants; provided that a representative of the Loan Parties shall be permitted to participate in any discussion with the accountants. The foregoing inspections and audits shall be at the Borrower's expense. Such inspections and audits shall not be undertaken more frequently than once per year, unless an Event of Default has occurred and is continuing, in which case such inspections and audits shall occur as often as the Lender shall reasonably determine is necessary during regular business hours and upon reasonable advance notice. Notwithstanding anything to the contrary herein, neither the Borrower nor any Subsidiary shall be required to disclose, permit the inspection, examination or making of copies of or taking abstracts from, or discuss

any document, information, or other matter (i) that constitutes non-financial trade secrets or non-financial proprietary information of the Borrower and/or any of its Subsidiaries, customers and/or suppliers, (ii) in respect of which disclosure to the Lender (or any of its representatives) is prohibited by applicable Requirements of Law; provided that, with respect to this clause (ii), the Borrower shall (A) provide written notice to the Lender making it aware that information is being withheld (to the extent permitted by Requirements of Law) and (B) use commercially reasonable efforts to communicate the relevant information in a way that does not violate such Requirements of Law, (iii) that is subject to attorney-client or other legal privilege or constitutes attorney work product; provided that, with respect to this clause (iii), the Borrower shall (A) provide written notice to the Lender making it aware that information is being withheld and (B) use commercially reasonable efforts to communicate the relevant information in a way that does not violate such attorney-client or other legal privilege or (iv) in respect of which the Borrower or any Subsidiary owes confidentiality obligations to any third party; provided that, with respect to this clause (iv), the Borrower shall (A) provide written notice to the Lender making it aware of such confidentiality obligations (to the extent permitted under the applicable confidentiality obligation) and (B) use commercially reasonable efforts to communicate the relevant information in a way that does not violate such confidentiality obligations.

6.7 Notices. Give prompt written notice to the Lender of:

(a) promptly after the Borrower has knowledge or becomes aware of the occurrence of any Default or Event of Default;

(b) promptly after the Borrower has knowledge or becomes aware of any (i) breach or non-performance of or default or event of default under, or receipt of a notice alleging breach or non-performance of or default or event of default under any Material Contract (or any dispute with any counterparty to any Material Contract), (ii) any development that has had or could reasonably be expected to have a Material Adverse Effect or (iii) the threat or commencement of (or any development in) any dispute, litigation, arbitration, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority that could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding with any Group Member as a party (i) in which the amount involved is $150,000 or more and not covered by insurance, (ii) in which injunctive or similar relief is sought against any Loan Party or (iii) which relates to any Loan Document;

(d) (i) promptly after the Borrower has knowledge or becomes aware of the occurrence of any of the following events affecting any Group Member or any ERISA Affiliate that could reasonably be expected to have a Material Adverse Effect (but in no event more than fifteen days after such event), the occurrence of any of the following events, and shall provide the Lender with a copy of any notice with respect to such event that may be required to be filed with a Governmental Authority and any notice delivered by a Plan or a Governmental Authority to any Group Member or any ERISA Affiliate with respect to such event: (A) an ERISA Event or a Foreign Plan Event, (B) the adoption of any new Pension Plan by any Loan Party or any ERISA Affiliate, (C) the adoption of any amendment to a Pension Plan, if such amendment will result in an increase in benefits or unfunded benefit liabilities (as defined in Section 4001(a)(18) of ERISA), or (D) the commencement of contributions by any Group Member or any ERISA Affiliate to any Multiemployer Plan or Pension Plan; (ii)(A) promptly after the giving, sending or filing thereof, or the receipt thereof, copies of (1) each Schedule SB (Actuarial Information) to the annual report (Form 5500 Series) filed by any Group Member or any ERISA Affiliate with the IRS with respect to each Pension Plan, (2) all notices received by any Group Member or any ERISA Affiliate from a Multiemployer Plan sponsor concerning an ERISA Event, and (3) copies of such other documents or governmental reports or filings relating to any Pension Plan as the Lender shall reasonably request; and (B) without limiting the generality of the foregoing, such certifications or other evidence of compliance with the provisions of Section 7.7 as the Lender may from time to time reasonably request; and (iii) any Loan Party becoming a "benefit plan investor" under Section 3(42) of ERISA and/or any Loan Party assets being deemed to include "plan assets" under Section 3(42) of ERISA or under any similar law applicable to such Loan Party;

(e) (i) any Asset Sale undertaken by the Borrower or any Subsidiary of the Borrower to someone other than to the Borrower or another Loan Party, (ii) any issuance by the Borrower or any Subsidiary thereof of any Capital Stock to someone other than to the Borrower or an employee, officer or director, in each case, in the ordinary course of business, (iii) any incurrence by the Borrower or any Subsidiary thereof of any Indebtedness (other than

Indebtedness constituting the Term Loans under this Agreement) in a principal amount equaling or exceeding $100,000, and (iv) with respect to any such Asset Sale, issuance of Capital Stock or incurrence of Indebtedness, the amount of any Net Cash Proceeds received by the Borrower or such Subsidiary in connection therewith and the amount of any Extraordinary Receipts received by the Borrower or such Subsidiary, in each case, only to the extent the Borrower is not required to provide notice of such occurrence pursuant to Section 2.6(h);

(f) promptly after the Borrower has knowledge or becomes aware of any casualty, damage or destruction to any material portion of the Collateral (deemed to include Collateral having an aggregate value in excess of $100,000) or the commencement of any action or proceeding for the taking of any interest in a material portion of the Collateral (deemed to include Collateral having an aggregate value in excess of $100,000) under power of eminent domain or by condemnation or similar proceeding;

(g) any material change in accounting policies or financial reporting practices by any Loan Party;

(h) promptly, and in any event within five (5) Business Days following receipt thereof, notice from any customer representing 5% or more of the revenues of the Group Members in the aggregate indicating that such customer intends to materially reduce or terminate business volume with the Group Members; and

(i) any default or event of default under the PPP Loan Documents.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

6.8 Environmental Laws.

(a) Comply with, and make commercially reasonable efforts to ensure compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply with and maintain, and make commercially reasonable efforts to ensure that all tenants and subtenants obtain and comply with and maintain, any and all governmental licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, except, in each case, to the extent that the failure to do so would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) (i) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws, except to the extent that the failure to do so would not, in the aggregate, reasonably be expected to have a Material Adverse Effect and (ii) comply with all material lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

6.9 Intellectual Property.

(a) The Borrower and each of its Subsidiaries agree that should it obtain an ownership interest in or to any Intellectual Property, including any Intellectual Property that is registered or pending registration or issuance, which is not now a part of the Collateral, (i) any such ownership interest in the Intellectual Property shall automatically become a part of the Collateral, and (ii) with respect to any such interests in any Intellectual Property that is Registered IP or that is pending registration or issuance, the Borrower shall give written notice thereof in accordance with Section 6.2(a) and shall cause to be prepared, executed, and delivered to the Lender such Intellectual Property Security Agreements necessary to grant the Lender security interests in such Intellectual Property.

(b) With respect to Intellectual Property of the Borrower that is material to the business of the Borrower or any of its Subsidiaries, including any such Intellectual Property that is not now a part of the Collateral, the Borrower agrees to take, and to cause each of its Subsidiaries to take, such steps as the Borrower (or such Subsidiary) reasonably deems necessary to register and maintain the validity and enforceability of such Intellectual Property, including making appropriate filings, payments and submissions with the USPTO and USCRO.

(c) The Borrower and its Subsidiaries shall not allow any of their respective Intellectual Property, including applications and registrations therefor, to be abandoned, cancelled, forfeited, or dedicated to the public without the written consent of Lender, unless the Borrower determines that such use or the pursuit or maintenance of

such Intellectual Property is no longer desirable in the conduct of the Borrower's or its Subsidiaries' business and that the loss thereof could not reasonably be expected to result in a Material Adverse Effect.

(d) The Borrower will continue to take, and will cause each of its Subsidiaries to take, commercially reasonable actions to protect and enforce the Borrower's and its Subsidiaries' material Intellectual Property, and such steps necessary to maintain confidentiality with respect thereto.

(e) In the event that the Borrower or any of its Subsidiaries becomes aware that any of their Intellectual Property are infringed or misappropriated by a third party, the Borrower shall promptly notify the Lenders and the Borrower shall take such actions as the Borrower reasonably deems appropriate under the circumstances to protect such Intellectual Property, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation. Any expense incurred in connection with such activities shall be borne solely by the Borrower and its Subsidiaries

6.10 Additional Collateral, Etc.

(a) With respect to any Collateral acquired after the Closing Date by any Loan Party as to which the Lender does not have a perfected Lien that is required by the Guarantee and Collateral Agreement (excluding, for the avoidance of doubt, real property), the Borrower will, and will cause each other Loan Party to, promptly: (i) execute and deliver to the Lender such amendments to the Guarantee and Collateral Agreement or such other documents as the Lender deems reasonably necessary or advisable to evidence that such Loan Party is a Guarantor and to grant to the Lender a security interest in such Collateral and (ii) take all actions necessary or advisable in the reasonable opinion of the Lender to grant to the Lender a perfected first priority (except as expressly permitted by Section 7.2) security interest and Lien in such Collateral as required by the Guarantee and Collateral Agreement or any other Security Document, including (if applicable) the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or taking any other action as reasonably requested by the Lender.

(b) With respect to any fee interest in any real property acquired after the Closing Date by any Loan Party with an individual fair market value in excess of $250,000, promptly (and in any event within sixty (60) days of such acquisition or such longer period as approved by the Lender in its reasonable discretion): (i) execute and deliver a first priority Mortgage in the maximum principal amount of the purchase price of such real property in jurisdictions that impose mortgage recording taxes (or such other amount as shall be reasonably specified by the Lender in jurisdictions that do not impose mortgage recording taxes), in favor of the Lender covering such real property, (ii) if requested by the Lender, provide the Lender with (1) title and extended coverage insurance (with such customary endorsements, coinsurance and reinsurance as the Lender may reasonably request) covering such real property, paid for by the Borrower and issued by a nationally recognized title insurance company, in an amount equal to the purchase price of such real property, (2) a current ALTA/NSPS survey thereof, paid for by the Borrower and in each case, including all improvements, easements and other customary matters thereon reasonably required by the Lender, together with a surveyor's certificate and complying in all material respects with the minimum detail requirements of the American Land Title Association and National Society of Professional Surveyors as such requirements are in effect on the date of preparation of such survey, or an existing survey, in each case, sufficient for such title insurance company to remove all standard survey exceptions from the title insurance policy relating to such real property and issue the customary survey related endorsements or otherwise reasonably acceptable to the Lender, (3) flood insurance determination certificates, and if applicable, evidence that the applicable Loan Party has obtained flood insurance covering such property in an amount required for the Lender to be in compliance with the National Flood Insurance Act of 1968 and (4) such other documents as the Lender may reasonably request that are in the Borrower's possession with respect to any such real property, and (iii) if requested by the Lender, deliver to the Lender legal opinions relating to such Mortgage, which opinions shall be in form and substance reasonably satisfactory to the Lender.

(c) With respect to any new direct or indirect Subsidiary that is created or acquired after the Closing Date by any Loan Party, promptly (and in any event within thirty (30) days or such longer period as approved by the Lender in its sole discretion): (i) execute and deliver to the Lender such supplements, joinders or amendments to the applicable Security Documents as the Lender deems reasonably necessary or advisable to grant to the Lender a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned directly or indirectly

by such Loan Party, (ii) deliver to the Lender such documents and instruments as may be required to grant, perfect, protect and ensure the priority of such security interest, including but not limited to, the certificates, if any, representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Loan Party, any Control Agreement with respect to each Deposit Account or Securities Account (other than, in each case, Excluded Accounts), and any Security Document (or any amendment, supplement or modification thereof) with respect to Intellectual Property (other than Excluded Assets), (iii) cause such new Subsidiary or any Subsidiary formed for the purpose of acquiring any such Subsidiary (A) to become a party to the Guarantee and Collateral Agreement and other applicable Security Documents, (B) to take such actions as are reasonably necessary or advisable in the opinion of the Lender to grant to the Lender a perfected first priority security interest (subject to Liens permitted hereunder) in the Collateral described in the Guarantee and Collateral Agreement or such other Security Documents, with respect to such Subsidiary, including the filing of UCC financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or as may be reasonably requested by the Lender and (C) to deliver to the Lender a customary certificate of such Subsidiary, in a form reasonably satisfactory to the Lender, with appropriate insertions and attachments, and (iv) if requested by the Lender, deliver to the Lender legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Lender.

Notwithstanding the foregoing, (i) other than the Collateral in which a Lien was previously granted or required to be granted by the Loan Parties, or the guarantees provided by the Loan Parties, in each case, on the Closing Date or pursuant to Section 5.2, the Loan Parties shall not be required to deliver any Collateral or perfect the Lender's security interest with respect to any Collateral (except to the extent perfection can be accomplished by filing UCC financing statements) or provide any guarantee of the Obligations, in each case, if the cost of delivering or perfecting the lien in such Collateral or of providing such guarantee exceeds the benefit to the Lender (which shall take into account any adverse tax consequences suffered or expected to be suffered by the Borrower or any Loan Party as a result thereof), in each case, as reasonably determined by the Lender, and (ii) other than the Collateral in which a Lien was previously granted or required to be granted by the Loan Parties, or the guarantees provided by the Loan Parties, in each case, on the Closing Date or pursuant to Section 5.2, no such Liens or guarantees shall be required to be provided by any Subsidiary in any case in which (or, if applicable, to the extent that) the provision of such Lien or guarantee would violate applicable law, in each case, as reasonably determined by the Lender.

6.11 Material Contracts. Except where the failure to do so, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, each Loan Party shall, and shall cause each of its Subsidiaries to perform and observe all the terms and provisions of each Material Contract to which it is a party or any of its property is bound.

6.12 Use of Proceeds. Use the proceeds of the Term Loans only for the purposes specified in Section 4.16.

6.13 Anti-Corruption Laws; Anti-Terrorism Laws; Export/Import Controls; Sanctions.

(a) Conduct its business, and cause each of its Subsidiaries to conduct its business, in compliance with all Anti-Corruption Laws, Anti-Terrorism Laws, Export/Import Controls and Sanctions, and maintain and enforce policies and procedures designed to ensure compliance with such laws. The Borrower shall deliver to the Lender any certificate or other evidence reasonably requested from time to time by the Lender confirming the Borrower's compliance with this Section 6.13(a) and Section 7.21.

(b) Provide prompt written notice to the Lender upon the occurrence of a Reportable Compliance Event.

6.14 Further Assurances. Execute any further instruments and take such further action as the Lender reasonably deems necessary to perfect, protect, ensure the priority of or continue the Lender's Lien on the Collateral as required under the Loan Documents or to effect the purposes of this Agreement.

6.15 Collateral Access Agreement. Within ninety (90) days following the Closing Date, as such deadline may be extended by the Lender in its reasonable discretion, the Borrower shall use commercially reasonable efforts to cause to be delivered to the Lender, a Collateral Access Agreement with respect to the location designated as the corporate headquarters of the Borrower.

6.16 Cash Management. Each Loan Party shall enter into, within the time periods specified within Schedule 5.2, a Control Agreement with respect to each of its Deposit Accounts and Securities Accounts as of the Closing Date (other than Excluded Accounts), unless such account is closed during such period.

6.17 Corporate Governance and Confidentiality. Comply with the requirements set forth on Schedule 6.17.

6.18 CARES Act. (i) Comply in all material respects with the terms of the PPP Loan Documents and the CARES Act; and (ii) maintain all records in reasonable detail with respect to the PPP Loans.

6.19 Holding Company Structure. Within twelve (12) months following the Closing Date, as such deadline may be extended by the Lender in its reasonable discretion, and which requirement may be waived by the Lender in its sole discretion, (i) the Borrower shall create, or cause to be created, a holding company structure reasonably satisfactory to the Lender, (ii) execute and deliver to the Lender such supplements, joinders or amendments to the applicable Loan Documents (including this Agreement) as the Lender deems reasonably necessary or advisable to establish such structure and to grant to the Lender a perfected first priority security interest in the assets of any new holding company and the Capital Stock and assets of any new Subsidiary, as the case may be, (iii) deliver to the Lender such documents and instruments as may be required to establish such structure and to grant, perfect, protect and ensure the priority of such security interest, including but not limited to, the certificates, if any, representing such assets and Capital Stock, as the case may be, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Loan Party, any Control Agreement with respect to each Deposit Account or Securities Account (other than, in each case, Excluded Accounts), and any Security Document (or any amendment, supplement or modification thereof) with respect to Intellectual Property (other than Excluded Assets), (iv) cause such new holding company or Subsidiary, as the case may be, (A) to become a party to this Agreement, the Guarantee and Collateral Agreement and other applicable Security Documents, as the case may be, (B) to take such actions as are reasonably necessary or advisable in the opinion of the Lender to establish such structure and to grant to the Lender a perfected first priority security interest (subject to Liens permitted hereunder) in the Collateral described in the Guarantee and Collateral Agreement or such other Security Documents, with respect to such holding company or Subsidiary, as the case may be, including the filing of UCC financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or as may be reasonably requested by the Lender and (C) to deliver to the Lender a customary certificate of such holding company or Subsidiary, as the case may be, in a form reasonably satisfactory to the Lender, with appropriate insertions and attachments, and (v) if requested by the Lender, deliver to the Lender legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Lender. In order to finance the direct costs associated with the transactions described in this Section 6.19, the Lender and the Borrower will negotiate and enter into documentation in order to establish an incremental loan under this Agreement on substantially the same terms as the Tranche A Term Loan and which shall bear interest at a rate *per annum* equal to the Interest Rate, subject to a cap of $100,000 (or such greater amount as the Lender may agree in its sole discretion), and which for the sake of clarity, no additional warrant for the purchase of Capital Stock of the Company shall be issued.

SECTION 7
NEGATIVE COVENANTS

The Borrower hereby agrees that, at all times prior to the Discharge of Obligations, the Borrower shall not, nor shall the Borrower permit any Subsidiary of the Borrower, to, directly or indirectly:

7.1 Indebtedness. Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document;

(b) (i) Indebtedness of any Loan Party owing to any other Loan Party, (ii) Indebtedness of any non-Loan Party owing to any other non-Loan Party and (iii) Indebtedness of any Loan Party owing to any non-Loan Party; provided that any Indebtedness under this clause (iii) (A) may not exceed an aggregate amount (together with any outstanding Investments permitted under Section 7.6(c)(iii)) of $250,000 at any time outstanding, (B) must be permitted under Section 7.6(c)(iii) and (C) shall be subject to the Intercompany Note;

(c) Indebtedness outstanding on, and in the amounts outstanding as of, the date hereof and listed on Schedule 7.1(c);

(d) other Indebtedness that is acceptable to the Lender in its sole discretion;

(e) Guarantee Obligations of Indebtedness otherwise permitted under this Section 7.1; provided that (i) any such Guarantee Obligations must be permitted by Section 7.6(c) and (ii) any such Guarantee Obligations shall be subordinated to the Obligations on the same terms as the Indebtedness so guaranteed;

(f) Indebtedness arising under Cash Management Services and other Indebtedness in respect of netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and other cash management and similar arrangements in the ordinary course of business and any Guarantees thereof or the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

(g) Indebtedness in an aggregate principal amount not to exceed $250,000 at any time outstanding in respect of performance letters of credit, bank guarantees, supporting obligations, bankers' acceptances, performance bonds, surety bonds, statutory bonds, appeal bonds, warehouse receipts or similar instruments issued or created in the ordinary course of business, including in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims; provided that any reimbursement obligations in respect thereof are reimbursed within five (5) Business Days following the due date thereof;

(h) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to Borrower or any of its Subsidiaries, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year;

(i) unsecured Indebtedness to trade creditors incurred in the ordinary course of business; and

(j) other Indebtedness, to the extent not for borrowed money, in an aggregate amount not to exceed the Flex Cap.

7.2 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens in existence on the date hereof listed on Schedule 7.2(a); provided that (i) no such Lien is spread to cover any additional property after the Closing Date, (ii) the amount of Indebtedness secured or benefitted thereby is not increased (except as permitted pursuant to Section 7.1), (iii) the direct or any contingent obligor with respect thereto is not changed, and (iv) any renewal or extension of the obligations secured thereby is permitted by Section 7.1;

(b) Liens created pursuant to the Security Documents;

(c) Liens for taxes, fees, assessments, or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings, in any case, not to exceed $250,000 in the aggregate at any time;

(d) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(e) leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting the Lender a security interest therein;

(f) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(g) Liens, deposits and pledges to secure performance of bids, tenders, contracts (other than contracts for the payment of money), public or statutory obligations, surety, stay, appeal, indemnity, performance or other similar bonds or other similar obligations arising in the ordinary course of business not to exceed $250,000 in the aggregate at any time ;

(h) Liens arising from the filing of any precautionary financing statement on operating leases covering the leased property, to the extent such operating leases are permitted under this Agreement; and

(i) customary Liens of any bank in connection with statutory, common law and contractual rights of setoff and recoupment with respect to any Deposit Account or Securities Account of Borrower in the ordinary course of business, provided that the Lender has a first priority perfected security interest in such account;

(j) other Liens that are acceptable to the Lender in its sole discretion; and

(k) other Liens, to the extent not for borrowed money, in an aggregate amount not to exceed the Flex Cap.

7.3 Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), Dispose of all or substantially all of its property or business, or form any new Subsidiary except that:

(a) (i) any Loan Party may be merged, amalgamated or consolidated with or into another Loan Party (provided that if such transaction involves the Borrower, the Borrower is the surviving entity); and (ii) any Subsidiary that is not a Loan Party may be merged, amalgamated or consolidated with or into a Loan Party (provided that a Loan Party is the surviving entity);

(b) any Subsidiary of the Borrower may Dispose of any or all of its assets pursuant to any liquidation, dissolution or other transaction that results in the assets of such Subsidiary being transferred to the Borrower or any other Loan Party; and

(c) any Subsidiary of the Borrower may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower or such Subsidiary and is not disadvantageous to the Lender; provided that the assets of such Subsidiary shall be contributed to or assumed by a Loan Party.

7.4 Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary of the Borrower, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(a) Dispositions of obsolete, surplus or worn-out property in the ordinary course of business;

(b) Dispositions of Inventory in the ordinary course of business;

(c) Dispositions permitted by Section 7.3;

(d) Dispositions of property (i) by any Loan Party to any other Loan Party, (ii) by any non-Loan Party to any other non-Loan Party, and (iii) by any non-Loan Party to any Loan Party;

(e) Dispositions of property subject to a Casualty Event;

(f) to the extent constituting a Disposition, Restricted Payments permitted by Section 7.5, Investments permitted by Section 7.6 (other than Section 7.6(b)) and Liens permitted by Section 7.2; provided that the

consideration received in connection with such Disposition shall be in an amount at least equal to the fair market value thereof (as reasonably determined by the Borrower in good faith);

(g) Dispositions of non-exclusive licenses and similar arrangements for the use of the property of any Loan Party or its Subsidiaries in the ordinary course of business;

(h) Dispositions constituting any Loan Party's use or transfer of cash or Cash Equivalents in the ordinary course of business; and

(i) Dispositions that are acceptable to the Lender in its sole discretion.

7.5 Restricted Payments. Make any payment or prepayment of principal of, premium, if any, or redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to, any Junior Indebtedness, make any prepayment of principal of, premium, if any, or redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to, any other Indebtedness prior to stated maturity, declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of the Borrower or any of its Subsidiaries, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Borrower or any of its Subsidiaries, or make any payment of management, consulting, monitoring, advisory or similar fees to any board member or holder of any Capital Stock or other equity interest of the Borrower or any Subsidiary or any Affiliate of any such board member or holder (collectively, "***Restricted Payments***"), except that:

(a) any Subsidiary may make Restricted Payments to any Loan Party; and

(b) the Borrower and its Subsidiaries may make Restricted Payments that are otherwise acceptable to the Lender in its sole discretion.

7.6 Investments. Make any advance, loan, extension of credit (by way of guarantee or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting all or a substantial portion of a business unit of, or make any other investment in, any Person (all of the foregoing, "***Investments***"), except:

(a) Investments in cash and Cash Equivalents;

(b) Guarantee Obligations permitted by Section 7.1;

(c) (i) intercompany Investments into a Loan Party made after the Closing Date by any Group Member, (ii) any Subsidiary which is not a Loan Party may make intercompany Investments in any Subsidiary which is not a Loan Party and (iii) any Loan Party may make intercompany Investments in (or for the benefit of) any Subsidiary which is not a Loan Party in an aggregate amount (together with any outstanding Indebtedness permitted under Section 7.1(b)(iii)) not to exceed $250,000 at any time outstanding (to the extent such Investments are in the form of unsecured intercompany loans and advances referred to in preceding clauses (i) through (iii), collectively, the "***Intercompany Loans***"); provided that, with respect to clause (iii), such Intercompany Loans in the form of an intercompany loan shall be evidenced by the Intercompany Note and pledged in favor of the Lender as Collateral;

(d) Investments existing on the Closing Date and set forth on Schedule 7.6(d); provided that the amount of the Investments described on such Schedule is not increased (except as otherwise permitted pursuant to Section 7.6 other than this Section 7.6(d));

(e) to the extent constituting an Investment, transactions permitted by Section 7.3, Dispositions permitted by Section 7.4, Restricted Payments permitted by Section 7.5, and Sale Leaseback Transactions permitted by Section 7.10;

(f) Investments consisting of endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of any Loan Party;

(g) Investments consisting of Deposit Accounts and Security Accounts in which the Lender has a first priority perfected security interest;

(h) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

(i) other Investments that are acceptable to the Lender in its sole discretion; and

(j) other Investments, not exceeding the Flex Cap in an aggregate principal amount outstanding at any time.

7.7 ERISA. The Borrower shall not, and shall not permit any Group Member or any ERISA Affiliate to, enter into any new Pension Plan or modify any existing Pension Plan so as to increase its obligations thereunder, in each case, which could reasonably be expected to result in a Material Adverse Effect.

7.8 Preferred Stock. Issue any Preferred Stock other than Preferred Stock acceptable to the Lender in its sole discretion.

7.9 Transactions with Affiliates. Enter into any transaction or series of related transactions involving aggregate payments or consideration for all such transactions in excess of $250,000, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than transactions solely among Loan Parties or transactions existing on the Closing Date and set forth on Schedule 7.9); provided that, the Borrower shall deliver to the Lender a resolution adopted by the majority of the disinterested members of the Borrower Board with respect to any such transaction or series of related transactions, without regard to the amount of the aggregate payments or consideration; provided, further, that notwithstanding anything to the contrary herein, the Borrower shall not, nor shall the Borrower permit any Subsidiary of the Borrower, to, directly or indirectly, transfer any assets that are material to the business of the Borrower or any of its Subsidiaries (including, without limitation, any Intellectual Property that is material to the business of the Borrower or any of its Subsidiaries) to any Affiliate that is not a Loan Party.

7.10 Sale Leaseback Transactions. Enter into any Sale Leaseback Transaction other than Sale Leaseback Transactions acceptable to the Lender in its sole discretion.

7.11 Cash Transfers. Transfer any cash from a Deposit Account subject to a first priority perfected security interest in favor of the Lender to any Deposit Account or Securities Account not subject to a first priority perfected security interest in favor of the Lender.

7.12 Accounting Changes. Make any Accounting Changes or any other change in its accounting policies or reporting practices, except as required by GAAP; provided that such Accounting Changes or other change could not reasonably be expected to be materially disadvantageous to the Lender, or make any change to its fiscal year without the prior written consent of the Lender.

7.13 Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Loan Party to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, to secure its Obligations under the Loan Documents to which it is a party, other than (a) this Agreement and the other Loan Documents, (b) customary restrictions on the assignment of leases, licenses and other agreements, (c) any restriction pursuant to any document, agreement or instrument governing or relating to any Lien permitted under Section 7.2(a) or any agreement or option to Dispose of

any asset of any Group Member, the Disposition of which is permitted by any other provision of this Agreement (in each case, provided that any such restriction relates only to the assets or property subject to such Lien or being Disposed), or (d) restrictions existing under Requirements of Law.

7.14 Clauses Restricting Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Borrower to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or to pay any Indebtedness owed to, any other Group Member, (b) make loans or advances to, or other Investments in, any other Group Member, or (c) transfer any of its assets to any other Group Member, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with a Disposition permitted hereby of all or substantially all of the Capital Stock or assets of such Subsidiary or a Disposition that is conditioned on the Discharge of Obligations, (iii) customary restrictions on the assignment of leases, licenses and other agreements or (iv) consisting of restrictions existing under Requirements of Law.

7.15 Lines of Business. Enter into any line of business, either directly or through any Subsidiary, except for the Core Business.

7.16 Designation of Other Indebtedness. Designate any Indebtedness or obligations other than the Obligations as "Senior Indebtedness" or a similar concept thereto, if applicable.

7.17 Amendments to Organizational Agreements and Material Contracts; Amendments to Indebtedness. Amend or permit any amendments to (i) any Loan Party's organizational documents or any Material Contract, to the extent such amendment could reasonably be expected to be materially disadvantageous to the Lender or (ii) any documents evidencing any Indebtedness of the Borrower or any of its Subsidiaries.

7.18 Use of Proceeds. Use, lend, or otherwise make available to any Subsidiary, joint venture partner or other Person, the proceeds of the Term Loans hereunder, whether directly or indirectly, and whether immediately, incidentally or ultimately, (a) to purchase or carry margin stock (within the meaning of Regulation U) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case, in violation of Regulation T, U or X; or (b)(i) to fund any activities or business of or with any Designated Person or Designated Jurisdiction, or (ii) in any manner that would result in a violation of (x) Sanctions by any Person or (y) Anti-Corruption Laws, Anti-Terrorism Laws or Export/Import Controls by any individual or entity participating in the transaction, whether as the Lender, or otherwise.

7.19 Anti-Terrorism Laws. Conduct, deal in or engage in or permit any Affiliate or agent of any Loan Party within its control to conduct, deal in or engage in any of the following activities: (a) conduct any business or engage in any transaction or dealing with any Designated Person, including the making or receiving any contribution of funds, goods or services to or for the benefit of any Designated Person; (b) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to any Anti-Terrorism Laws; or (c) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Anti-Terrorism Laws.

7.20 Financial Covenants.

(a) Minimum Qualified Cash. Permit Qualified Cash, at any time, to be less than $500,000.

(b) Minimum Shipments and Associated Revenue and Accounts Receivable. Permit the actual amount of contracted units and associated revenue and accounts receivable for the applicable fiscal quarter to be less than 80% of the amount as forecasted in the Distribution Agreement.

SECTION 8
EVENTS OF DEFAULT

8.1 Events of Default. The occurrence of any of the following shall constitute an Event of Default:

(a) the Borrower shall fail to pay any amount of principal of any Term Loan when due in accordance with the terms hereof; or the Borrower shall fail to pay any amount of interest on any Term Loan, or any other amount payable hereunder or under any other Loan Document, within two (2) Business Days after such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate or other document furnished by it at any time under or in connection with this Agreement or any such other Loan Document (i) if qualified by materiality, shall be incorrect or misleading when made or deemed made, or (ii) if not qualified by materiality, shall be incorrect or misleading in any material respect when made or deemed made; or

(c) any Loan Party shall default in the observance or performance of any agreement contained in Section 5.2, Section 6.1, Section 6.2(a), Section 6.4(a)(i) (with respect to the Borrower only), Section 6.5(b), Section 6.7(a), Section 6.12, Section 6.13, Section 6.15, Section 6.16, Section 6.17, Section 6.18, Section 6.19 or Section 7 of this Agreement; or

(d) any Loan Party shall default in the observance or performance of any other obligation, covenant or agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of five (5) days thereafter; or

(e) any Group Member shall (A) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Term Loans and other Obligations) on the scheduled or original due date with respect thereto (taking into account all applicable extension periods); (B) default in making any payment of any interest, fees, costs or expenses on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (C) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, beyond the period of grace, if any, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or permit the holder thereof to cause, such Indebtedness to become or declared due and payable prior to its stated maturity; provided that, a default, event or condition described in clauses (A), (B) or (C) of this Section 8.1(e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in any of clauses (A), (B), or (C) of this Section 8.1(e) shall have occurred with respect to Indebtedness, the outstanding principal amount of which, individually or in the aggregate for all such Indebtedness, exceeds $250,000; or

(f) (i) any Group Member shall commence any case, proceeding or other action (a) under any Debtor Relief Law seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (b) seeking appointment of a receiver, receiver and manager, interim receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Group Member shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Group Member any case, proceeding or other action of a nature referred to in clause (i) above that (x) results in the entry of an order for relief or any such adjudication or appointment or (y) remains undismissed, undischarged or unbonded for a period of thirty (30) days; or (iii) there shall be commenced against any Group Member any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within thirty (30) days from the entry thereof; or (iv) any Group Member shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Group Member shall not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) there shall occur one or more ERISA Events and/or Foreign Plan Events, in either case, which individually or in the aggregate have a Material Adverse Effect, or (ii) any Loan Party shall become a "benefit plan investor" within the meaning of Section 3(42) of ERISA and/or become an entity whose assets are deemed to include "plan assets" within the meaning of Section 3(42) of ERISA or any applicable similar law; or

(h) there is entered against (i) any Group Member one or more final judgments or orders for the payment of money involving in the aggregate a liability (not paid or fully covered by insurance (subject to any applicable deductible) or indemnity as to which the relevant insurance company or indemnifying party, as applicable, to the reasonable satisfaction of the Lender as it relates to such indemnity, has not disputed or otherwise contested in writing such insurance coverage or indemnification obligation, as applicable) of $250,000 or more; or (ii) any Group Member one or more non-monetary final judgments that have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) all such judgments or decrees shall not have been satisfied, vacated, discharged, stayed or bonded pending appeal within thirty (30) days from the entry thereof; or

(i) any of the Security Documents shall cease, for any reason, to be in full force and effect (other than pursuant to the terms thereof), or any Loan Party shall so assert in writing, or any Lien created by any of the Security Documents shall cease to be enforceable over a significant portion of the Collateral and of the same effect and priority purported to be created thereby; or

(j) any court order enjoins, restrains or prevents the Loan Parties and other Group Members, taken as a whole, from conducting all or any material part of their business, and such court order shall not have been vacated, discharged, stayed or bonded pending appeal within thirty (30) days from the entry thereof; or

(k) the guarantee contained in Section 2 of the Guarantee and Collateral Agreement shall cease, for any reason, to be in full force and effect (other than pursuant to the terms thereof) or any Loan Party shall so assert in writing; or

(l) a Change of Control shall occur; or

(m) any Loan Party or any Subsidiary shall cease conducting any material part of its business operations by virtue of any casualty, any labor unrest or any injunction or other prohibition imposed by any Governmental Authority, for any period of thirty (30) consecutive days and the same results in a Material Adverse Effect (after taking into account any business interruption insurance proceeds received by the Loan Parties and their Subsidiaries in connection therewith); or

(n) (i) any Loan Party defaults under any Material Contract, or (ii) any Material Contract shall, in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of each party thereto, or any Loan Party shall, directly or indirectly, contest or limit in any manner such effectiveness, validity, binding nature or enforceability, and, in each of the foregoing sub-clauses (i) and (ii), such default or such cessation, as applicable, either individually or in the aggregate, results in a Material Adverse Effect or (iii) any party to any Material Contract should take an enforcement action or otherwise exercise remedies thereunder against any Loan Party with respect to an amount individually or in the aggregate in excess of $250,000, and such enforcement or such exercise, as applicable, either individually or in the aggregate, results in a Material Adverse Effect, except where such enforcement or such exercise, as applicable is being contested in good faith by appropriate proceedings diligently conducted; or

(o) any Loan Document not otherwise referenced in Section 8.1(i) or (k), at any time after its execution and delivery and for any reason other than (i) as expressly permitted hereunder or thereunder or pursuant to the terms thereof, (ii) as a result of the action or inaction of the Lender or (iii) the Discharge of Obligations, ceases to be in full force and effect; or any Loan Party contests in any manner the validity or enforceability of any such Loan Document; or any Loan Party denies that it has any or any further liability or obligation under any such Loan Document to which it is a party, or purports to revoke, terminate or rescind any such Loan Document; or

(p) (i) the indictment of any senior officer of the Borrower for fraud and such senior officer is not replaced or removed as an officer of the Borrower within five (5) days after such indictment; provided that if such senior officer indicted shall be the chief executive officer or other similar officer with equivalent responsibilities and duties, any such replacement shall be reasonably satisfactory to the Lender, or (ii) the indictment of any Group Member or any senior officer thereof under any criminal statute, or commencement of criminal or civil proceedings against any Group Member or any senior officer thereof, in each case, pursuant to which indictment or proceedings

the Governmental Authority prosecuting the indictment or initiating the proceedings seeks forfeiture of a material portion of the property of the Loan Parties.

8.2 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Lender may take any or all of the following actions:

(a) [reserved];

(b) declare all outstanding Obligations, including, without limitation, the aggregate principal amount of any outstanding amounts of the Term Loans, all interest accrued and unpaid thereon, an amount equal to the Prepayment Premium or the Make-Whole Amount, if any, that would have been due and payable if any Term Loan was prepaid pursuant to Section 2.5 or Section 2.6 on the date of such acceleration and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable; and

(c) exercise all rights and remedies available to it under the Loan Documents or applicable law;

provided that, upon the occurrence of any Event of Default specified in clause (i) or (ii) of Section 8.1(f), all outstanding Obligations, including, without limitation, the aggregate principal amount of any outstanding amounts of the Term Loans, all interest accrued and unpaid thereon, an amount equal to the Prepayment Premium or the Make-Whole Amount that would have been due and payable if any Term Loan was optionally prepaid pursuant to Section 2.5 or mandatorily prepaid pursuant to Section 2.6 on the date of such acceleration and all other amounts owing under this Agreement and the other Loan Documents shall automatically immediately become due and payable.

It is understood and agreed that if any Term Loan is accelerated or otherwise becomes due prior to the Maturity Date, including without limitation as a result of any Event of Default set forth in Section 8.1(f) (including the acceleration of claims by operation of law), the Prepayment Premium or Make-Whole Amount, if any, that would have been payable if any Term Loan was optionally prepaid pursuant to Section 2.5 or mandatorily prepaid pursuant to Section 2.6 on such date of acceleration will also automatically be due and payable and shall constitute part of the Obligations with respect to such Term Loan. In view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of the Lender's lost profits as a result thereof, any such Prepayment Premium or Make-Whole Amount payable shall be presumed to be the liquidated damages sustained by the Lender as the result of the early prepayment and each of the Loan Parties agrees that it is reasonable under the circumstances currently existing. EACH OF THE LOAN PARTIES EXPRESSLY WAIVES (TO THE FULLEST EXTENT IT MAY LAWFULLY DO SO) THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING AMOUNTS IN CONNECTION WITH ANY SUCH ACCELERATION, ANY RESCISSION OF SUCH ACCELERATION OR THE COMMENCEMENT OF ANY PROCEEDING UNDER DEBTOR RELIEF LAWS. Each of the Loan Parties expressly agrees (to the fullest extent it may lawfully do so) that: (A) each of the Prepayment Premium and the Make- Whole Amount is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) each of the Prepayment Premium and the Make-Whole Amount shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between the Lender and the Loan Parties giving specific consideration in this transaction for such agreement to pay such Prepayment Premium and Make-Whole Amount; and (D) the Loan Parties shall be estopped hereafter from claiming differently than as agreed to in this paragraph. Each of the Loan Parties expressly acknowledges that its agreement to pay such Prepayment Premium and Make-Whole Amount to the Lender as herein described is a material inducement to the Lender to enter into this Agreement.

(d) Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

8.3 Application of Funds. After the exercise of remedies provided for in Section 8.2, any amounts received by the Lender on account of the Obligations shall be applied by the Lender in the following order:

First, to the payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest but including any Collateral-Related Expenses, fees, charges and disbursements of counsel to the Lender and amounts payable under Sections 2.12 and 2.13 (including interest thereon)) payable to the Lender;

Second, to payment of that portion of the Obligations constituting the Prepayment Premium and the Make-Whole Amount, if any;

Third, to the payment of that portion of the Obligations constituting accrued and unpaid interest on the Term Loans;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Term Loans;

Fifth, to the payment of all other Obligations of the Loan Parties that are then due and payable to the Lender on such date; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full (excluding, for this purpose, any Obligations which have been cash collateralized in accordance with the terms hereof and any contingent indemnification or reimbursement Obligations), to the Borrower or as otherwise required by law.

SECTION 9
[RESERVED]

SECTION 10
MISCELLANEOUS

10.1 Amendments and Waivers.

(a) Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, restated, amended and restated, supplemented or modified except in accordance with the provisions of this Section 10.1. The Lender, together with each Loan Party party to the relevant Loan Document, may from time to time (x) enter into written amendments, restatements, amendments and restatements, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lender or of the Loan Parties hereunder or thereunder or (y) waive, on such terms and conditions as the Lender may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided that, in either case, any such written amendments, restatements, amendments and restatements, supplements, modifications may be reasonably effected in the form of e-mail.

Any such waiver and any such amendment, restatement, amendment and restatement, supplement or modification shall be binding upon the Loan Parties and the Lender. In the case of any waiver, the Loan Parties and the Lender shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured during the period such waiver is effective; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

10.2 Notices.

(a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by electronic mail), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three (3) Business Days after being deposited in the mail, postage prepaid, or, in the case of electronic mail notice, upon confirmation of delivery, addressed as follows in the case of the Borrower and the Lender, or to such other address as may be hereafter notified by the respective parties hereto:

Borrower: QT Imaging Holdings, Inc.
3 Hamilton Landing, Suite 160, Novato, CA 94949
Dr. Raluca Dinu, Chief Executive Officer
Email: ***

with a copy to (which shall not constitute notice under this Agreement or any other Loan Documents):

DLA Piper LLP (US)
555 Mission Street, Suite 2400
San Francisco, CA 94105-2933
Attn: Jeffrey Selman
Email: ***

Lender: Lynrock Lake Master Fund LP
Attention: Cynthia Paul; Michael Manley; Operations
Email: ***; ***; and ***

with a copy to (which shall not constitute notice under this Agreement or any other Loan Documents):

Akin Gump Strauss Hauer & Feld LLP
Attention: Josh Peary
Email: ***

provided that any notice, request or demand to or upon the Lender shall not be effective until received.

(b) Notices and other communications to the Lender hereunder may be delivered or furnished by electronic communications (including email) pursuant to procedures approved by the Lender; provided that the foregoing shall not apply to notices to the Lender pursuant to Section 2 unless otherwise agreed by the Lender. The Lender or the Borrower may, in their discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless the Lender otherwise prescribes, notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Any party hereto may change its address or email address for notices and other communications hereunder by notice to the other parties hereto.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

10.5 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable, documented out-of-pocket expenses incurred by the Lender (including the reasonable and documented out-of- pocket fees, expenses, charges and disbursements of one counsel for the Lender, one additional local counsel in each jurisdiction and reasonably necessary specialist counsel (and, in the case of an actual or perceived conflict of interest, one additional counsel to the affected Persons, taken as a whole), in connection with the preparation, negotiation, execution, delivery and administration of, and the due diligence related to, this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all reasonable, documented out-of-pocket expenses incurred by the Lender (including the reasonable, documented out-of-pocket fees, expenses, charges and disbursements of any counsel for the Lender) in connection with the enforcement or protection of their rights (A) in connection with this Agreement and the other Loan Documents, including their rights under this Section, or (B) in connection with the Term Loans made or participated in hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans. Counsel for the Lender shall provide the Borrower with summary fee statements that set forth the amount of charges for professional and ancillary services but will not include time entry detail or descriptions. Notwithstanding the foregoing, the aggregate amount of expenses subject to reimbursement under this Section 10.5(a) in connection with the initial closing shall not exceed $100,000.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Lender and each Related Party of the Lender (each such Person being called an "***Indemnitee***") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and documented out-of-pocket fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Materials of Environmental Concern on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. This Section 10.5(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, each Loan Party shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Term Loans or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(d) Payments. All amounts due under this Section shall be payable promptly after demand therefor.

(e) Survival. Each Loan Party's obligations under this Section shall survive the Discharge of Obligations.

10.6 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby provided that:

(i) neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender and (ii) the Lender or any Affiliate thereof may assign or otherwise transfer any of its rights or obligations hereunder to (1) the Lender or any of its Affiliates or (2) with the prior written consent of the Borrower, unless an Event of Default shall have occurred and be continuing at such time, then no such consent of the Borrower shall be required; provided that if Lender requests such consent and Borrower has not responded to such request within 5 days, then such consent shall be deemed to have been given. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, and, to the extent expressly contemplated hereby, for the benefit of the Related Parties of the Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Certain Pledges. The Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of the Lender, including any pledge or assignment to secure obligations to a prime broker; provided that no such pledge or assignment of security interest shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

10.7 Adjustments; Set-off.

(a) Upon the occurrence and during the continuance of any Event of Default, the Lender and each of its Affiliates is hereby authorized at any time and from time to time, without prior notice to the Borrower or any other Loan Party, any such notice being expressly waived by the Borrower and each Loan Party, 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 any currency, at any time held or owing, and any other credits, indebtedness, claims or obligations, in any currency, in each case, whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Lender, its Affiliates or any branch or agency thereof to or for the credit or the account of the Borrower or any other Loan Party, as the case may be, against any and all of the obligations of the Borrower or such other Loan Party now or hereafter existing under this Agreement or any other Loan Document to the Lender or its Affiliates, irrespective of whether or not the Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such other Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of the Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness. The Lender agrees to notify the Borrower in writing promptly after any such setoff and application made by the Lender or any of its Affiliates; provided that the failure to give such notice shall not affect the validity of such setoff and application. The rights of the Lender and its Affiliates under this Section 10.7 are in addition to other rights and remedies (including other rights of set-off) which the Lender or its Affiliates may have.

10.8 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Lender, or the Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Lender in its discretion) to be repaid to a trustee, receiver, interim receiver, receiver and manager, custodian or any other party, in connection with any Insolvency Proceeding or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

10.9 Interest Rate Limitation. 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 (the "***Maximum Rate***"). If the Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest, at the option of the Lender, shall be applied to the principal of the Term Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Lender exceeds the Maximum Rate, such Person 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.

10.10 Counterparts; Electronic Execution.

(a) This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or other electronic mail transmission shall be effective as delivery of a manually executed counterpart hereof.

(b) The words "execution," "signed," "signature," and words of like import in this Agreement or any other Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

10.11 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.12 Integration. This Agreement and the other Loan Documents represent the entire agreement of the Borrower, the other Loan Parties and the Lender with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.13 GOVERNING LAW. THIS AGREEMENT (INCLUDING SECTION 10.14 (*SUBMISSION TO JURISDICTION; WAIVERS*)) AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. This Section 10.13 shall survive the Discharge of Obligations.

10.14 Submission to Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits to the exclusive jurisdiction of the State and Federal courts in the Southern District of the State of New York; and expressly submits and consents in advance to such jurisdiction in any action or suit relating to this Agreement and the other Loan Documents to which it is a party, commenced in any such court or for recognition and enforcement of any judgment in respect thereof, and hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court; provided that nothing in this Agreement shall be deemed to operate to preclude the Lender from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of the Lender;

(b) hereby agrees that service of the summons, complaints, and other process issued in such action or suit may be made by registered or certified mail addressed to the relevant party at the addresses set forth in Section 10.2 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of such party's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid;

(c) WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL; and

(d) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

This Section 10.14 shall survive the Discharge of Obligations.

10.15 Acknowledgements; Public Statements and Use of Name. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) the Lender does not have any fiduciary relationship with or fiduciary duty to the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Lender, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor;

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby between the Borrower and the Lender; and

(d) the Lender or its Affiliates may provide financing or other services to or may have investments in parties whose interests may conflict with the interests of the Loan Parties, and the Lender has no obligation to disclose any of such interests.

The Loan Parties and their Affiliates will consult with the Lender before issuing any press release or making any public statement or filing with respect to the Loan Documents and the transactions contemplated hereby and will provide the Lender and its counsel with a draft of any press release or other public statement or filing at least two (2) days prior to such disclosure, except where advance notice is not permitted by applicable law. The Loan Parties and their Affiliates will in good faith consider comments to, or other modifications of, such disclosure. Notwithstanding anything herein to the contrary, no Loan Party or Affiliate thereof shall use the Lender's name without the Lender's prior written approval, except as required by applicable law.

10.16 Delivery of Information. Notwithstanding anything herein or in any Loan Document to the contrary, if any notice, report or other information required to be furnished pursuant to this Agreement or any other Loan Document contains material non-public information with respect to the Borrower or its Affiliates, or the respective securities of the foregoing ("***MNPI***"), the Borrower shall notify the Lender that the Borrower desires to deliver MNPI to the Lender (any such notice, an "***MNPI Notice***"). The Lender may either (i) refuse the delivery of such MNPI or (ii) direct the delivery of such MNPI to (x) a designee of the Lender (including counsel to the Lender) or (y) the Lender pursuant to procedures acceptable to the Lender. If the Lender elects the option under clause (ii) of the preceding sentence, the Borrower shall promptly deliver to the Lender or its designee, as applicable, the information subject to such MNPI Notice.

10.17 Patriot Act. The Lender hereby notifies the Borrower and each other Loan Party that, pursuant to the provisions of the U.S. Bank Secrecy Act and Patriot Act, the Money Laundering Control Act of 1986, the UK Proceeds of Crime Act 2002, the UK Terrorism Act 2000, and all other laws, rules and regulations of any jurisdiction applicable to the Loan Parties related to terrorist financing or money laundering, including know-your-customer (KYC) and financial recordkeeping and reporting requirements, it may be required to obtain, verify and record information that identifies the Borrower and each other Loan Party, which information includes the names and addresses and other information that will allow the Lender to identify the Borrower and each other Loan Party in accordance with such rules and regulations. The Borrower and each other Loan Party will, and will cause each of its respective Subsidiaries to, provide such information and take such actions as are reasonably requested by the Lender to assist the Lender in maintaining compliance with such applicable rules and regulations.

10.18 Confidentiality. The Lender shall hold all MNPI regarding the Borrower and its Subsidiaries, Affiliates and their businesses identified as such by the Borrower and obtained by the Lender pursuant to the requirements of the Loan Documents in accordance with the Lender's customary procedures for handling confidential information of such nature, it being understood and agreed by the Borrower that, in any event, the Lender may make (i) disclosures of such information to Affiliates of the Lender and to their respective officers, directors, partners, members, employees, legal counsel, independent auditors, leverage facility providers and other advisors, experts or agents who need to know such information and on a confidential basis (and to other Persons authorized by the Lender to organize, present or disseminate such information in connection with disclosures otherwise made in accordance with

this Section 10.18), (ii) disclosures of such information reasonably required by any potential or prospective assignee, transferee or participant in connection with the contemplated assignment, transfer or participation of the Term Loans or any participations therein or by any direct or indirect contractual counterparties (or the professional advisors thereto) to any swap or derivative transaction relating to the Borrower and its obligations (provided that such assignees, transferees, participants, counterparties and advisors are advised of and agree to be bound by either the provisions of this Section 10.18 or other provisions at least as restrictive as this Section 10.18), (iii) disclosure to any rating agency when required by it, provided that, prior to any disclosure, such rating agency shall undertake in writing to preserve the confidentiality of any confidential information relating to Loan Parties received by it from the Lender, (iv) disclosures in connection with the exercise of any remedies hereunder or under any other Loan Document and (v) disclosures made pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, or otherwise as required by applicable law or compulsory legal process (in which case such Person agrees to inform the Borrower promptly thereof to the extent not prohibited by law). In addition, the Lender may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar services providers to the lending industry, and service providers to the Lender in connection with the administration and management of this Agreement and the other Loan Documents.

10.19 Financing Right of First Refusal. Borrower hereby grants to the Lender a right of first refusal to provide up to twenty-five percent (25%) of any Additional Financing to be issued by the Borrower or its Subsidiaries, subject to the following terms and conditions. From and after the Closing Date, prior to the incurrence of any additional indebtedness and/or the sale or issuance of any Capital Stock of the Borrower or its Subsidiaries (an "***Additional Financing***"), the Borrower and/or any Subsidiary of the Borrower, as the case may be, shall notify the Lender of its intention to enter into such Additional Financing. In connection therewith, the Borrower and/or applicable Subsidiary thereof shall submit a fully executed term sheet (a "***Proposed Term Sheet***") to the Lender setting forth the terms, conditions and pricing of such Additional Financing (such financing to be negotiated on "arm's length" terms and the terms thereof to be negotiated in good faith) proposed to be entered into by the Borrower and/or applicable Subsidiary. The Lender shall have the right, but not the obligation, to participate in such Additional Financing for up to twenty-five percent (25%) of the aggregate principal amount on the same terms and conditions as those offered to the Borrower and its Subsidiary in the Proposed Term Sheet. The Lender shall deliver its notice of participation to the Borrower within ten (10) Business Days of receipt of such Proposed Term Sheet.

[*Remainder of page left blank intentionally*]

IN WITNESS WHEREOF, this Agreement and all documents executed in connection therewith, or relating thereto, have been negotiated, prepared and deemed to be duly executed by the Borrower in the United States of America. In addition, this Agreement is being executed as an instrument under the laws of the State of New York and delivered by their proper and duly authorized officers as of the day and year first above written.

THE BORROWER:

QT IMAGING HOLDINGS, INC.

By: /s/Dr. Raluca Dinu
Name: Dr. Raluca Dinu
Title: Chief Executive Officer

[Signature Page to Credit Agreement]

THE LENDER:

LYNROCK LAKE MASTER FUND LP
By: Lynrock Lake Partners LLC, its general partner

By: /s/Cynthia Paul
Name: Cynthia Paul
Title: Member

[Signature Page to Credit Agreement]

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the
Securities Exchange Act of 1934
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Dr. Raluca Dinu, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 of QT Imaging Holdings, 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 ineffectiveness 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 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 officers 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:

    (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 controls over financial reporting.

Date: May 13, 2026

By: /s/ Dr. Raluca Dinu

Dr. Raluca Dinu
Chief Executive Officer, President and Secretary
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the
Securities Exchange Act of 1934
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Jay Jennings, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 of QT Imaging Holdings, 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 ineffectiveness 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 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 officers 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:

    (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 controls over financial reporting.

Date: May 13, 2026

By: /s/ Jay Jennings

Jay Jennings
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report on Form 10-Q of QT Imaging Holdings, Inc. (the "Company") for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission (the "Report"), I, Raluca Dinu, Chief Executive Officer of the Company, hereby 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, as amended; 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: May 13, 2026

By: /s/ Dr. Raluca Dinu
Dr. Raluca Dinu
Chief Executive Officer, President and Secretary
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report on Form 10-Q of QT Imaging Holdings, Inc. (the "Company") for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission (the "Report"), I, Jay Jennings, Chief Financial Officer of the Company, hereby 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, as amended; 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: May 13, 2026

By: /s/ Jay Jennings
Jay Jennings
Chief Financial Officer
(Principal Financial and Accounting Officer)